

## POSTER ABSTRACT

# Impact of assessment of long-term care insurance management and financial incentives for local governments: The three years' experience of Japanese-style Managed Care to Promote Integrated Care

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### *Introduction*

Japan launched its long-term care insurance system (LTCIS) in 2000. Since then, over the past 20 years the number of beneficiaries and costs continued to rise, particularly sharply in the last few years. For this reason, in 2018, the central government of Japan introduced "financial incentives to enhance insurer's functions" in order to evaluate management capabilities of different levels of local governments; municipalities (direct insurers of LTCIS) and prefectures, in regard with their contribution to the community-based integrated care system (CBICS) and financial incentives were provided to each government based on the result of the evaluation.

### *Aims Objectives Theory or Methods*

To find out the limitations in governance of the Ministry of Health, Labor and Welfare (MHLW) during the three years (2018-2020) of implementation of the first financial incentive program for local governments in Japan based on their management capacities as insurers, and to discuss possible future measures to solve these limitations.

### *Highlights or Results or Key Findings*

There were high expectations when the financial incentive program was introduced. However, due to MHLW's illogical action in which they changed the items of evaluation indicators every year, it was impossible to measure progress and effectiveness of CBICS and caused confusion among local governments. Moreover, MHLW launched a new financial incentive program for local governments in 2020 and it was based on an old-fashioned health promotional population-based scheme for elderly people, even though there were no evidence to support effect of this type of scheme. This led local governments to further distrust MHLW and to question the validity of the incentive program itself - it was revealed for the first time in a research project commissioned by MHLW in 2020. In this report, they call for a fundamental review of the current indicators and establishment of a new top-down policy.

### ***Conclusions***

This program which was aimed at minimizing regional disparities in integrated care by means of financial incentives resulted in creating even greater regional disparities than those in three years ago. For this reason, a revised financial incentive program that would support local government initiatives was launched in 2021.

### ***Implications for applicability/transferability sustainability and limitations***

Despite MHLW's mismanagement, some local governments succeeded in establishing effective CBICS through their own bottom-up innovation. This is a new trend of integrated care policy making in local governments in Japan and it is considered particularly important for decision makers to discuss improvements in the future policies and governance.