

ASIA-PACIFIC SOCIAL PROTECTION WEEK 2026

Empowered Lives, Resilient Futures

6–8 October • ADB Headquarters, Manila



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Empowered Lives, Resilient Futures

Long-term Care System: Challenges and Policy Choices

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I. Why existing care arrangements are under pressure?

Population Ageing and (Long-term) Care

Population Ageing and Social Changes

- Health, functional capacity or disability of older people
- Financial capacity (capacity to pay) of older people: e.g., pension
- Family structure, living alone, internal/external migration
- **Attitude toward care giving** (for older people), declining availability of informal care, gender

Inefficiency and Inequity of Informal Care (e.g., family care)

- Burden of (informal) care reduces labor participation and skill formation (especially women): e.g., Double burden of care impacts exit and wage
- Deteriorate well-being for both caretakers and caregivers: **quality of informal care** can be questionable, depression and fatigue of caregivers
- Unequal access to informal care, equity, gender issues

Effective LTC System and Policy can improve

- **Access and equity:** reduce unmet care needs (especially of the poor), improve financial protection (reduce catastrophic pay), reduce the burden of family care givers,
- **Efficiency in service delivery:** lack of LTC or coordination failure between health care and LTC results in costly social admissions in hospitals
 - > need virtuous circle between health system and LTC system
- **Quality:** improve quality of LTC service, quality of life, improve health
- Effective **Purchasing** mechanism through financial leverage and incentives: benefits coverage, payment to providers, review and assess quality of care and provider performance



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II. What an effective LTC system requires?

1. Population Coverage

Targeting older people in greater NEED, e.g., high severity/dependency, low income, or living alone

Population coverage in LTC Financing

- **Australia:** All +65 with need (Need-based entitlement) with mean-tested copayment
- **Japan:** long-term care of the elderly (+65) and age-related LT care for 40-64 years old
- **Korea:** Long-term care for the elderly (+65), and age-related long-term care of the younger (<65 years)

Political acceptability: Younger people pay LTCI contribution, but with much more restricted eligibility than +65 in Japan and Korea

2. Needs Assessment and Eligibility

Stronger gatekeeping function, compared to health care

- **Needs Assessments:** Geriatric assessment measures as a criteria to judge eligibility for formal LTC support (and **how much support**):
- Measuring dependency (limitations with ADL, IADL), cognitive impairment (e.g., dementia), frailty, comorbidity, vulnerability, etc.
 - > Local context matters for different measures and relative weights
- Opportunity to predict and control expenditure, by controlling the stringency of eligibility and the amount of per capita support
- Amount of benefits/support differs for different needs (disability levels) as a result of Needs Assessment system

3. Benefits/Service Coverage

Types of Benefits

- Home-based care, Institutional care
- Co-housing/Co-living/group home; Community-based institutional services; Respite care
- Material support: wheel chair, device, house reconstruction, etc.

Need a balanced mix of **institutional care** (IC) and **home and community-based services** (HCBS)

- Lack of institutional care results in medicalization (excessive hospital care)

Forms of Benefits

- In-kind benefits; Cash benefits; Vouchers

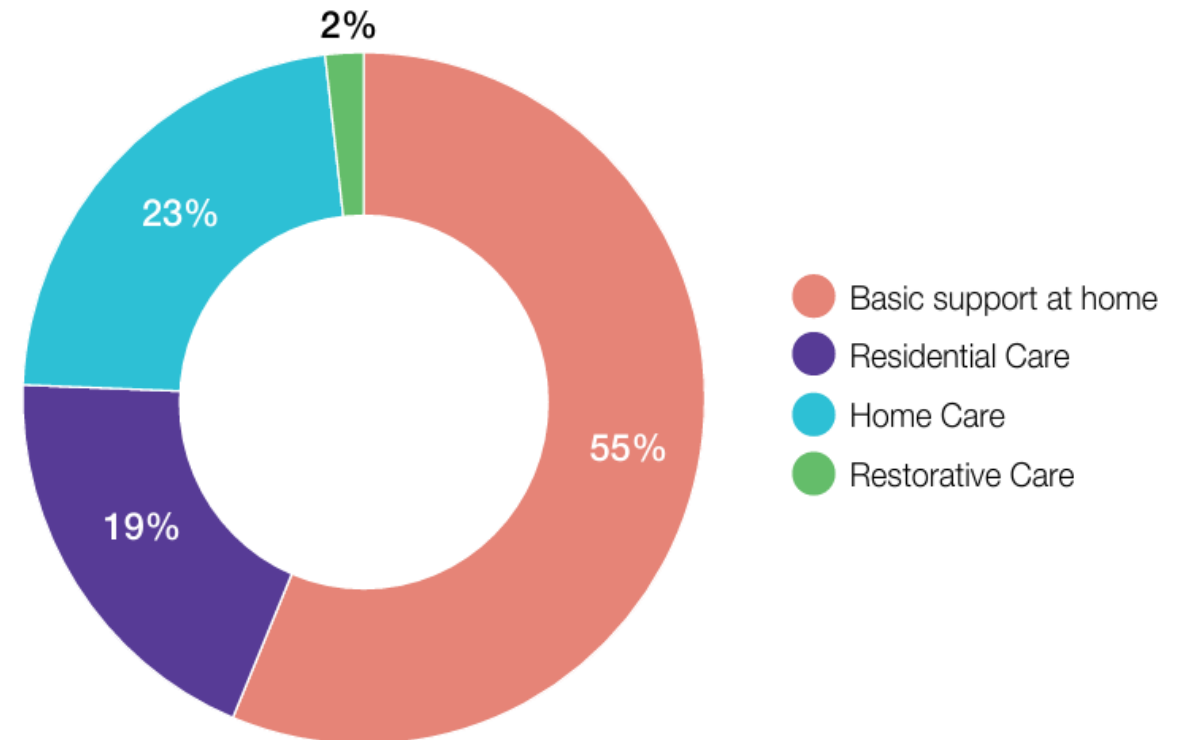
Cost sharing, copayment, user fee

- Can be differentiated based on income, capacity to pay of the user

Coverage of Services supporting a continuum of care in Australia (N. Sutton, 2026)

- Basic home and community support
- Comprehensive home care, including end-of-life care
- Residential care
- Flexible care including integrated care for rural and First Nations communities, restorative care, and transition care after hospital stay

Recipients of aged care by service type, 2024-25



Source: Department of Health, Disability and Ageing (2026), [Report on the Operation of the Aged Care Act 2024-25](#)

4. Financing and Governance

- Contextual and the position of MoF
- Path dependence and similarity between health financing and LTC financing

Funding source

- Australia: General **taxation** (central government) and means-tested user fee
- Japan: Mixed financing (45% from LTC insurance **contribution**, 45% from government **budget**, 10% copayment (20-30% for high income))
- Korea: Mainly from **LTC insurance contribution** with (20-30%) copayment, and government provides subsidy for the contribution of the poor

National standards and policy by a single ministry in Japan and Korea

- implemented by **municipalities** (i.e., multiple pools) in Japan
- Implemented by a single insurer **NHIS** (single pool) in Korea

LTC funding in a **separate** pool from health care funding in the 3 countries

5. Workforce

Workforce in LTC is essential for **care economy**

- Creation of jobs and increase labor participation of family care givers

Clearly defined roles and structured workforce (e.g., care workers)
development with formal **curriculum** and **certification** in Japan and Korea

- Structured career paths in Japan

Quality of care

- Korea mandates service standards by law, conducts regular quality assessments by NHIS, and ties **financial reward** to provider performance
- E.g., Management of institutions, Environment and safety, Beneficiary rights and provider responsibility, **Process** of service provision (e.g., care planning and communication, food, nursing, medication, referral to medical providers), and **Outcome of care** (e.g., satisfaction, hygiene, improvement in functional status)

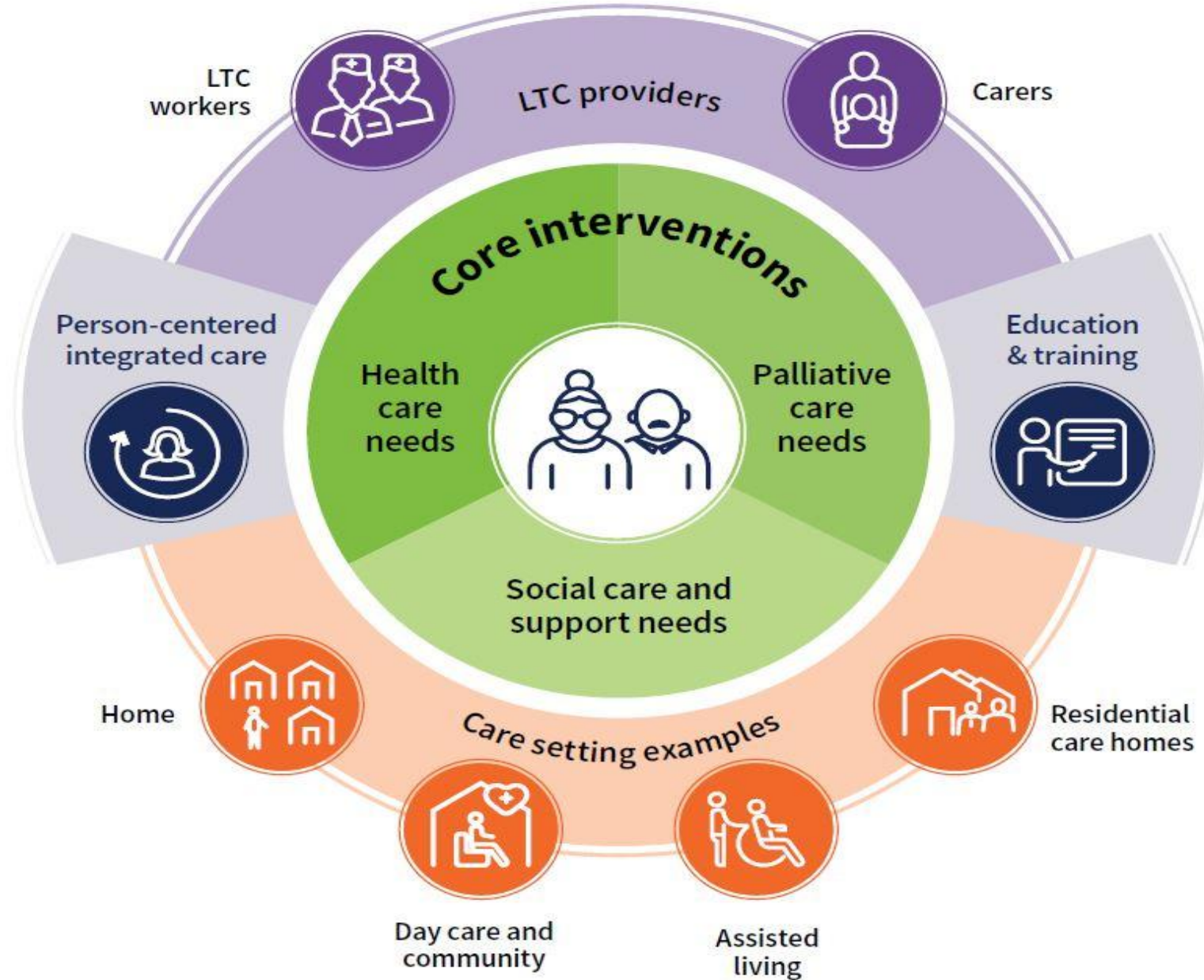


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III. What countries should prioritize first?

Long-term Care SYSTEM (WHO, 2025)



Policy Priorities for LTC System Development

Key Considerations

- **Willingness** of **MOF** to allocate budget or the willingness of people to pay insurance contribution
- Improve **social protection** and **gender** equality
- Impact on **care economy**
- **Market failure**: when it is difficult for the private sector to lead

POLICY GOAL

- **Person-centered integrated** care and **ageing in the “right” place** for living in a setting that best matches an older persons’ **needs, preferences, vulnerabilities, and available supports**, rather than remaining in the same home regardless of fit
- **Avoid “over-reliance” on institutional/residential care**, rather than eliminate it, because some older people **prefer** residential care or cannot stay home due to high severity or unavailability of family care

Policy Priorities for LTC System Development

1. **TARGET** those with the **high NEED** and **low MEANS**

- High need (e.g., disability, ADL)
- Those who do not have the capacity to pay (e.g., poor)
- Those with no informal (e.g., family) care givers available
- Social participation and community activity can be led by NGO and civil society rather than by government or ADB

2. **Care Continuum** and **Residential Care**

- In general, **willingness to pay** is higher for **residential care** (supporting high disability) than for **home-based care** (covering low disability, daily support)
- Home-based care can work without formal care workers
 - > however, heavy burden on family care givers, concerns on **gender** issues
 - > Negative impact on **care economy**
- ADB operation can contribute to building and investing in the broader **care continuum** (including residential care) and LTC system, with PPP and collaboration among Health, Social, Education, Urban sectors, etc.



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Many Thanks !