Japan Research Institute
JRI Research Journal
https://www.jri.co.jp/en

Vol.5 No.14
December 21, 2022

Issues and Challenges of Home-Visit Long-term Care Service Providers in Japan

—Toward the expansion of business scale —

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〈Summary〉

◆ The number of elderly people dying at home is expected to double to about 350,000 in 2040, further boosting the demand for home care services. The number of home-visit long-term care service (home-help service) offices and workers has tripled since the Public Long-term Care Insurance System started in 2000, but the majority of these offices are still small. There are two factors behind this: low barriers to entry and the individuality of the service.

◆ A smaller size of service provider offices results in higher adjustment costs and lower management functions. The burden of communication and coordination arises when a user is forced to use multiple offices because their needs cannot be met by one service provider. Small business offices are burdened with management tasks such as appropriate treatment and training based on competency assessments, countermeasures against risks such as natural disasters and infectious diseases, and the prevention of abuse and harassment, while the introduction of ICT and improvement of operational efficiency are lagging behind. Against this backdrop, small-scale establishments face high employee turnover and problems with business continuity.

◆ The target for a home-visit long-term care business to maintain stable operations on a stand-alone basis is 90 users and monthly sales of 3.5 million yen. Currently, only 3.8% of all home-visit long-term care offices have more than 100 users. Simply assuming one service provider office per 90 users, the total number of appropriate offices is calculated to be approximately 11,500, and in that case, the number of employees per office would be 48, including 17 full-time and 31 part-time employees. Excluding those that provide home-visit long-term care services as an adjunct to other facilities, there are currently approximately 20,000 home-visit long-term care service provider offices nationwide, and consolidation and integration of these

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offices will be necessary.

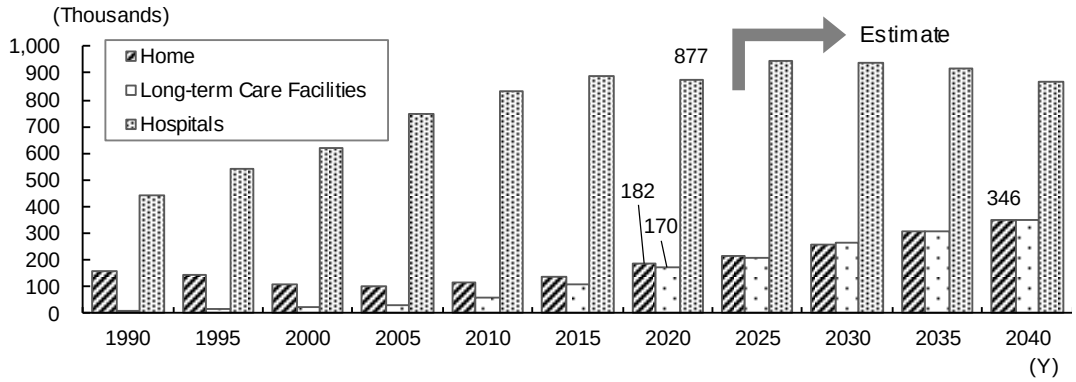
To consolidate and integrate home-visit long-term care service provider offices, there are measures to be taken on the supply side and the demand site. Firstly, for newly entering service providers, prefectures should require them to submit a business continuity plan (BCP) at the time of application for designation as a Public Long-term Care Insurance service provider, to encourage them to consider whether or not they can operate stably. Prior to designation, there should be more opportunities for consultation between prefectures and municipalities, and designation should be made after considering the service delivery system and the allocation of care resources. Secondly, for existing service providers, Public Long-term Care Insurance Service Fees can be designed to offer incentives for cooperation with other service providers. Mitigating re-commission of service may encourage them to substantially increase the scale of their management. Thirdly, on the demand side, it is difficult to expect selection and consolidation of service providers by user choice, because of the supply-demand balance and information asymmetry. However, a considerable percentage of home-visit long-term care services are now provided to residents of serviced senior housing, and the concentration of users living close to service provider offices is expected to contribute to the expansion of the scale of business. As the working-age population continues to decline and the supply constraints become more severe, it is necessary to consider the realistic option for users to relocate within their own neighborhoods closer to the service provider offices.

The establishment of the Public Long-term Care Insurance System has advanced the socialization of long-term care in which society as a whole takes care of the elderly in place of the family. However, if the necessary services are not available due to a shortage of supply, the situation could be reversed. Early withdrawal from the labor market due to parental caregiving would be a great loss for our country, whose working-age population is shrinking. In order to provide services effectively and efficiently with fewer workers, it is important that service provider offices are consolidated to a size that allows them to operate stably.

1. Introduction

The elderly population in Japan is estimated to peak at 39.2 million in 2040. Taking into account the availability of hospitals and long-term care facilities, the number of elderly people who will spend their final days at home in 2040 is expected to nearly 350,000, about twice the current number (Figure 1). With the increase in the lifetime unmarried rate, the number of childless people aged 50 and over is expected to exceed eight million in 2020, and the number is expected to continue to increase (Table 1). For the elderly who need help in their daily lives but cannot expect support from their relatives, home-visit long-term care services play a key role in supporting their lives at home.

Figure 1. Place of Death of People Aged 65 and Over



Source: Estimated by the Japan Research Institute, based on Ministry of Health, Labour and Welfare" Vital Statistics," National Institute of Population and Social Security Research "Population Projections for Japan: 2016 to 2065"

Table 1. Percentage of People without Children (Ages 50 and Over, 2020)

	Population of Ages 50 and Over			Percentage of Those without Children (Hypothetical)			Population of Those without Children (Estimated)		
		Men	Women		Men	Women		Men	Women
Total	58,940,328	27,080,160	31,860,168	*13.6%*	*16.2%*	*11.4%*	8,005,456	4,376,817	3,628,639
Never Married	5,665,271	3,379,681	2,285,590	*99.4%*	*99.8%*	*98.8%*	5,631,171	3,373,269	2,257,902
Married	39,916,076	20,561,453	19,354,623	*3.2%*	*3.2%*	*3.2%*	1,277,314	657,967	619,348
Widowed	9,319,092	1,605,657	7,713,436	*3.7%*	*3.7%*	*3.7%*	341,511	58,842	282,670
Divorced	4,039,889	1,533,369	2,506,519	*18.7%*	*18.7%*	*18.7%*	755,459	286,740	468,719
Divorced (case 2)		1,533,369			*59.4%*			910,055	
Assuming half of divorced men with children are disconnected from their children:								+ 623,315	

Source: Estimated by the Japan Research Institute, based on Statistics Bureau "Population Census," "Vital Statistics," National Institute of Population and Social Security Research "Population Projection for Japan: 2016-2065 (April 2017)"

Note 1: The proportion of never-married persons with children was assumed to be the "number of single-mother/parent households with children under 20 years old" divided by the number of never-married mothers and fathers aged 15-59. The proportion of married couples without children was assumed to be the average of the proportion of couples with zero complete births in the 1982-2002 Fertility Trends Survey. The proportion of widow(er)ed persons with children was assumed to be 0.48% lower than that of married couples. This is based on the assumption that births are completed by age 49 and based on widow(er)ed divided by married couples in the 15-49 age group. The percentage of divorced persons with children was calculated based on the average of the composition of divorces by length of cohabitation from 2000 to 2019 and the number of children by duration of marriage according to the 15th Fertility Trends Survey.

Note 2: The figure was calculated as a reference because divorced men are likely to be disconnected to children, even if they have children.

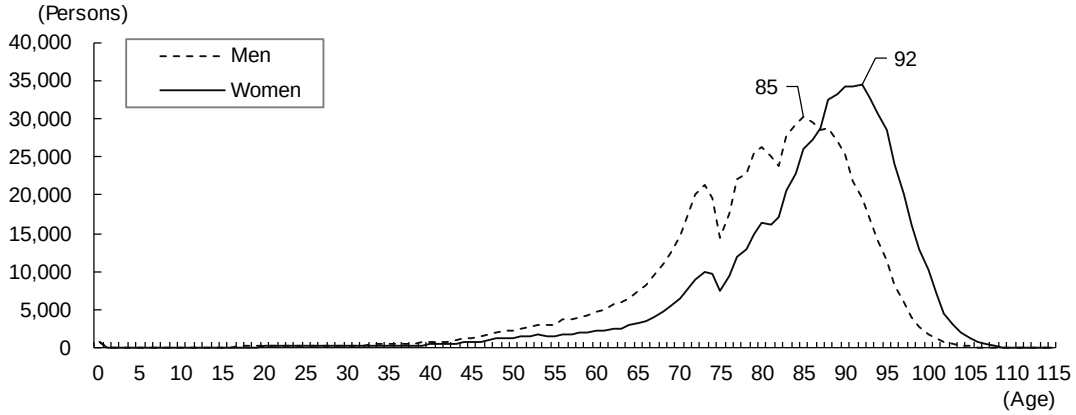
However, the majority of home-visit long-term care providers offices are small, making it difficult for them to deal with crisis management and improve operational efficiency, and they face many challenges in terms of human resource management. This article examines measures to overcome these challenges and ensure the provision of services to elderly people who need home care.

2. Current Status of Home-Visit Long-term Care Offices

(1) Home-Visit Long-term Care Service for the Elderly at Home

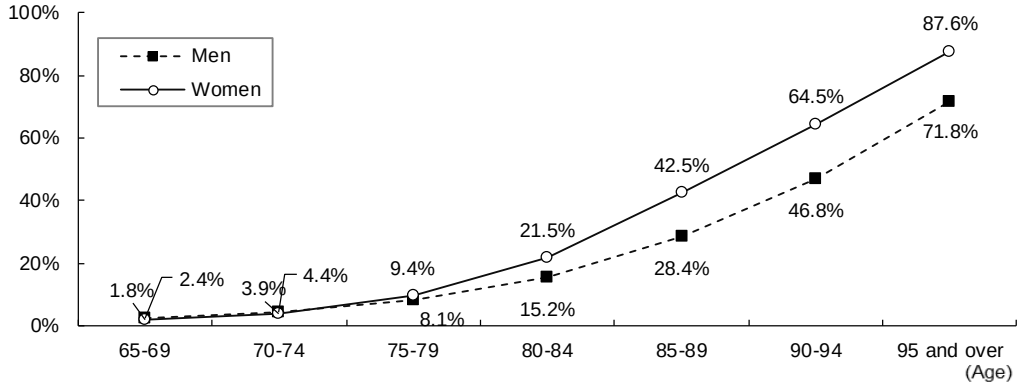
In fiscal 2021, 5.47 million people in need of long-term care received public long-term care insurance benefits. Of these, 1.31 million live in facilities such as nursing homes or the homes for the elderly, and 4.16 million live in their own homes.[1] Of those who receive care at home, 13.6% receive care primarily from relatives living apart, and 12.1% from care service providers.[2] The most common age for women who died in 2021 was 92, and 64.5% of women aged 90-94 received care services, and so did 87.6% of women over the age of 95 (Figures 2 and 3). For women, who live longer and are more likely to live alone than men, long-term care services are services that support their final days.

Figure 2. Number of Deaths by Gender and Age (2021)



Source: Ministry of Health, Labour, and Welfare "Vital Statistics" 2021

Figure 3. Percentage of Care Recipients (2021)



Source: Ministry of Health, Labour, and Welfare "Statistics of Long-term Care Benefit Expenditures"

[1] Annual actual number of recipients of long-term care services between May 2021 to April 2022. Preventive care services are not included. Source: Ministry of Health, Labour, and Welfare "Statistics of Long-term Care Benefit Expenditures" 2021

[2] Ministry of Health, Labour, and Welfare " Comprehensive Survey of Living Conditions" 2019

Among various services as benefits of public long-term care insurance, 1.48 million people receive home-visit long-term care service (home-help service). Home-visit long-term care service is an important service for elderly people to continue living at home, not only for those living alone but also for those living with family members. Home-visit long-term care provides "Care for bathing, bodily waste elimination, meals, etc., and other daily care provided by a care worker or other person specified by a Cabinet Order at the home of a person requiring long-term care who receives care at home" (Article 8, Paragraph 2 of the Long-Term Care Insurance Act). It specifically includes three types:

- Physical care; which involves direct contact with the user's body
- Daily living assistance; which supports the user's daily activities such as cooking, laundry, and cleaning
- Assistance with getting in and out of transportation; which supports boarding and disembarking cars when visiting hospitals

For each of these services, the fee is determined by the time it takes to provide care, the time required to provide the service, the time of day it is provided, and the number of caregivers who visit.

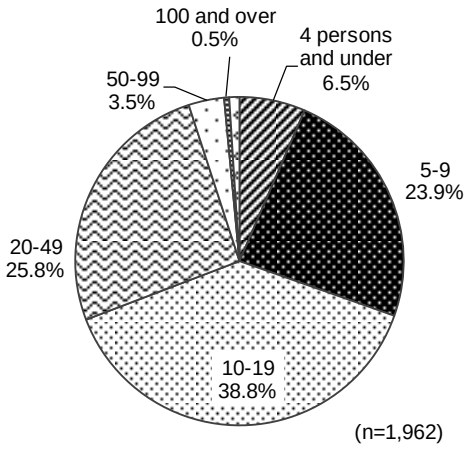
Home-visiting care is provided by 530,000 workers in 35,000 offices nationwide. Considering that in 2000, when the public long-term care insurance system was established, there were less than 10,000 offices and 180,000 workers, it can be said that the number of care providers has expanded over the past 20 years, making a significant contribution to the caregiving role of society as a whole. On the other hand, in some areas, the number of service offices has increased at a faster pace than the number of users, resulting in smaller service offices and challenges in securing users and workers. The following section summarizes the current situation and background factors surrounding home-visit long-term care service provider offices.

(2) Current status of Home-Visit Long-term Care Service Providers

A. Current Situation

As of 2020, there were 35,075 offices with 532,502 employees nationwide offering home-visiting long-term care as a benefit of public long-term care insurance.[3] Offices with 10-19 employees accounted for the largest share at 38.8%, but those with nine or fewer employees accounted for 30.4% (Figure 4). Of the employees, 331,891 are part-time employees and 100,922 are full-time employees who concurrently work at other businesses. The number of full-time equivalent employees is 256,470, or an average of seven full-time equivalent employees per office.[4]

Figure 4. Number of Care Service Workers (Home-helpers) per Office



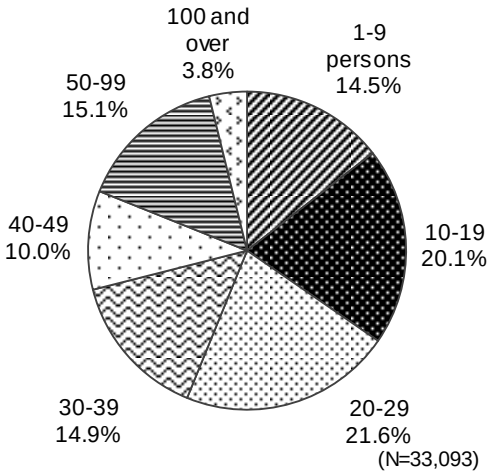
Source: Care Work Foundation "Survey on Care Work 2021"

[3] Ministry of Health, Labour and Welfare Survey of Long-Term Care Service Facilities and Business Places, 2020

[4] A method of converting figures to the number of full-time employees by dividing the number of hours an employee works by the number of hours a full-time employee works. For example, in an office that requires full-time employees to work eight hours a day, five days a week, part-time employees working four hours a day, three days a week would be converted to full-time equivalent of 0.3 (12 hours divided by 40 hours). The same calculation is made also for full-time employees who concurrently work in other businesses.

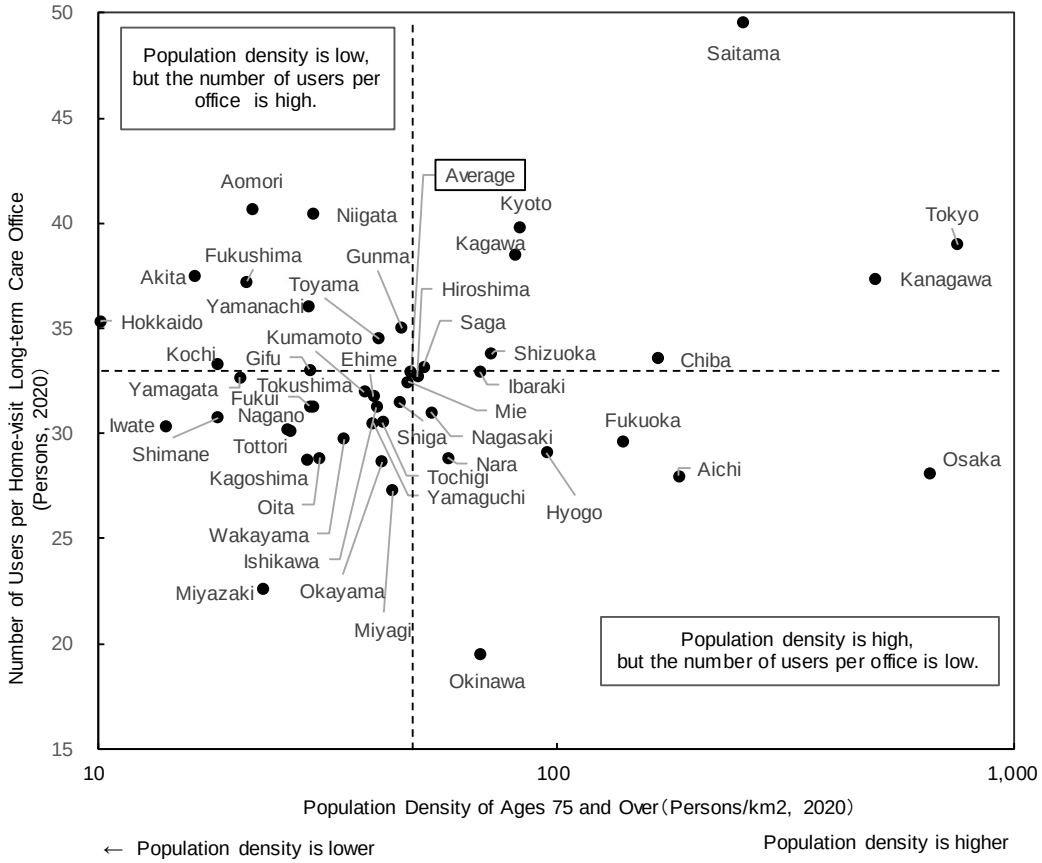
On the other hand, the number of users was 1.15 million, an average of 32.9 per office. [5] The distribution shows that 14.5% of offices have nine or fewer users (Figure 5). A higher density of users is expected to increase the mobility efficiency of home helpers and contribute to an increase in the number of users per office. Areas with a high population density of elderly people, such as Tokyo, Kanagawa, and Saitama prefectures, have offices with a large number of users, but there are areas with a high population density and small-sized service providers, like Osaka or Aichi (Figure 6).

Figure 5. Number of Users per Office



Source: Ministry of Health, Labour, and Welfare "Survey of Institutions and Establishments for Long-term Care" 2020
Note: Offices with 0 users are not included in the figure.

Figure 6. Number of Users per Office and Density of Population Aged 75 and Over



Source: Ministry of Health, Labour, and Welfare "Survey of Institutions and Establishments for Long-term Care 2020,"Statistics Bureau "Population Census"
Note: Population density (horizontal) is calculated on a logarithmic axis.

[5] Number of users in the Ministry of Health, Labour and Welfare "Survey of Institutions and Establishments for Long-term Care" in September 2020

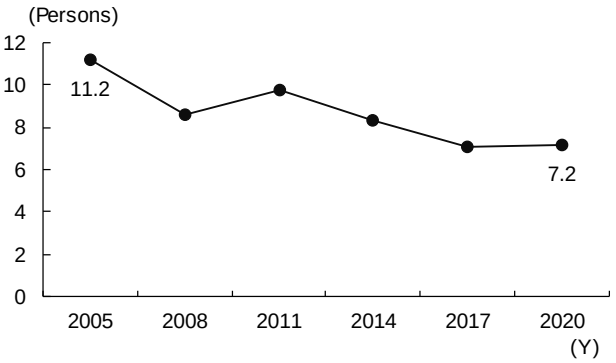
B. Changes in the Environment Surrounding Home-Visit Long-term Care

The number of full-time equivalent employees per home-visit long-term care service office (including preventive home-visit long-term care)[6] decreased from 11.2 in 2005 to 7.2 in 2020 (Figure 7). During this period, the population of Japan began to decline, with the population aged 15-64 decreasing by nine million, or 10% of that number. At the same time, the shortage of workers became more serious as the ratio of job offers for home-helpers rose significantly (Figure 8).

On the other hand, the Long-Term Care Insurance Act was amended in 2015 with the aim of enabling a variety of people, not limited to professionals, to support the lives of those in need of support, and preventive home-visit long-term care for users at support level 1 or 22 was positioned outside the scope of long-term care insurance benefits. Although the number of home-visit long-term care users decreased as a result of this system revision, the number of providers hardly decreased (Figure 9).

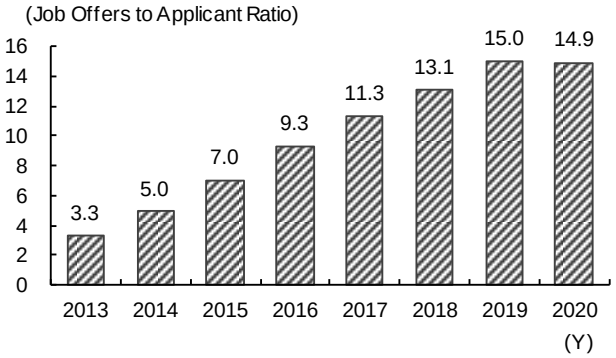
To exclude the impact of the system revision, a comparison of the number of full-time equivalent employees per office in 2010 and 2020, based only on home-visit long-term care for care level 1 through 5 users, shows that the number of full-time equivalent employees per office decreased by 8.7% on the national average and by more than 10% in many prefectures, indicating that the system revision alone has not caused a decrease in the number of employees per office (Figure 10). Of these, most of the prefectures, except for the Tokyo metropolitan area, have seen their populations begin to decline, and it is possible that the size of offices has shrunk due to a decline in the working-age population, but

Figure 7. Number of Full-time Equivalent Employees per Home-visit Long-term Care Service Office



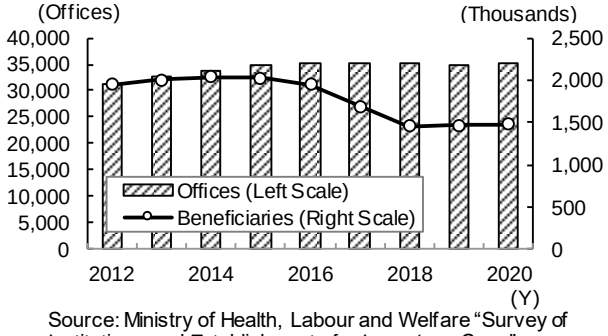
Source: Ministry of Health, Labour, and Welfare "Fact-finding Survey on Economic Conditions in Long-term Care"
Note: Includes employees offering preventive home-visiting long-term care service until 2017.

Figure 8. Job Offers to Applicant Ratio for Home-helpers (Home-visiting Long-term Care Workers)



Source: Reference Material 1 of the Social Security Council's Long-Term Care Insurance Committee (August 25, 2022)
Note: "Home-visiting care w orkers" in the paper.

Figure 9. Beneficiaries of Home-visit Long-term Care and Number of Offices Providing Home-visit Long-term Care

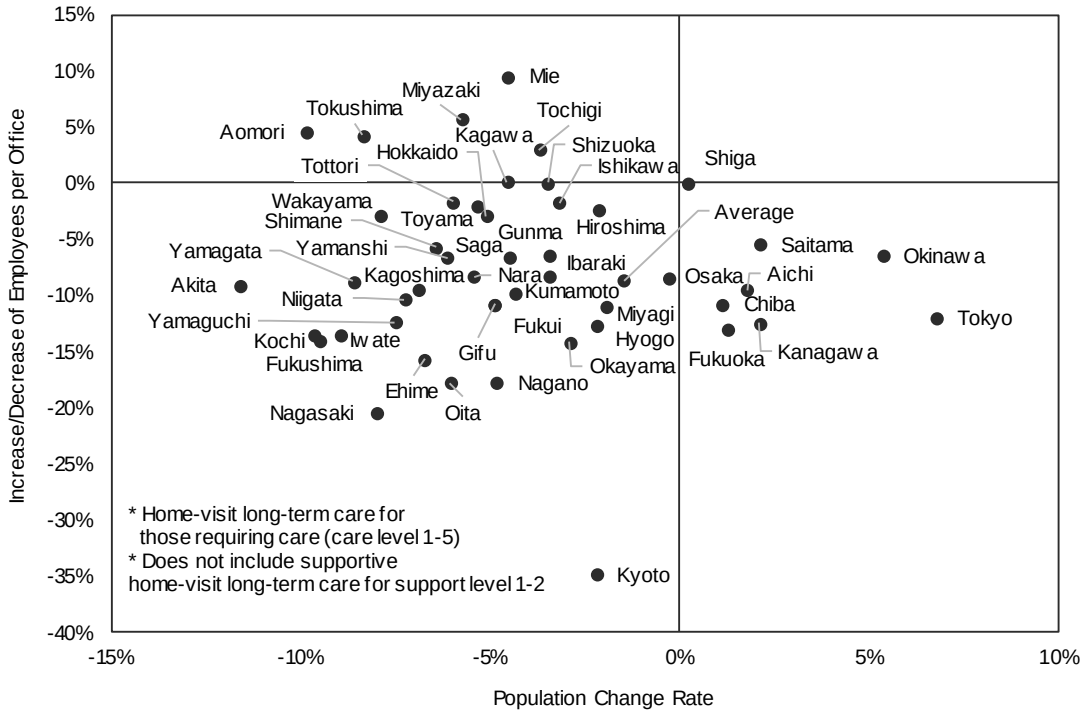


Source: Ministry of Health, Labour and Welfare "Survey of Institutions and Establishments for Long-term Care,"
"Statistics of Long-term Care Benefit Expenditures"

[6] Before using the long-term care service, an insured person must be authorized as requiring long-term care. The authorized categories have seven levels depending on how much care they need. The highest level is "care level 5," which is a person who needs care in eating, dressing or using the toilet, and the lowest level is "support level 1", which is a person who can take care of themselves but needs support. Home-visit long-term care service is offered to those qualified as care level 1 through 5, and preventive home-visit long-term care service was offered to those qualified as support level 1 or 2 until 2017. Due to the system reform, the preventive home-visit service for support level 1 or 2 is not offered as a benefit of long-term care insurance, and now it is offered as social service by municiparities.

there are other prefectures, such as Tokyo and Okinawa, where the size of staff at offices has shrunk despite an increase in the population, or Aomori and Tokushima, where the size of staff at offices has increased despite a decrease in the population, so the change in the size of facilities cannot be explained solely by population change.

Figure 10. Number of Full-time Equivalent Staff per Home-care Provider: Percentage Change from 2010 to 2020



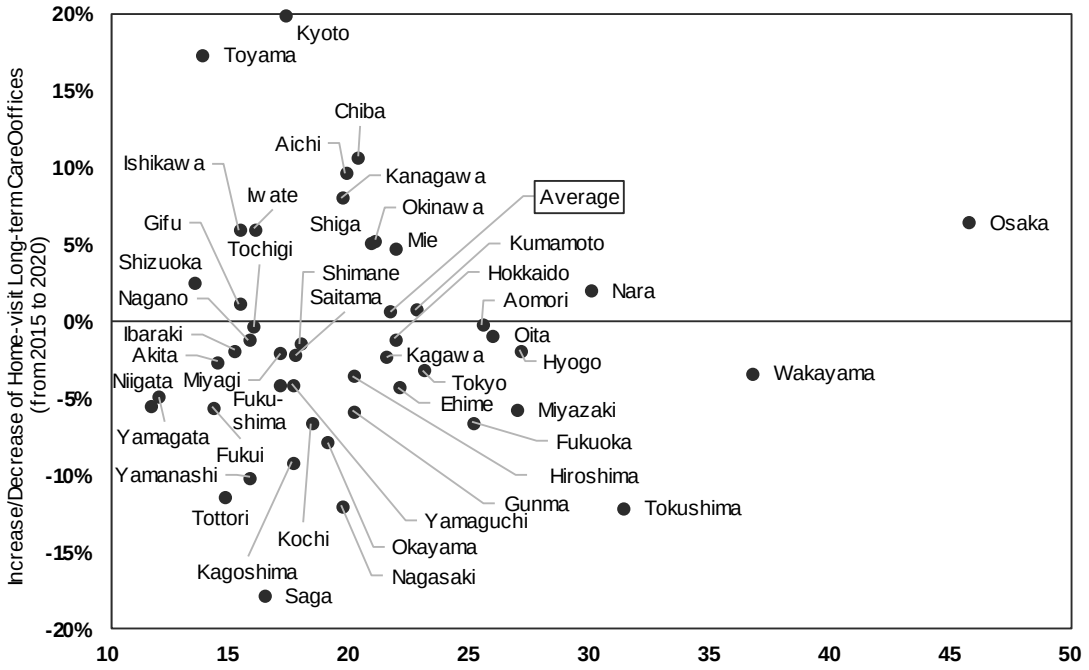
Source: Ministry of Health, Labour and Welfare "Survey of Institutions and Establishments for Long-term Care", Statistics Bureau "Population Census"

(3) Trends of Small-scale Provider Offices of Home-Visit Long-term Care Service

A. Increase in home-visit long-term care offices

As we have seen so far, the number of home-visit long-term care offices is small despite the spread of public long-term care insurance services, and the trend is toward a smaller number. This is partly due to a decrease in the number of users as a result of the revision of the system, but more than this, the increase in the number of service provider offices has a significant impact. Although the trend varies by region, 32 prefectures saw a decrease in the number of offices from 2015 to 2020, while 15 saw an increase. In addition to increases in the prefectures of Kyoto and Toyama, where the density of home-visiting long-term care office is below the national average, increases also occurred in the prefectures of Osaka and Nara, where the density is above the national average (Figure 11).

Figure 11. Growth Rate of The Number of Home-visiting Long-term Care Offices



Source: Ministry of Health, Labour and Welfare "Survey of Institutions and Establishments for Long-term Care"

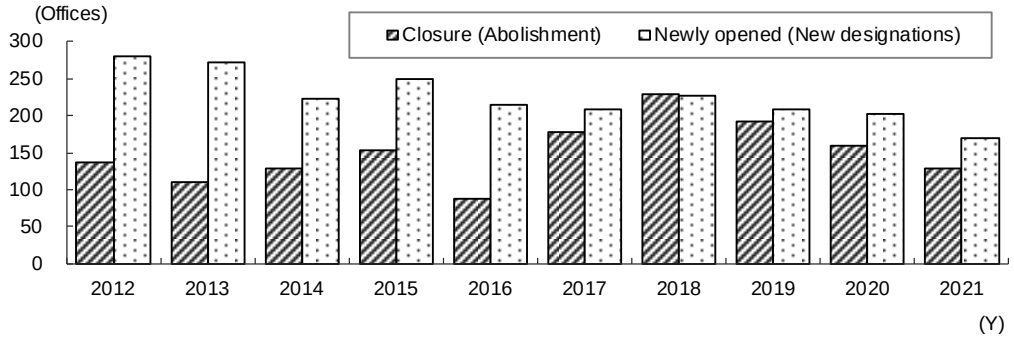
B. Designation and abolition of home-visit long-term care offices

In order to be designated as a home-visit long-term care office under the public long-term care insurance system, it is necessary to meet personnel standards, equipment standards and operating standards. However, if the application documents for designation to a prefecture are accepted without any deficiencies, the office of a home-visiting long-term care service office is allowed to open, making the system relatively easy for new businesses to enter. After starting a business, a prefecture provides guidance and audits, and service provider offices that do not meet the standards for public long-term care insurance are asked to make improvements, and if they do not, their designation is revoked. In fiscal 2020, 19 home-visit long-term care service offices nationwide were subject to revocation of their designations.[7]

Although less than 0.1% of all designated offices are closed due to administrative penalties, a large number of facilities voluntarily report their discontinuation and close due to management decisions or difficulties in securing personnel. For example, Tokyo currently has 2,932 designated home-visit long-term care service offices, but 1,501 of them have been closed between 2012 and 2021 (Figure 12). In Saitama Prefecture, 263 of the current 1,248 offices have been closed between 2016 and 2020, and in Okinawa Prefecture, 116 of the current 349 offices were closed between 2015 and 2021. As shown in Chart 10, the annual survey results indicate that although the number of offices has remained almost unchanged since 2017, services are not being stably provided by offices that have been in continuous operation, and many new establishments have entered the market and many have withdrawn from the market.

[7] Guidance Office of Long-Term Care Insurance, General Affairs Division, the Ministry of Health, Labour and Welfare "Materials for the Conference of Directors in Charge of National Long-Term Care Insurance and Health and Welfare for the Elderly," March 2022

Figure 12. Number of New Designations and Closures of Home-visit Long-term Care Offices in Tokyo



Source: Compiled by the Japan Research Institute based on the Tokyo Metropolitan Government's Bureau of Welfare and Health Care Long-Term Care Service Information: List of Businesses Discontinued or Canceled and List of New Designations of Business Operators.
Note: Business offices in Hachioji City will not be included after 2015 (due to the transfer of authority by the transition of the core city)

3. Background and Challenges of Small-sized Service Offices

(1) Background to Downsizing the Business Scale

With the establishment of the public long-term care insurance system in 2020, the number of home-visiting long-term care service provider offices has tripled. Although both the number of workers (home-helpers) and the number of users have increased significantly, two factors can be cited as the reason why many of these providers remain small.

A. Low barriers to entry

The first is the low barrier to entry. Home-visit long-term care offices require little initial capital investment, and it is possible to obtain designation and start operations by securing an office equipped with a consultation room and a lockable document cabinet, a small number of employees, and preparing the application documents. Although the Tokyo Metropolitan Government, Osaka City, and Shiga Prefecture mandate pre-designation training, the training does not constitute a hurdle to applying for designation, as the training consists of an explanation of what the provider needs to understand as a long-term care insurance provider. This is in contrast to residential facilities and day-care services, which require a large initial investment, where it is common to assess the competitive situation in the area and consider whether or not the service is expected to attract enough customers to make it profitable. Another factor that lowers the barrier to entry is the business model of home-visit long-term care service, where the employer does not pay wages to registered home helpers if there are no users, which is contrary to residential facilities and day-care services that incur fixed costs even if there are no users.

B. Individuality of Service

Another factor is the nature of home care services, which tend to require individualized attention. First, focusing on the environment, in the case of day-care centers and residential facilities, service providers decide on equipment such as nursing beds and bathtubs and the shifts of the staff, whereas the equipment and structure of each user's home is different, requiring individual responses when offering home-visit service. Next, with regard to care techniques and procedures, it is easier to receive advice from seniors and colleagues who work together at day care centers and residential care services, but in the case of home-visit long-term care, the staff makes visits individually, so there is less opportunity to see the methods of seniors and colleagues. For example, a home-visit long-term service care plan may include the procedures for helping a client to use toilet such as

- checking there are no obstacles on the route to the toilet
- explaining to the client that it is time to go to the toilet
- watching and supporting the client as they move to the toilet
- helping the client to undress
- client defecates/urinates
- helping the client to wipe
- helping the client to dress
- helping the client to wash their hands
- watching and supporting as the client moves to the room
- cleaning the hands of the home-helper

However, the actual procedures by individual helpers may vary, and it has been pointed out that there are individual differences in skill and dexterity.

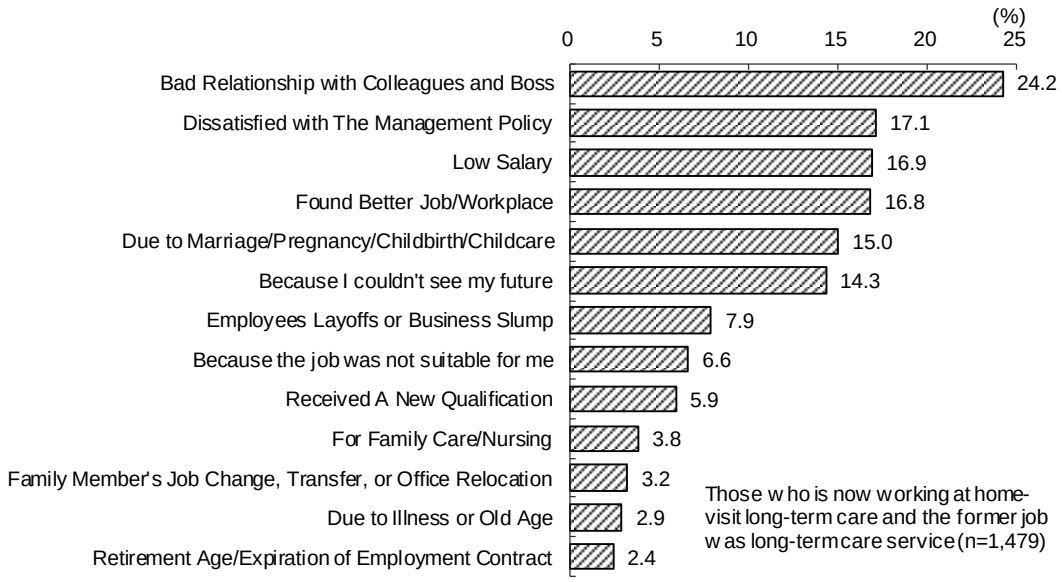
In regard to basic nursing care skills among experienced staff, 62.2% of home-visit long-term care office managers perceived that there was "considerable variation" or "slight variation," indicating skill differences not only between new staff and experienced staff, but also among experienced staff.[8] On the user side, 21.9% were also dissatisfied with the fact that there are variations in the way care is provided by different home-helpers.[9] In order to reduce user dissatisfaction, service providers often aim to provide the same level of service regardless of which staff member is on shift, through training and reminders. However, in addition to the difficulty of reaching consensus on the best practices, it is difficult to confirm whether or not these practices are being followed in the field. Asking staff members who believe their methods are best to change or standardize to an average level can lead to employee dissatisfaction. Of those who have worked in long-term care, changed their job, and currently work at home-visit long-term care office, 24.2% left their previous job "because of problems with relationships in the workplace" and 17.1% left "because of dissatisfaction with the philosophy and management of the corporation, facility, or office" (Figure 14). These dissatisfactions may include reasons for disagreement with work practices and policies. Thus, the nature of the service, which requires individualized attention and is difficult to standardize, may have led to the operation of small-scale offices with a small number of empathetic staff, which is one of the factors hindering the expansion of scale.

[8] Silver Service Promotion Association (2022) "Report on a survey and research project aimed at strengthening the ability of care providers (care workers) to deal with issues in the field"
[9] Japan Finance Corporation Research Institute (2016), Results of a questionnaire on home-visit and day-care services

Asking employees to change when they think their methods are best or trying to standardize on average leads to employee dissatisfaction. Among those who have experience in nursing care work and are currently working at a home-visit long-term care provider, 24.2% have left their previous jobs "because of bad relationship with colleagues and boss," and 17.1% have left their previous jobs "because they were dissatisfied with the management policy" (Figure 13). Some of these complaints are about mismatched practices and policies, which may have occurred in the attempt to standardize the procedure of care.

The nature of the service, which requires individualized responses and is difficult to standardize, has led to the operation of small offices by a small number of empathetic employees, which is one of the factors hindering the expansion of scale.

Figure 13. Reason for Leaving Previous Job



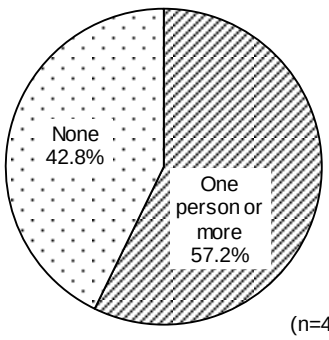
Source: Care Work Foundation "Survey on Care Work 2021"

(2) Challenges Caused by the Small-sized Service Providers

A. Higher adjustment costs

What challenges does the small size of offices pose? First, there is the increased cost of coordinating the use of multiple offices. If one service provider office cannot meet all the home-care needs of a user, the user will use the services of multiple offices. 57.2% of all home-visit long-term care providers have at least one user using multiple providers (Figure 14). According to the website of the Ministry of Health, Labour and Welfare's "Long-Term Care Service Information Disclosure System," approximately 90% of home-visit long-term care offices have "no vacancies," and even if they are

Figure 14. Number of Users Who Use More than One Home-visit long-term Care Provider

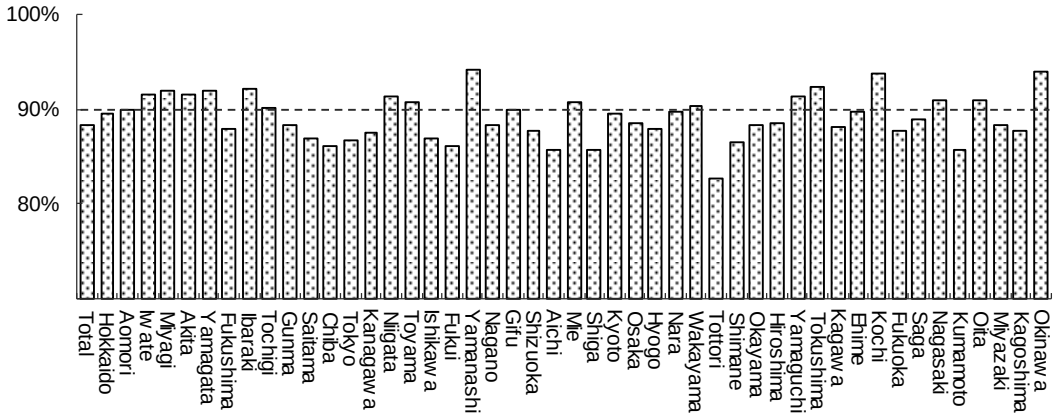


Source: Hamagin Research Institute (2022) "Survey and Research Project on the Review of Service Delivery System in the Home-Visit Care Business "
Note: Percentage excluding no answers..

able to accept new requests, many are only able to accept one new user (Figure 15). Many offices may not have enough personnel to provide all the services as many times as required upon request.

For users, it is easier to use the service on a one-stop basis, with one contract for the service usage, where information is shared among home-helpers working at one office. For care managers who create care plans and arrange services, it is less burdensome for them to communicate and perform administrative work when there is only one place to request services. Thus, coordination costs are considered to increase by the existence of a large number of small business offices.

Figure 15. Home-visiting Long-term Care Offices that have No Vacancies and have Difficulties Accepting New Users



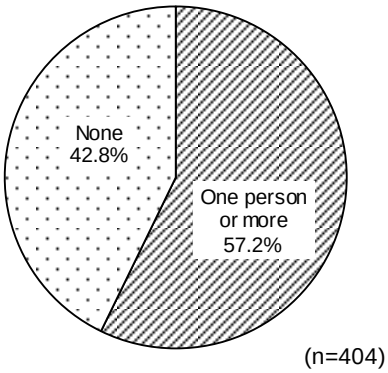
Source: Ministry of Health, Labour and Welfare's "Long-Term Care Service Information Disclosure System" website (accessed October 24 to 25, 2022).
Note: The number of home-visiting long-term care offices without vacancies is calculated by subtracting the number of home-visiting care offices that are "available/acceptable" from the total number of offices.

B. Enhancing management functions and improving operational efficiency

Second, the management function required regardless of the size of the office is likely to be burdensome for small-scale offices. Home-visiting long-term care providers have a variety of management tasks to perform within their businesses in order to consistently provide high-quality services to users. In addition to maintaining and enhancing motivation through appropriate treatment of employees based on competency assessments, human resource development and training, there are a wide variety of systematically mandated tasks, such as the formulation and operation of a business continuity plan (BCP) to prepare for natural disasters and infectious diseases, the prevention of elder abuse, and the prevention of harassment between users and home helpers as well as within the business. Since many of these tasks occur regardless of the size of an office, the burden is likely to be relatively heavy for an office with a small workforce.

Furthermore, it is also important to improve the quality of services by using ICT to improve operational efficiency and analyze accumulated data, but it is difficult for small-scale establishments to start such efforts because advantages of scale do not come into play. Many long-term service providers use ICT for managing user information, managing service delivery records, billing fees, sharing user information among staff and with other offices, calculating the payroll, attendance management, etc., but a small percentage of small offices have adopted ICT (Figure 16).

Figure 16. Number of Users Who Use More than One Home-visit Long-term Care Provider

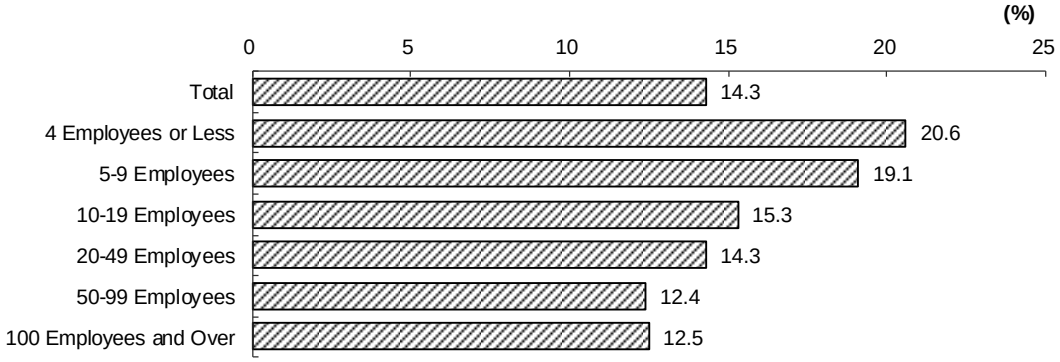


Source: Hamagin Research Institute (2022) "Survey and Research Project on the Review of Service Delivery System in the Home-Visit Care Business "
Note: Percentage excluding no answers

C. Employee retention and management prospects

Third, small-scale facilities have difficulty retaining staff. Workers can be considered the largest management resource for home-visit long-term care offices, but the turnover rate is higher at smaller offices, especially at offices with nine or fewer employees, where the turnover rate is about 20% (Figure 17). The ratio of job offers to applicants for home helpers is about 15, making it difficult to fill vacancies when they occur. For those with limited resources for recruitment and human resource development, the high turnover rate can be a reason for closing an office, as a lack of worker may cause them to fail to meet operational standards.

Figure 17. Turnover Rate, by Employee Size



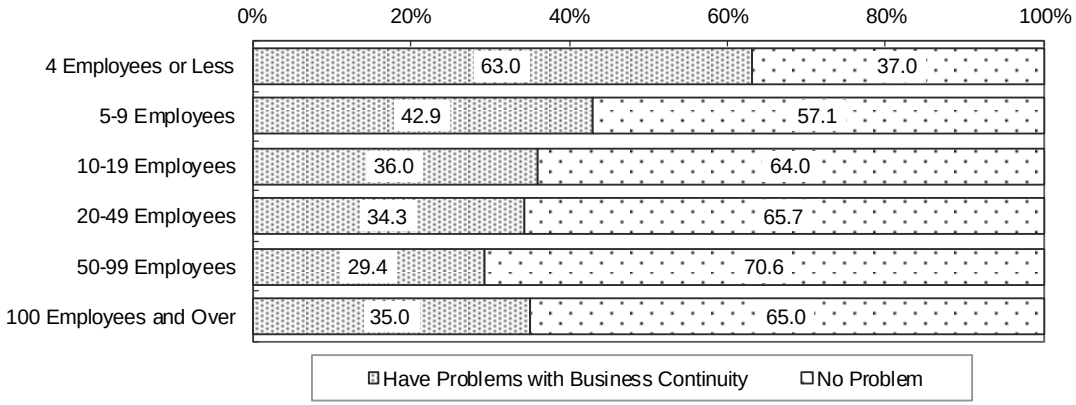
Source: Care Work Foundation "Survey on Care Work 2021"
Note: Including service types other than home-visit long-term care

4. Solutions for the Sustainability of Home-Visit Long-term Care Service

(1) Solutions for the Sustainability of Home-Visit Long-term Care Service

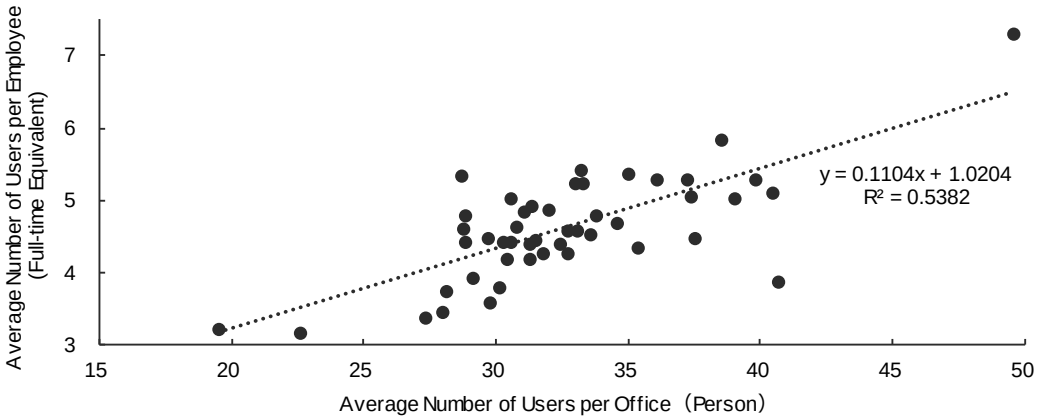
Many smaller offices have problems with business continuity due to the burden of management and the inability to retain human resources (Figure 18). In addition, the number of users per staff tends to be larger at offices with larger user sizes, so it is important to secure the size of the office in order to effectively utilize care human resources from the perspective of securing the service delivery system (Figure 19).

Figure 18. Continuity of Home-visit long-term Care Business, by Employee Size



Source: Hamagin Research Institute (2022) "Survey and Research Project on the Ideal Service Delivery System in Urban Areas, Remote Islands and Mountainous Areas"

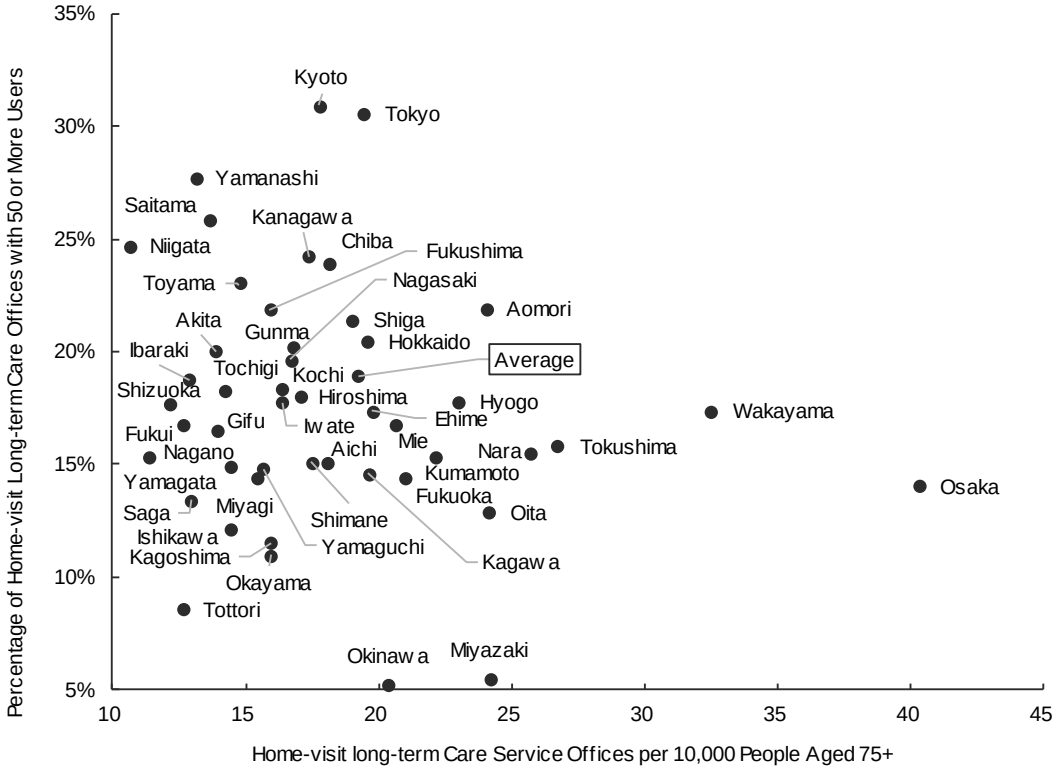
Figure 19. Number of Users per Office and Number of Users per Employee



Source: Ministry of Health, Labour, and Welfare "Survey of Institutions and Establishments for Long-term Care" 2020
Note: Each dot represents a prefecture(There are 47 prefectures in Japan)

For home-visit long-term care office to maintain stable operations, 90 users with monthly sales of 3.5 million yen are considered to be one indicator, although it may vary depending on the level of salaries and authorized price of the public long-term care insurance.[10] Currently, 3.8% of the total have 100 or more users per office, and 15.1% have 50-99 users per office, leaving only a small percentage of offices above the indicator (Figure 20).

Figure 20. Percentage of Home-visit long-term Care Service Offices with 50 or More Users



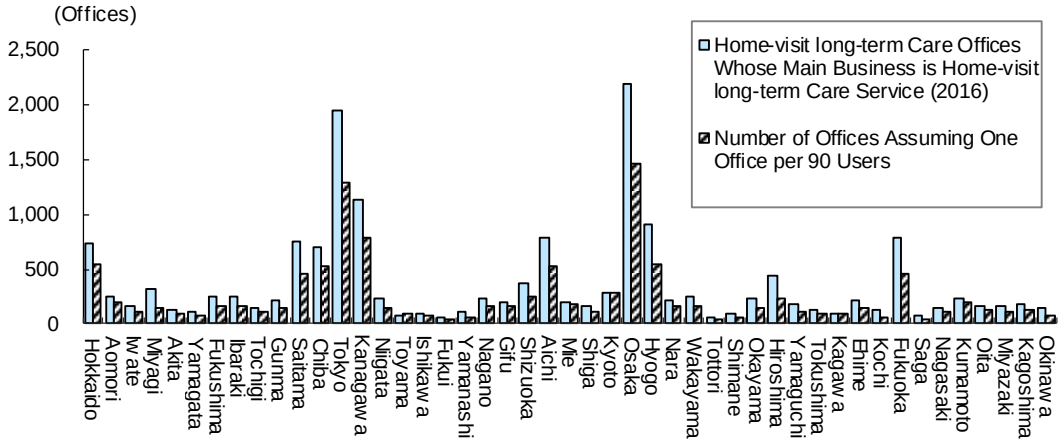
Source: Ministry of Health, Labour, and Welfare "Survey of Institutions and Establishments for Long-term Care" 2020
Note: Offices with zero users are not included in the figure

As of May 2022, the number of home-visit long-term care users was 1.03 million, and simply assuming that there is one office for every 90 users, 11,500 offices are calculated to be the appropriate level (Figure 21). In this case, assuming the current total number of employees, the number of employees per office would be 48, of which 17 are full-time, and 31 are part-time employees.

However, it is not necessary to apply the above indicators to all home-visit long-term care offices. Of the approximately 35,000 home-visit long-term care offices nationwide, a little less than half are considered as providing home-visit long-term care as a secondary service, since their main business is other long-term care insurance services or private services such as taxis.[11] Excluding these offices, the 20,000 offices should be scaled up to solve the problems caused by their small size and to improve the efficiency of home helper service delivery.

[10] National Council of Caregivers (2013) "What Is Highly Productive Home-Visit Care?"
[11] 2016 Economic Census, Statistics Bureau, Ministry of Internal Affairs and Communications

Figure 21. Number of Offices by Prefecture, Assuming 90 Users per Office



Source: Calculated by the Japan Research Institute, Ltd., on the basis of Statistics Bureau "Economic Census 2016"
Ministry of Health, Labour, and Welfare "Report on the Long-term Care Insurance" (Based on the receipt checked in July 2022)

(2) Points to be Considered on the Supply Side

To expand the scale of home-visit long-term care offices, the following issues should be considered by home-visit care service providers and the local government agencies responsible for establishing service delivery systems: encouraging service providers to carefully consider the establishment of new offices, encouraging prefectural governors to actively discuss with municipalities upon new designations, and supporting existing offices in expanding the scale of their operations.

A. Approaching New Designated Service Providers

In recent years, the number of home-visit long-term care service provider offices has been almost flat, as the number of offices that close has been offset by the number of offices with new designations, but the number of offices is expected to decline if business operators become more cautious about opening new offices. Specifically, when applying for a new designation, the government should provide an opportunity for more careful consideration of the operational structure by requiring the preparation and submission of additional documents that support stable management after the business is opened. For example, requiring the submission of a business continuity plan (BCP) or proposing the preparation of a business plan, even if not mandatory, could be considered.

With the 2021 revision of public long-term care insurance prices, all long-term care service providers are required to prepare BCPs. Although there is a transitional period until the end of March 2024, it is conceivable that the submission of applications for designation or draft proposals may be requested ahead of schedule. A BCP is a plan to provide care services stably and continuously, even in the event of an infectious disease or natural disaster. When there is a shortage of personnel who can operate due to infectious diseases or disasters, it is necessary to secure personnel through other departments in the corporation or other business offices with which the corporation is affiliated, and creating a BCP is also an opportunity to confirm whether services can be provided stably at the current staffing level and whether managers have the awareness and ability to manage

crises. If the BCP can be used as an opportunity to find a business partner for even small businesses, it will increase the likelihood that they will be able to cooperate not only in times of crisis but also in daily human resource development.

Although it is difficult to require preparation of a business plan, it is possible to encourage consideration of a business plan from the perspective of fulfilling the insurer's function. When a business is self-financed, there are few situations where a business plan is required, and it is possible to open a business without fully grasping the market environment and without much consideration of how to attract customers. However, in areas where the elderly population is on the decline, and where competition among businesses is intense, many business establishments struggle to secure users and face problems with business continuity. While the decision on whether or not to close an office is left to the operator, the national and local governments have the responsibility to ensure a service delivery system that allows insured persons to live their daily lives in their own familiar areas (Article 5 of the Long-Term Care Insurance Law). Considering that services are provided as social insurance benefits and that users are older and tend to have a greater burden in choosing services and contracting, it is desirable that home helpers work at offices with stable management to provide services. To this end, it would be helpful to fulfill the responsibility of an insurer by providing an opportunity for managers and business managers to consider whether there are prospects for stable operation of the business and what is needed to achieve it.

As mentioned above, the Tokyo Metropolitan Government, Osaka City, and Shiga Prefecture require residents to take pre-designation training, and many other local governments have also prepared handbooks for applying for designation. In addition to confirming what a designated long-term care service provider should understand, such as systems and procedures, legal compliance and labor management, and third-party evaluation of services and information disclosure, training or handbooks may provide information that will contribute to the consideration of business plans by service providers, such as estimated future population, the outlook for service supply and demand, and issues faced by the community.

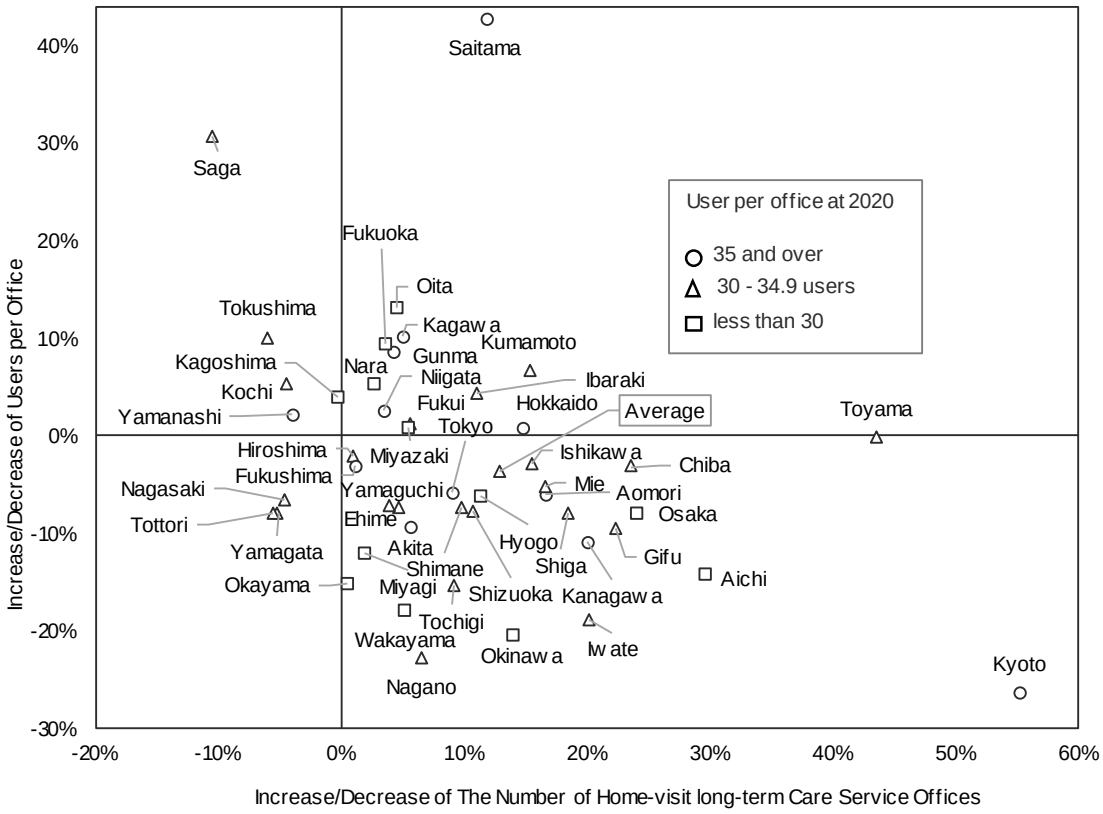
B. Consultations between prefectures and municipalities

While prefectural governors have the authority to designate home-visit long-term care service offices, the mayors of municipalities designate community-based services such as “visiting nursing with periodic visits and care as needed,” “multifunctional long-term care in a small group home,” and “small-scale nursing multi-functional home care.” In order to promote the spread of community-based services, there is a system whereby prefectures and municipalities consult with each other when designating home-visit long-term care offices. If the volume of community-based services in the area has reached the expected level, or if the establishment of new home-visit long-term care office is likely to hinder the achievement of the long-term care insurance plan of the municipality, the municipality may request a consultation with the prefectural government. The prefectural government may designate the service provider with conditions or not designate it, according to the opinions of the municipality and the results of the consultation (Article 70, Paragraphs 10 and 11 of the Long-Term Care Insurance Law). Currently, consultations between prefectures and municipalities on new designations are limited to cases related to the sufficiency of community-based services, but we are now at the stage of considering the impact of opening new home-visit long-term care offices. The number of offices

increased by 13% between 2012 and 2020, while the number of home-visit care users per office (not including preventive home-visit care) decreased by 3.7%. Although it should be noted that this figure includes both offices for which the main business is home-visit long-term care and those for which it is not, and that some areas within a prefecture have a high density of offices while others have a low density, the average number of users per office tends to be lower than in the past.

Prefectures with smaller-sized home-visit long-term care offices in 2020 (marked with a "□" in Figure 22), increasing numbers of offices, and decreasing size of offices (placed in lower right quadrant in Figure 22) should more carefully consider the designation of new offices from the perspective of securing service provision systems.

Figure 22. Changes in the Number of Home-visit long-term Care Offices and The Average Number of Users per Office (from 2012 to 2020)



Source: Ministry of Health, Labour, and Welfare "Survey of Institutions and Establishments for Long-term Care" 2020
Note: Since the survey method changed on 2012, calculation is done for the period from 2012 to 2020.
Preventive home care is not included.

C. Incentives and support measures for business expansion

To substantially expand the scale of home-visit long-term care service offices, promotion of collaboration among offices and expansion of the scope of re-commissioning may be considered. For in-home long-term care support (care management) offices, public long-term care insurance fees are added if they are collaborating with other offices. Similarly, it is conceivable to give incentives to home-visit long-term care service providers when cooperating with other service providers. Collaborations may be joint training or recruiting sharing information systems.

On the other hand, with regard to re-entrustment, it is permitted to entrust a part of the work to another business office for service categories of "visiting nursing with periodic visits and care as needed" and "night-time home-visit long-term care." For example, a business office in Hachinohe City, Aomori Prefecture, contracted with 12 home-visit long-term care offices to provide some services to users at the edge of the visiting area, thereby reducing travel time loss and achieving efficient service delivery even over a large area.[12] Although explanations to users and information sharing among home-visit long-term care office workers are the main prerequisites, as it is expected to become increasingly difficult for home-visit care agencies to secure personnel, it is also possible to match users with home helpers who can visit efficiently by allowing re-consignment among home-visit long-term care agencies in the future.

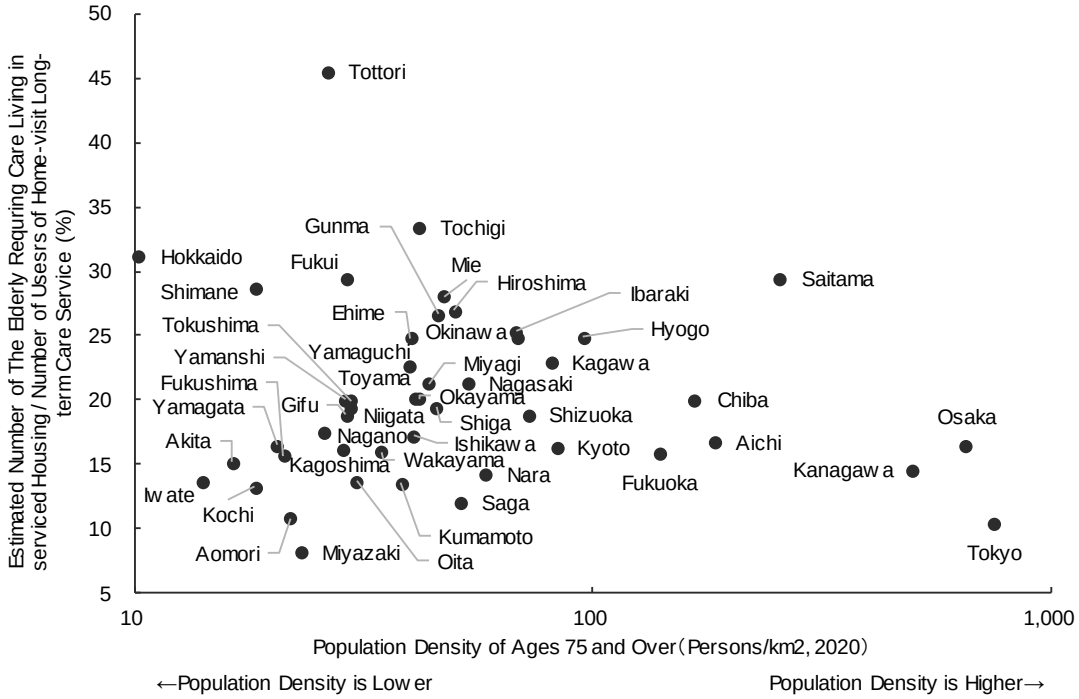
(3) Points to be Considered on the Demand Side

The long-term care insurance system has allowed the entry of diverse service providers and has aimed to ensure the quality of services through fair competition among providers and appropriate selection of users. To encourage users to make good choices, the Ministry of Health, Labour, and Welfare launched a website on the public disclosure of long-term care service providers in 2006. If many users select high-quality service providers, a selection process should occur, but in reality, users rarely compare service providers or make choices based on information. As mentioned above, about 90% of home-visit long-term care offices have no vacancies, and considering the balance of supply and demand, it is difficult to select or consolidate the offices by user choice.

However, it appears that a significant portion of home-visit long-term care is now being provided to the elderly living in serviced housing. Comparing the number of home-visit long-term care service users with the estimated number of residents requiring care who live in serviced housing, the number of residents exceeds 30% of total users of home-visit care in Tottori, Tochigi, and Hokkaido. Although not all people requiring care in serviced housing use home-visit care, it is conceivable that, in areas with low population densities and heavy transportation burdens for home helpers, the ratio of home-visit care to elderly residents clustered together in serviced senior housing will increase (Figure 23). Although the current situation is not enough to boost the average size of home-visit long-term care offices in the prefecture as a whole, it seems to be contributing to an increase in the size of individual offices. As the working-age population declines further and the prospects for service provision become more difficult, it is necessary to consider the possibility of users moving to places closer to service providers offices within their familiar neighborhoods, in order for home-visit long-term care to remain affordable to those who need it. We can expect that such user behavior will lead to an increase in the size of service providers offices, enabling it to provide services more efficiently and more effectively with a smaller staff.

[12] Social welfare corporation Dosenkai (Hachinohe City, Aomori Prefecture), which works across the consignment of visiting services, Weekly Senior Housing Newspaper, December 2, 2021

Figure 23. Ratio of The Number of Elderly Persons Requiring Care Who Live in A Serviced Housing to The Total Number of Home-visit Long-term Care Users

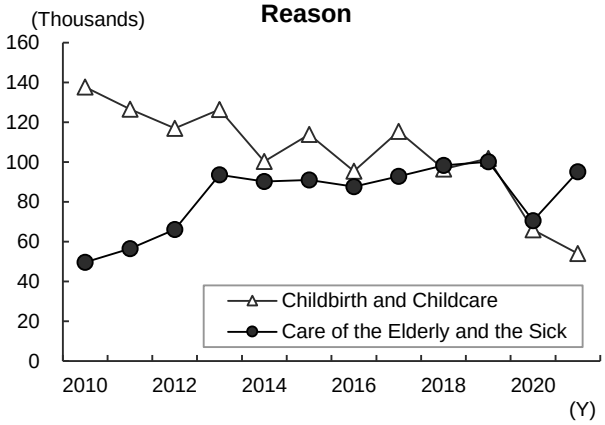


Source: Ministry of Health, Labour, and Welfare "Report on the Long-term Care Insurance" (Based on the receipt checked in May 2022), Silver Housing Association "Registration status of serviced housing for the elderly by prefecture (as of the end of May 2022)," Ministry of Land, Infrastructure, Transport and Tourism "Fifth meeting on serviced housing for the elderly" distribution materials (December 24, 2020)

5. Conclusion

With the establishment of the public long-term care insurance system, the number of care workers greatly increased, and the "socialization of care" has progressed, with society as a whole taking on the responsibility of providing care in place of family members. In the future, however, if a situation arises in which those who require care are unable to use long-term care services due to a lack of supply, the efforts that have been made to date will essentially be reversed. The number of people leaving their jobs to give care has been hovering around 100,000 and in 2021, overtook the number leaving due to childbirth and childcare (Figure 24).

Figure 24. Number of Job Leavers by Reason



Source: Ministry of Health, Labour, and Welfare "Survey on Employment Trends"

Although healthy life expectancy is increasing and we aim to build a society in which people can work agelessly, people leaving the labor market at an early age because of parental care would be a great loss to our country. As the working population shrinks, industries are competing for workers. In order to provide effective

and efficient home-visit long-term care services with fewer workers, consolidation of service providers offices to a scale that allows stable management will be a key factor.

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