

From pilot programs to nationwide implementation: Reform of China's long-term care insurance in an aging society

Ren Chen¹, Wei Tang^{2,3,*}

¹ School of Health Services Management, Anhui Medical University, Hefei, Anhui, China;

² National Center for Global Health and Medicine, Japan Institute for Health Security, Tokyo, Japan;

³ National College of Nursing, Japan Institute for Health Security, Tokyo, Japan.

SUMMARY: China is experiencing rapid population aging and a growing burden of disability, creating urgent demand for sustainable long-term care systems. In response, China has progressively developed a long-term care insurance system since the launch of national pilot programs in 2016. China's long-term care insurance has evolved through three major stages: Pilot launch phase (2016–2019), Expansion phase (2020–2025), and Comprehensive implementation phase (2026–present). The system has significantly expanded coverage, improved access to long-term care for severely disabled older adults, reduced the family caregiving burden, and promoted the transformation of elder care from a family-based responsibility to a shared social responsibility. However, substantial structural challenges remain. These include heavy dependence on medical insurance funds, lack of a sustainable financing mechanism, regional disparities in disability assessment standards, a dearth of professional caregivers, fragmented governance structures, and inadequate digital supervision systems. Looking forward, China's long-term care insurance is expected to transition from a supplementary medical insurance arrangement toward an integrated social care security system. Future reforms should focus on establishing diversified financing mechanisms, unified disability assessment standards, delivery of community-centered care, integrated health and social care governance, and digitalized regulatory systems. China's experience may provide an important policy reference for other rapidly aging middle-income countries facing growing long-term care demands.

Keywords: long-term care insurance, aging society, disability, integrated care, China

1. Introduction

As the population continues to age, China is gradually transitioning from a "long-life society" to a stage characterized by disability and the need for long-term care. By the end of 2024, the population of people aged 65 and older accounted for 15.6% of China's total population. By the end of 2022, there were approximately 44 million old adults with full or partial disability, with the proportion of those aged 80 and older with full or partial disability reaching about 40% (1,2). In addition, the number of old adults with dementia has exceeded 15 million (3). The conventional healthcare system, which focuses primarily on treatment of disease, struggles to meet the care-related needs of old adults with disabilities or dementia in terms of daily living assistance, functional maintenance, and continuous care. To address this, China launched pilot programs for long-term care insurance in 2016. Data from 2020 to 2024 show that the number of long-term care insurance enrollees in 49 pilot cities increased from

108.353 million to 187.8634 million, while the number of beneficiaries increased from 835,000 to 1.4625 million (Figure 1). Despite the institutional evolution from local exploration to expanded pilot programs and ultimately nationwide implementation, China's current long-term care insurance system still faces core challenges, including insufficient sustainability of its financing mechanism, a lack of fully standardized disability assessment criteria, and shortages in both the supply of care and professional nursing personnel (4). If these challenges are not effectively addressed, they will directly undermine the sustainability of care and the equity of benefits under the long-term care insurance system. To that end, this paper systematically reviews the institutional significance and current progress of China's long-term care insurance, it conducts an in-depth analysis of the structural challenges the system currently faces and their potential consequences, and, on this basis, explores future development trends to provide a reference for the development of long-term care insurance systems from an international perspective.

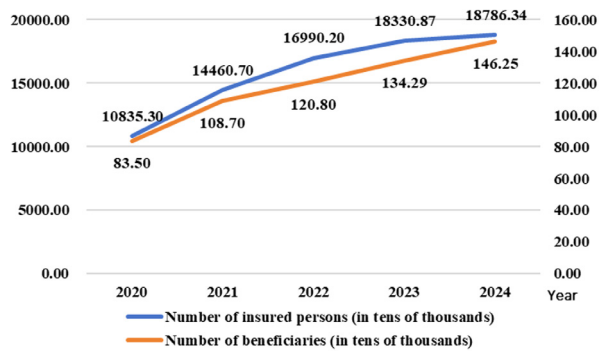


Figure 1. Enrollment in and receipt of benefits from China's long-term care insurance, 2020–2024.

2. The strategic value of establishing a long-term care insurance system in China

2.1. Promoting high-quality population development

A massive population is a defining feature of Chinese modernization. To promote high-quality population development, a support and care system that covers the entire population across the entire life cycle needs to be established. For old adults with disabilities, long-term care insurance is not merely about general cost reimbursement; rather, it shifts the provision of long-term professional care from "depending on whether families can afford it" to "basic support that the system should provide" (5). Establishing a unified national long-term care insurance system would systematically mitigate care risks among aging populations and provide a solid institutional foundation for high-quality population development.

2.2. Improving the social security system

Long-term care insurance marks a key expansion of China's social security system. The existing "five social insurance schemes" primarily address social risks such as illness, elderly care, unemployment, work-related injuries, and maternity, whereas long-term care insurance incorporates "care risks" into the institutional framework for the first time, expanding the system from "treatment of disease" to "long-term care" (6,7). This shift not only fills a gap in the long-term protection of people with disabilities but also reflects the social security system's proactive adaptation to demographic changes.

2.3. Promoting the shared social responsibility of care

In the traditional family-centered model of care for older adults, the responsibility for caring for older adults with disabilities has relied heavily on family members such as spouses and children. However, with further aging of the population and the ongoing trend toward families of smaller sizes, the traditional family care model faces

multiple practical constraints, including a shortage of caregivers and heavy physical and financial burdens. Long-term care insurance, through institutionalized funding and benefit mechanisms, systematically shares the costs of long-term care and promotes a shift in caregiving responsibilities toward a "shared social responsibility" model characterized by diverse collaboration (8), thereby freeing up family caregiving to some extent.

2.4. Optimizing the healthcare system

Long-term care insurance is also systematically driving a functional reallocation of roles between medical care and nursing care. Previously, a lack of stable avenues of professional care resulted in many older adults with disabilities being forced to meet their daily care needs through long-term hospitalization, creating a phenomenon known as "social hospitalization" and exacerbating the misallocation of medical resources. By providing institutionalized support to expand and improve the quality of professional care, long-term care insurance systematically transfers non-medical care needs, which were previously concentrated within the medical system, to the long-term care system, thereby effectively optimizing the allocation of medical resources (9).

2.5. Enriching national long-term care insurance practices

As the pioneer of long-term care insurance systems, Germany has adhered to the core framework of statutory social insurance, emphasizing the stability, sustainability, and universal coverage of the system, with a social security framework that clearly defines rights and responsibilities. Japan, in contrast, has established a community-centered integrated care system that is focusing on improving the accessibility and quality of care. China, because of its specific conditions, has adopted a gradual approach of "pilot programs first and gradual expansion." Its system is highly flexible and adaptable to China's national conditions, representing a "Chinese approach" to the creation of long-term care insurance systems worldwide.

3. The exploration and development of long-term care insurance in China

3.1. Pilot launch phase (2016–2019)

To address the challenges of providing long-term care for people with disabilities resulting from an aging population, China has successively issued a series of policy documents. In June 2016, the General Office of the Ministry of Human Resources and Social Security issued the Guiding Opinions on Launching

the Pilot Program of the Long-Term Care Insurance System. This officially designated 15 cities, including Chengde and Changchun, as well as the provinces of Jilin and Shandong, as the first batch of national-level pilot regions for long-term care insurance, marking the start of a standardized pilot program phase for China's long-term care insurance system (10). In March 2018, the establishment of the National Healthcare Security Administration led to further reforms of the long-term care insurance system. The core task of this phase was to explore key aspects of the long-term care insurance system, including its institutional model, financing mechanisms, standards for receiving benefits, and assessment systems, while defining the primary population to be covered as participants in the employee medical insurance scheme and prioritizing the care needs of individuals with severe disabilities (11) (Table 1).

3.2. Expansion phase (2020–2025)

After 2020, the long-term care insurance program entered a phase of expanded pilot programs, which were launched in multiple cities across the country, and a comprehensive set of supporting policies introduced by the central government (Table 2). In September 2020, the National Healthcare Security Administration officially issued the Guiding Opinions on Expanding the Pilot Program for the Long-Term Care Insurance System (12), adding 14 new pilot regions, including the Shijingshan District in Beijing. This initiative gradually extended coverage to urban and rural residents and, for the first time, clearly defined LTCI as an independent insurance arrangement, establishing a diversified financing mechanism primarily based on employer and individual contributions, supplemented by government

subsidies. Subsequently, a series of supporting documents were issued at the national level, gradually forming a comprehensive institutional framework that included assessment, administration, delivery of care, and supervision (13). The core tasks of this phase were to expand the scope of coverage, improve the financing mechanism, unify the standard system, and standardize the assessment process (14).

3.3. Comprehensive implementation phase (2026–present)

Since 2026, following nearly a decade of pilot programs and exploration, China's long-term care insurance system has established a nationwide policy framework and a system of implementation rules (Table 3), marking a new phase of nationwide implementation and comprehensive advancement. In March 2026, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Opinions on Accelerating the Establishment of the Long-Term Care Insurance System (15), explicitly proposing to establish, within approximately three years, a long-term care insurance system that is adapted to China's basic national conditions, that covers the entire population, that integrates urban and rural areas, that is fair and unified, that is safe and standardized, and that is sustainable. This marked the formal transition of the long-term care insurance system from the pilot program phase to the comprehensive implementation phase. The core tasks of this phase are to implement a nationally unified institutional framework, to provide comprehensive coverage, universal accessibility, and standardized operation of the system, and to promote the full maturation and consolidation of the long-term care insurance system.

Overall, China's long-term care insurance system

Table 1. Overview of policies for the long-term care insurance system during the pilot launch phase (2016–2019)

| Release date | Policy document | Key points |
|--------------|---|---|
| June 2016 | Guiding Opinions of the General Office of the Ministry of Human Resources and Social Security on Piloting the Long-Term Care Insurance System | Identified 15 pilot cities and two key partner provinces—Jilin and Shandong; specified that the system would cover individuals with long-term disabilities, with a focus on addressing basic daily care needs and medical care costs closely related to daily living for those with severe disabilities; explored the establishment of a social insurance system funded through social mutual aid and solidarity. |
| June 2017 | Opinions of the General Office of the State Council on Formulating and Implementing Elderly Care Service Projects | Proposed establishing a subsidy system for older adults of advanced age or with disabilities facing financial hardship, and ensuring seamless integration with the long-term care insurance system; required the active implementation of long-term care insurance pilot programs to explore the establishment of a long-term care insurance system. |
| March 2019 | Report on the Work of the Government (2019) | Formally proposed "expanding pilot programs for the long-term care insurance system". |
| April 2019 | Opinions of the General Office of the State Council on Promoting the Development of Elderly Care Services | First proposed "establishing and improving a long-term care system"; called for accelerating the implementation of pilot programs for the long-term care insurance system; encouraged the development of commercial long-term care insurance products. |

Table 2. Overview of policies for the long-term care insurance system during the expansion phase (2020–2025)

| Release date | Policy document | Key points |
|----------------|---|--|
| September 2020 | Guiding Opinions of the National Healthcare Security Administration and the Ministry of Finance on Expanding the Pilot Program of the Long-term Care Insurance System | The pilot program was expanded to 49 cities; the system was defined as a standalone insurance product, and a diversified financing mechanism was established, primarily based on contributions from employers and individuals. |
| July 2021 | Long-term Care Disability Level Assessment Standard (Trial) | Established the first nationwide unified disability assessment standards, standardizing assessment indicators and classification levels. |
| September 2021 | 14th Five-Year Plan for National Healthcare Security | Stated that during the period of the 14th Five-Year Plan, the long-term care insurance system would be steadily established, and a policy framework would be constructed; national unified standards for disability assessment would be formulated, the administrative system would be improved, and the development of commercial long-term care insurance would be encouraged. |
| November 2021 | Opinions of the CPC Central Committee and the State Council on Advancing Efforts to Address Population Ageing in the New Era | Proposed to steadily advance pilot programs for the long-term care insurance system, intensify exploratory efforts, and improve existing pilot programs. |
| February 2022 | 14th Five-Year Plan for the Development of National Undertakings for the Aged and the Elderly Care Service System | Systematically planned the enrollment, service, and financing mechanisms for long-term care insurance, and promoted pilot programs. |
| December 2023 | Measures for the Administration of Disability Level Assessment for Long-Term Care Insurance (Trial) | Standardizes the management of designated assessment institutions, the qualifications of assessors, and the assessment process. |
| February 2024 | National Occupational Standards for Health Caregivers (Long-term Caregivers) (2024 Edition) | Clarifies the occupational standards for long-term care workers and promotes the professional development of care personnel. |
| April 2024 | Measures for the Administration of Designated Disability Level Assessment Institutions for Long-Term Care Insurance (Trial) | Clarifies the application criteria, designation procedures, operational management, and supervision requirements for designated assessment institutions. |
| September 2024 | Operational Procedures for Long-Term Care Insurance (Trial) | Guides local authorities in managing assessments, services, and third-party institutions for long-term care insurance, and clarifies the disability assessment process. |
| September 2024 | Model Service Agreement for Designated Disability Level Assessment Institutions for Long-Term Care Insurance (Trial) | Provides a standardized model service agreement for assessment institutions to regulate the management of designated assessment institutions. |
| October 2024 | Measures for the Administration of Designated Nursing Service Institutions for Long-Term Care Insurance (Trial) | Clarifies the entry criteria, management requirements, and exit mechanisms for long-term care providers. |
| November 2024 | Implementation Opinions on Promoting Vocational Skill Level Certification for Long-term Caregivers | Provides institutional safeguards for the vocational qualification assessment of long-term care workers and promotes the standardization of the nursing workforce development. |
| March 2025 | Report on the Work of the Government (2025) | Explicitly proposes to "accelerate the establishment of the long-term care insurance system", marking the fifth consecutive year this has been included in the Report on the Work of the Government and signaling accelerated nationwide implementation. |

has undergone three key phases of development, from the launch of pilot programs to the expansion of those programs, and finally to full-scale implementation (Figure 2). It has evolved from localized pilot programs to nationwide rollout, from fragmented approaches to unified standards, and from single-source coverage to multi-stakeholder collaboration, and it is now accelerating toward a new phase of universal coverage and institutional consolidation.

4. International experiences with long-term care insurance systems

4.1. Japan's long-term care insurance system

Japan is one of the most rapidly aging countries in the world. In response to the ongoing aging of the population and the lessening of traditional family caregiving, Japan enacted the Long-Term Care Insurance Act in

Table 3. Overview of policies for the long-term care insurance system during the comprehensive implementation phase (2026–present)

| Release date | Policy document | Key points |
|--------------|--|--|
| March 2026 | Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Accelerating the Establishment of the Long-Term Care Insurance System | Marked the transition of long-term care insurance from localized pilot programs to nationwide implementation; proposed establishing a long-term care insurance system that aligns with China's basic national conditions within approximately three years. |
| March 2026 | Implementation Plan for Accelerating the Establishment of the Long-Term Care Insurance System | Provides detailed provisions on funding, benefit coverage, and management services; establishes a benchmark premium rate system; supports differentiated benefits for institutional care, home care, and community care; and strengthens interdepartmental coordination and collaboration. |
| Feb 2026 | Implementation Rules for the Regulations on the Supervision and Administration of the Use of Healthcare Security Funds | Provides detailed provisions on fund usage, supervision, and legal liabilities. |

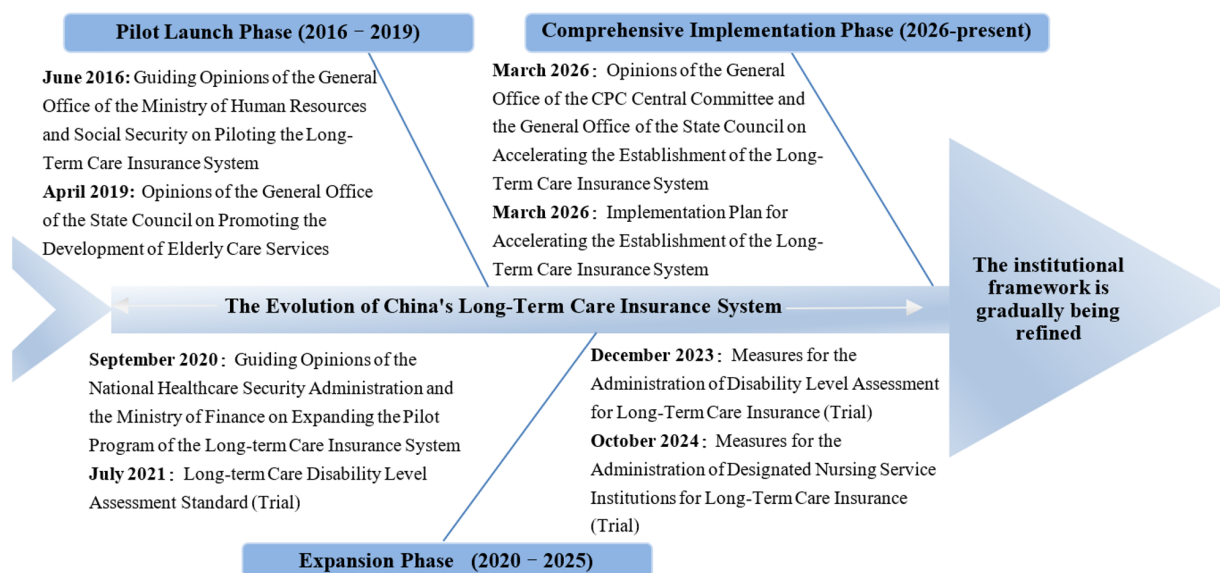


Figure 2. Diagram of the development stages of long-term care insurance in China (Representative documents).

1997, becoming the first country in Asia to establish a socialized long-term care insurance system. Its core objective is to shift the burden of caregiving from families to society and to build a comprehensive care system centered on the community. The program covers all citizens aged 40 and older, but benefits are provided only to old individuals with disabilities and those with disabilities resulting from specific illnesses. Funding is provided through a hybrid model in which taxes and premiums each account for 50% of the total. Fiscal subsidies are shared among the central government, prefectures, and municipalities, with premiums determined on a sliding scale based on income (16). Actuarial assessments are conducted every three years, and premium rates are dynamically adjusted accordingly. Benefits are primarily provided in the form of in-kind services, with no cash subsidies offered, and cover home-based care, day care, and institutional care (17). Accurate

disability assessments are achieved through "home visits and secondary evaluations by expert committees," driving the professionalization and standardization of care.

4.2. Germany's long-term care insurance system

Germany is the birthplace of the modern social insurance system. Against the backdrop of diminishing family caregiving capacity and a growing demand for care, Germany enacted the Long-Term Care Insurance Act in 1994, becoming the first country in the world to establish a public long-term care insurance system through legislation. The system covers residents of all ages, and benefits are available to anyone who meets the criteria for disability. Funding is centered on payroll taxes, with employers and employees each contributing half. Childless individuals are subject to an additional

premium, and government subsidies account for only 2%, creating a sustainable funding system independent of health insurance (18). Payments are made through a dual system of cash subsidies and care subsidies. Cash subsidies are paid directly to family members providing home care to encourage family involvement in caregiving while alleviating pressure on fund expenditures. Care subsidies, meanwhile, cover the costs of professional care (19). The government will enhance the efficiency of fund management by adopting a market-oriented approach to the operation of the LTCI fund, while ensuring the stability of the system by clarifying the funding responsibilities and standards for receiving benefits of all parties through legislation.

4.3. South Korea's long-term care insurance system

Faced with the severe challenges of an accelerating aging population and the gradual breakdown of traditional family caregiving, South Korea enacted the Long-Term Care Insurance Act in 2007. Administered by the National Health Insurance Service, the program covers all health insurance enrollees and provides benefits to disabled seniors aged 65 and older, as well as individuals under the age of 65 with disabilities resulting from specific diseases. Funding is shared among individuals, employers, and the government (20). Benefits are provided in two forms: cash payments and services. Service offerings include home care (such as in-home nursing and day care), institutional care, short-term residential care, and specialized care for dementia. Cash payments are provided only under special circumstances, such as when a relative provides care and access to service facilities is unavailable, or when an old person living in a remote area cannot access in-person services. This approach is designed to mitigate the risk of uncontrolled service quality that could arise from cash payments (17). The system is designed to balance equity and sustainability, aligning with trends in population aging and changing family structures in South Korea.

4.4. A comparison of the core systems of long-term care insurance in China, Japan, Germany, and South Korea

Japan, Germany, and South Korea are all leading examples of social insurance models for long-term care, but each country has its own unique characteristics in terms of institutional development (Table 4). Compared to Germany and South Korea, Japan's long-term care insurance system has the highest proportion of government subsidies (approximately 50%) and the greatest extent of government involvement in its operation. However, the high level of benefits also poses greater challenges to the financial sustainability of the system. The most distinctive feature of the German system is the design of its benefits, which combine cash subsidies with home care, and its robust self-balancing

Table 4. Comparison of long-term care insurance systems in China, Japan, Germany, and South Korea

| | Legal basis | System model | Population covered | Method of financing | Methods of delivering benefits |
|-------------|---|---|--|---|---|
| China | 2016: Guiding Opinions of the General Office of the Ministry of Human Resources and Social Security on Piloting the Long-Term Care Insurance System | Social insurance-based model, with pilot programs being rolled out nationwide and gradually becoming a standalone insurance category. | Employee medical insurance serves as the starting point, gradually expanding to cover urban and rural residents, with a focus on providing coverage for severe disability. | Transfers from health insurance funds, individual and employer contributions, and government subsidies; high level of reliance on health insurance. | Service-oriented, with some regions piloting cash subsidies; the fund covers approximately 70% of costs. |
| Japan | 1997: Long-Term Care Insurance Act | Social insurance-based, statutory and mandatory, community-oriented. | Coverage for those aged 40 and older; benefits available to those aged 65 and older and individuals with disabilities due to specific illnesses. | Funding is 50% government and 50% premiums; premiums are income-based and adjusted every three years. | Primarily in-kind services; individuals pay 10–30% out-of-pocket. |
| Germany | 1994: Long-Term Care Insurance Act | Social insurance-based, legally mandatory, and market-driven. | Covers all residents of all ages; benefits are available upon the onset of disability. | Employers and employees each contribute half of the payroll tax; a surcharge applies to those without children, with a 2% government subsidy. | Beneficiaries may choose between cash benefits and in-kind services; reimbursement covers up to 75% of costs. |
| South Korea | 2007: Long-Term Care Insurance Act | Social insurance-based system, integrated with health insurance, and legally mandatory. | All health insurance subscribers, individuals aged 65 and older, and those with disabilities due to specific illnesses are eligible for benefits. | Costs are shared by individuals, employers, and the government, with the government subsidizing approximately 30%. | Beneficiaries may choose between cash benefits and in-kind services; for institutional care, the out-of-pocket cost is 20%, and for home care, it is 15%. |

mechanism. It has the lowest proportion of government subsidies (approximately 2%). The South Korean system was established most recently. Its key features include centralized management and operations, as well as a competitive mechanism that separates purchasers from providers. It has seen the fastest rise in contribution rates, reflecting the practical need for rapid systemic adjustments to address the pressures of an aging population. The experiences of these three countries provide useful institutional benchmarks for China's long-term care insurance system as it transitions from pilot programs to nationwide implementation, offering particularly valuable insights regarding the sustainability of funding, the standardization of assessment criteria, and the selection of models for delivery of benefits.

5. The practical challenges of China's long-term care insurance

5.1. The sustainability of the funding mechanism needs to be improved

First, current funding relies heavily on basic medical insurance funds; in more than 80% of pilot cities, funding primarily comes from transfers from basic medical insurance funds, with individual contributions generally accounting for less than 30%; some cities even waive individual fees entirely (21). Against the backdrop of an aging population and a steadily growing number of people with disabilities, the financial pressures on basic medical insurance funds are mounting. A model that relies excessively on basic medical insurance is not only unsustainable for the long-term operation of long-term care insurance but may also divert resources from basic medical insurance coverage. Second, the division of funding responsibilities is unclear, and there is a lack of a scientific mechanism for dynamic adjustment (22). Most pilot cities have not clearly defined the statutory responsibilities of individuals, employers, and the government. Funding standards are mostly fixed amounts that are not linked to changes in economic conditions, household income, care costs, or the risk of disability, hampering its ability to cope with the pressure of rising long-term expenditures.

5.2. The disability assessment system still needs improvement

First, the long-term care insurance system lacks uniform assessment standards for beneficiaries. A study analyzing 49 pilot cities found that while 47 of them had published disability grading assessment standards, only 38 adopted the provisional standards issued by the National Healthcare Security Administration (23), which to some extent undermines the fairness of benefits allocated under the long-term care insurance system. Second, there is a lack of uniform regulations governing the assessment

process and personnel management. Currently, long-term care assessments in China's pilot cities are mostly conducted by third-party agencies, but there is no unified certification for these agencies, and assessment results lack rigorous review (24). Moreover, the information system supporting disability assessments is relatively underdeveloped; assessment results are primarily archived on paper forms, and a nationwide unified electronic database has yet to be established. When insured individuals move across provincial borders, they must resubmit their medical records and undergo repeated assessments, which increases the administrative costs of the system (25).

5.3. Inadequate supply and quality of care services

For old adults with disabilities in rural areas, most prefer home-based care over institutional care (26). However, the scattered nature of rural communities makes home-based services costly, which has, to some extent, limited the expansion of long-term care insurance in rural areas. Second, the supply structure does not align with the core needs of the population. Of the beds available through institutional care, those intended for people with disabilities account for less than 40%, and the home and community care networks are underdeveloped, hampering the system's ability to meet the core need of old adults with disabilities for "local and nearby care" (27). Third, China currently faces a shortage of over 5 million elderly care workers, and in pilot regions, certified personnel account for less than 30% of the workforce. Caregivers continue to face issues such as low wages, inadequate career development pathways, and an intense workload. This shortage of professional personnel constrains supply and the professionalism of care (28).

5.4. Urgent improvement needed for rule of law construction and institutional norms

Although China has begun the top-level design of its long-term care insurance system, unified legislation has not yet been enacted. Local implementation primarily relies on central government guidelines and provisional measures and detailed rules formulated by pilot cities themselves, with a "one city, one policy" approach becoming increasingly evident (29). Moreover, pilot cities differ in key areas such as the scope of coverage, funding standards, benefit entitlements, and payment rules; some cities cover only the employed population, while others have achieved full coverage of both urban and rural residents. Benefit payment rates, the scope of coverage, and payment methods also vary (30). In addition, the measures adopted by various regions to integrate long-term care insurance with medical insurance are interim solutions derived from practical experience. Facilitating the coordination of

benefits between long-term care insurance and basic medical insurance is a topic that still needs to be further explored (31).

5.5. Weak foundations in digitalization and regulation

First, there is a lack of a full-process regulatory mechanism. The regulatory framework for the long-term care insurance system is still in its exploratory or refinement stage. Specifically, a legal and regulatory foundation has not yet been systematically established, the delineation of responsibilities among regulatory bodies and the pathways for collaborative governance remain unclear, and there is a lack of channels for feedback on the quality of care (32). Second, the foundation for digital supervision is weak. Most pilot cities have not yet established a full-process digital supervision system for long-term care insurance, so there is no real-time tracking or intelligent auditing of services, their duration, their quality, or fund usage. The use of technologies such as the Internet of Things (IoT), big data, and artificial intelligence (AI) in the supervision of care remains insufficient, hampering the system's ability to effectively address regulatory challenges in dispersed settings such as home-based and community-based care, which results in a low level of efficiency and limited accuracy of supervision (33).

6. Trends in China's long-term care insurance

6.1. Establishing a diverse and sustainable financing mechanism

The 2026 "Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Accelerating the Establishment of the Long-Term Care Insurance System" emphasize the establishment of a diversified financing mechanism that is commensurate with the level of economic development, aligned with the financial capacity of all parties, and consistent with sustainability requirements (34). In contrast, Japan's long-term care insurance Act clearly defines an independent social insurance framework for long-term care insurance through legislation. Premiums are shared equally between insurance contributions and taxes, with premiums for insured individuals aged 65 and older deducted directly from their pensions, and a dynamic adjustment mechanism is in place (35). South Korea's long-term care insurance builds upon a social insurance model by incorporating elements of public assistance. Drawing on the experiences mentioned earlier, on the one hand, the funding responsibilities of individuals, employers, and the government will be further enhanced through legislation or regulatory documents. Individual contribution rates will be reasonably increased to gradually achieve universal coverage, while exploring

contribution mechanisms linked to income. On the other hand, funding standards will shift from fixed amounts to dynamic adjustments, establishing a mechanism for the dynamic adjustment of contribution rates and benefits linked to changes in residents' income, care costs, and the degree of population aging, thereby ensuring the fund's revenue-expenditure balance.

6.2. Improving the disability assessment system

In recent years, China has actively promoted the cross-departmental sharing and mutual recognition of disability assessment results (36). The institutional experiences of leading countries worldwide have also provided a model for China's assessment system. Germany's long-term care insurance system relies on independent professional assessment agencies to conduct assessments of care needs on behalf of the long-term care insurance funds through the Medical Service of Health Insurance Funds (MDK) (37). Japan's long-term care insurance system employs a "two-stage assessment" model: an initial home survey is conducted by municipal staff or contracted agencies, followed by a comprehensive review by the Long-Term Care Certification Review Committee—consisting of personnel from the fields of healthcare, medical care, and social welfare—which incorporates the attending physician's opinion. Building upon the promotion of a unified national assessment standard, efforts should be made to further enhance professional training and certification for assessors, establish and improve a database of assessors and a dynamic management mechanism, standardize assessment procedures, and introduce multidisciplinary expertise into the assessment review process. This will comprehensively enhance the scientific rigor and fairness of disability level assessments (38).

6.3. Optimizing the provision of care services

From an international perspective, long-term care systems are gradually shifting from a health insurance model centered on treatment of disease to a care model focused on functional maintenance, assistance with daily living, and continuous care (39). Japan's regional integrated care system has established a small-scale, multifunctional home-based care model combining "day care, home-visit services, and short-term residential stays," effectively meeting the core need of old adults to age in place. In contrast, China's long-term care insurance system remains in the early stages of development, characterized by a supply model that prioritizes institutional care over home-based services (40). In the future, China's long-term care insurance should promote the decentralization of care provision from centralized institutions to community-based and home-based settings. It should focus on fostering integrated, multifunctional community care providers

that combine "day care, home-based services, and short-term residential care" and build a service network centered on the home, linked to the community, and supplemented by institutions, thereby achieving the close integration of care with the daily living conditions of old adults. At the same time, efforts should be made to improve dementia-friendly community care networks and to enhance the capacity for continuous care and family support for old adults with dementia who exhibit behavioral and psychological symptoms.

6.4. Advancing the coordination and integration of systems

Japan's Community-based Integrated Care System is built around the goal of enabling older adults to continue living in their familiar communities with dignity and independence. The system integrates five essential components: medical care, long-term care, preventive care, housing, and daily living support, thereby providing comprehensive support for ageing in place (41). This approach differs from the current single financial focus of China's long-term care insurance, which primarily

covers costs for individuals with severe disabilities. This institutional design points the way forward for the evolution of China's long-term care insurance. In the future, China's long-term care insurance will gradually move beyond its current role as a "supplement to medical insurance." It will transition from a system focused solely on reimbursing care costs to a comprehensive, integrated social security system that includes preventive care, care for the disabled, coordination of medical care, assistance with daily living, and housing. The system will evolve from a financial design focused on "who pays" to a systematic design focused on "how to provide comprehensive support for the lives of old adults", ultimately becoming one of the core pillars of China's old adult care and health security.

6.5. Strengthening digital empowerment and regulation

The reliable operation of long-term care insurance in the future will rely heavily on technology-enabled regulation. On the one hand, laws and regulations should be improved to grant regulatory authorities clear enforcement powers and responsibilities, as well as

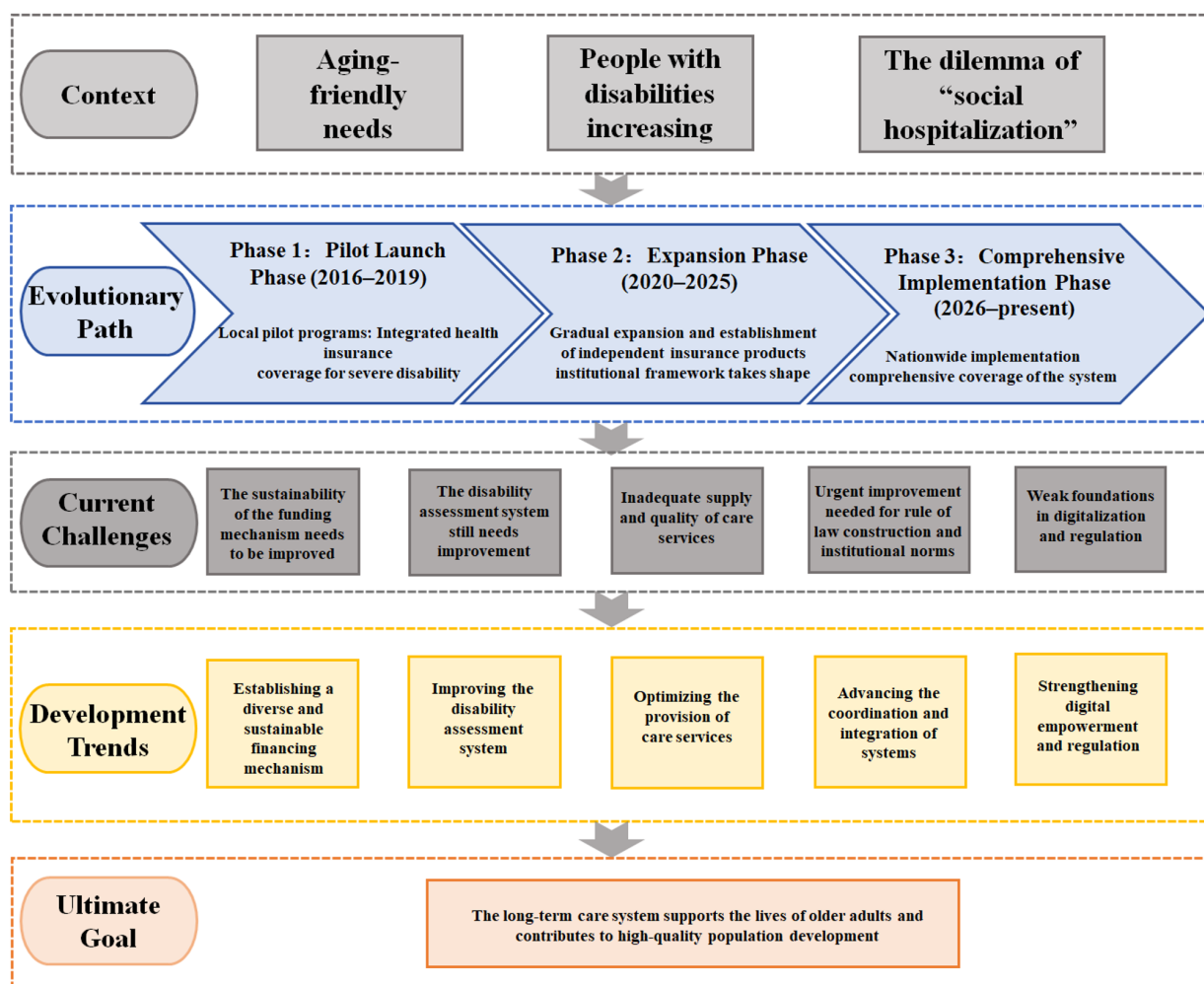


Figure 3. The path of development of long-term care insurance in China.

coordination mechanisms, while ensuring unimpeded avenues for public oversight and reporting of complaints. On the other hand, efforts should be accelerated to build a unified national information system for long-term care insurance, to standardize data formats, and to achieve data integration with departments such as medical insurance, civil affairs, and the Disabled Persons' Federation to break down data silos (42). The promotion of smart care devices and digital management tools should be prioritized to ensure full traceability throughout the care process. For example, mobile apps can be used to record the duration and details of care, facilitating verification by regulatory authorities. At the same time, administrative service processes should be optimized by implementing convenient services such as online applications, online assessments, and online payments. This will reduce the administrative burden on insured individuals, improve the efficiency of administrative services, and alleviate the pressure caused by a shortage of administrative staff (Figure 3).

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- *Address correspondence to:*
 Wei Tang, National Center for Global Health and Medicine, Japan Institute for Health Security, 1-21-1 Toyama, Shinjuku-ku, Tokyo 162-8655, Japan.
 E-mail: politang-tky@umin.ac.jp
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