

Long-term Care Prevention Project Utilising Social Impact Bonds (Reference: Project Name): Toyota City Public-Private Partnership for Long- term Care Prevention “ZUTTO GENKI! PROJECT”



Background and Reasons for Deciding to Undertake the Project

Toyota City has signed a memorandum of understanding with Dream Incubator Inc. regarding the implementation of surveys and research in preparation for using Social Impact Bonds (hereinafter referred to as “SIBs”) (February 2020).

The city is drawing up plans for resolving social problems, including SDGs, and has been considering using SIBs to realise these aims in various fields.

Toyota City has been focusing efforts on addressing the so-called “2025 Problem”—Babyboomers¹ entering the late stages of old age.

Due to the impact of the COVID-19 virus, however, opportunities for elderly residents to go out have decreased and there are mounting concerns about “corona frailty” (a state in which elderly people lose physical and mental strength due to locking themselves away at home, increasing their risk for needing long-term care). It was therefore decided to use SIBs in measures for preventing the need for long-term care.

Also, from the municipal government’s perspective, it has become necessary for many human resources to be diverted to COVID-19 countermeasures.

Consequently, since the current circumstances do not allow for dedicating municipal staff to addressing the problem of the increased risk for long-term care, Toyota City decided to work in cooperation with the private sector to develop a large-scale long-term care prevention project.

Project Aims

This project aims to reduce the cost of long-term care insurance services by 1 billion yen as well as improve the QOL of elderly residents by enabling them to acquire a “new purpose for living” or “enjoyment”.

Project Outline

This innovative social problem-solving project utilises SIB mechanisms—which use private funds.

Under this system, the anticipated reduction in social costs generated in the future is used as capital for anticipatory investments, reducing long-term care risks, and thereby maintaining elderly residents’ health and reducing administrative costs.

Specifically, based on evidence that social participation and communication reduce long-term care risks, we will develop various private sector ideas as services.

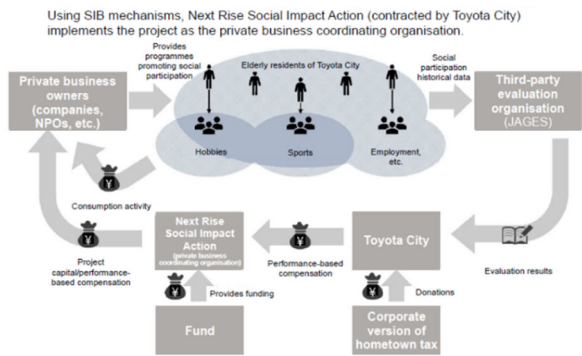
In addition, Toyota City will realise wise spending by using a performance-based compensation system for paying the private sector.

Project period: July 2021 – June 2026 (5 years)

Project cost: 500 million yen maximum

Participants: 5,000 people/year (total of 25,000 people over 5 years) are anticipated.

Scheme for the Toyota City Public-Private Partnership for Long-term Care Prevention "ZUTTO GENKI! PROJECT"



SIB project scheme

Project Features and Innovation

SIBs are being introduced, mainly in Europe and the United States, in employment support, homeless support, healthcare, and other fields for which results indicators can easily be created. Virtually all these fields address problems that are occurring now.

Because of the difficulty in setting indicators, there are very few case examples of SIBs being used to address the world’s common future problem of long-term care prevention.

The challenge is to change society so that “there is no need for long-term care to begin with” rather than “responding after a person enters long-term care”.

Furthermore, the project is structured so that the risk of providing compensation for the project is divided among and borne by financial institutions and the companies implementing the project.

Another reason why this project can be called innovative is that the content of the project has been evaluated by certain companies and project funding has been donated to Toyota City.



Scene at a project experience meeting

Results of the Project

The programmes provided under the project have been devised by private sector organisations with originality and ingenuity in regard to providing both online activities and offline activities avoiding the “Three Cs”. Measures to prevent the spread of infection are being implemented thoroughly and services encouraging continued social participation are being provided.

Furthermore, a wide array of programmes are provided, not only in fields such as exercise and other activities that spring to mind when imagining measures to prevent long-term care in the future, but also hobbies, employment, entertainment, and other fields that generate communication. The project is both providing elderly residents with a range of options to choose from and encouraging their continued social participation.

About the “ZUTTO GENKI! PROJECT”

With the cooperation of more than 20 companies and NPOs, etc., social participation programmes on a wide range of themes are provided either online or in-person with protective measures against COVID-19 (the Three Cs) in place.



Programmes provided through the project

Issues and Responses

An issue for the project is that because SIBs are the payment mechanism for paying compensation in accordance with programme results, evaluation/verification for measuring the results are very important, and participant data necessary for performing evaluation/verification needs to be acquired appropriately.

With regard to the long-term care prevention results of social participation, because statistical data already shows a strong correlation between social participation and long-term care prevention, it is possible to evaluate/verify these results using a scientific approach, and there is thought to be a high probability of results being achieved.

Accordingly, short-term and long-term results were set as follows, and data for evaluation/verification is being obtained through performance reports by private sector organisations and regular implementation of questionnaires.

Short-term results: the number of people participating in the project and number of people maintaining their participation for six months or longer

*Settings made based on research results indicating that social participation decreases long-term care costs per person by 19%.

[Source: JAGES (Japan Gerontological Evaluation Study) survey]

Long-term results: the difference in risk for long-term care and difference in long-term care costs between project participants and non-participants before the project began and after the project finishes.

*Create scores for the risk of elderly residents needing long-term care within 3 years and measure the difference in scores between project participants and non-participants to obtain results.

Future Developments (Anticipated Results, Outlook for the Project, Issues, etc.)

This project is being carried out over a 5-year period beginning in July 2021 and is a long-term, large-scale undertaking with project costs running into hundreds of million yen.

Toyota City was able to implement such a long-term, large-scale undertaking through corporate donations to fund the project.

In order to also fulfil donors' expectations, though further collaboration with the private sector Toyota City will endeavour to ensure that this project grows to become a model case example that can be implemented in other municipalities and have a social impact.

In addition, Toyota City will consider the possibility of applying SIBs to other social problems with the aim of creating a sustainable society.

Reference URLs

Toyota City official website:

<https://www.city.toyota.aichi.jp/kurashi/fukushi/kouureisha/1044582.html>

Dream Incubator Inc. official website:

<https://www.dreamincubator.co.jp/nextrisesia/?s2>

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Key Terms

¹Baby boomers: The generation born between 1947 and 1949. Refers to people born during Japan's first baby boom, who as of 2021 comprise a large percentage of the population aged 65 years and older.