

Market Overview: Elderly Care in Shanghai

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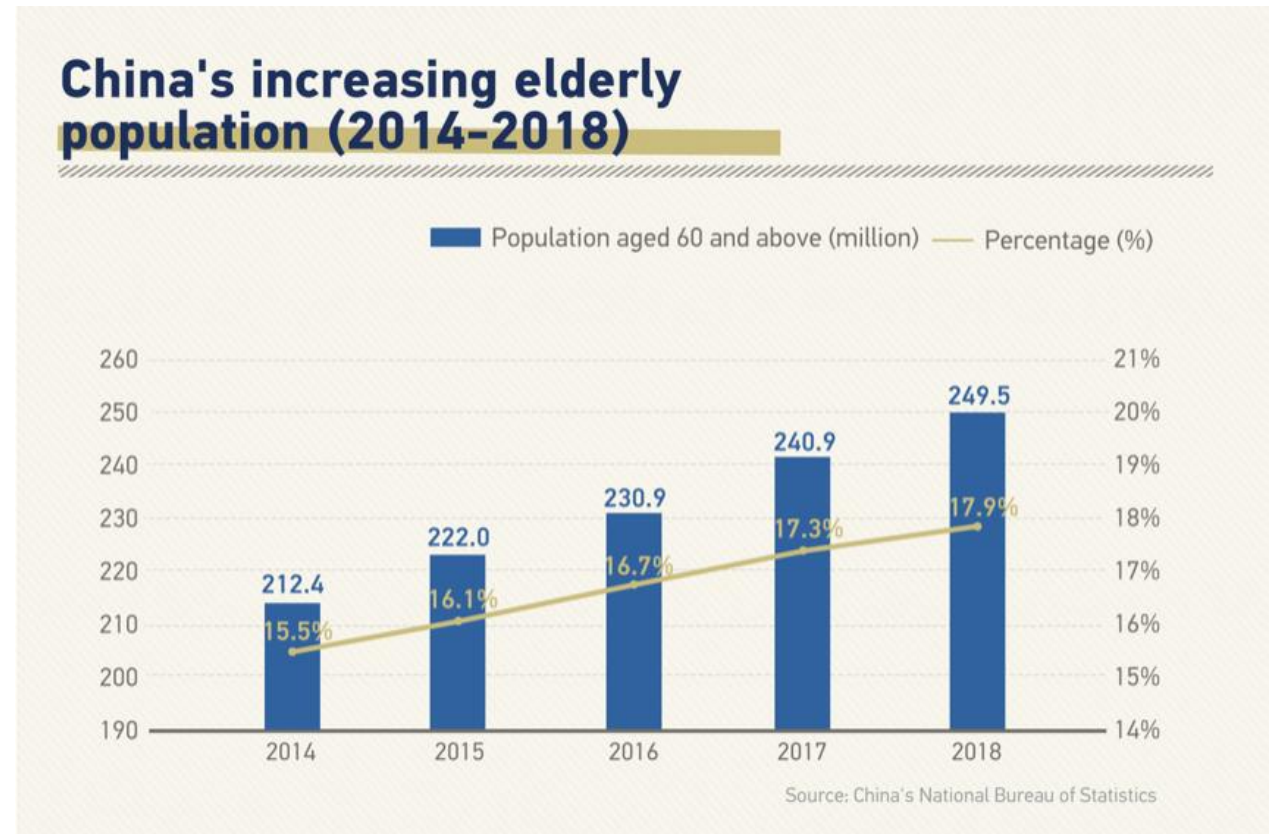
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Aging Population

The Big Picture

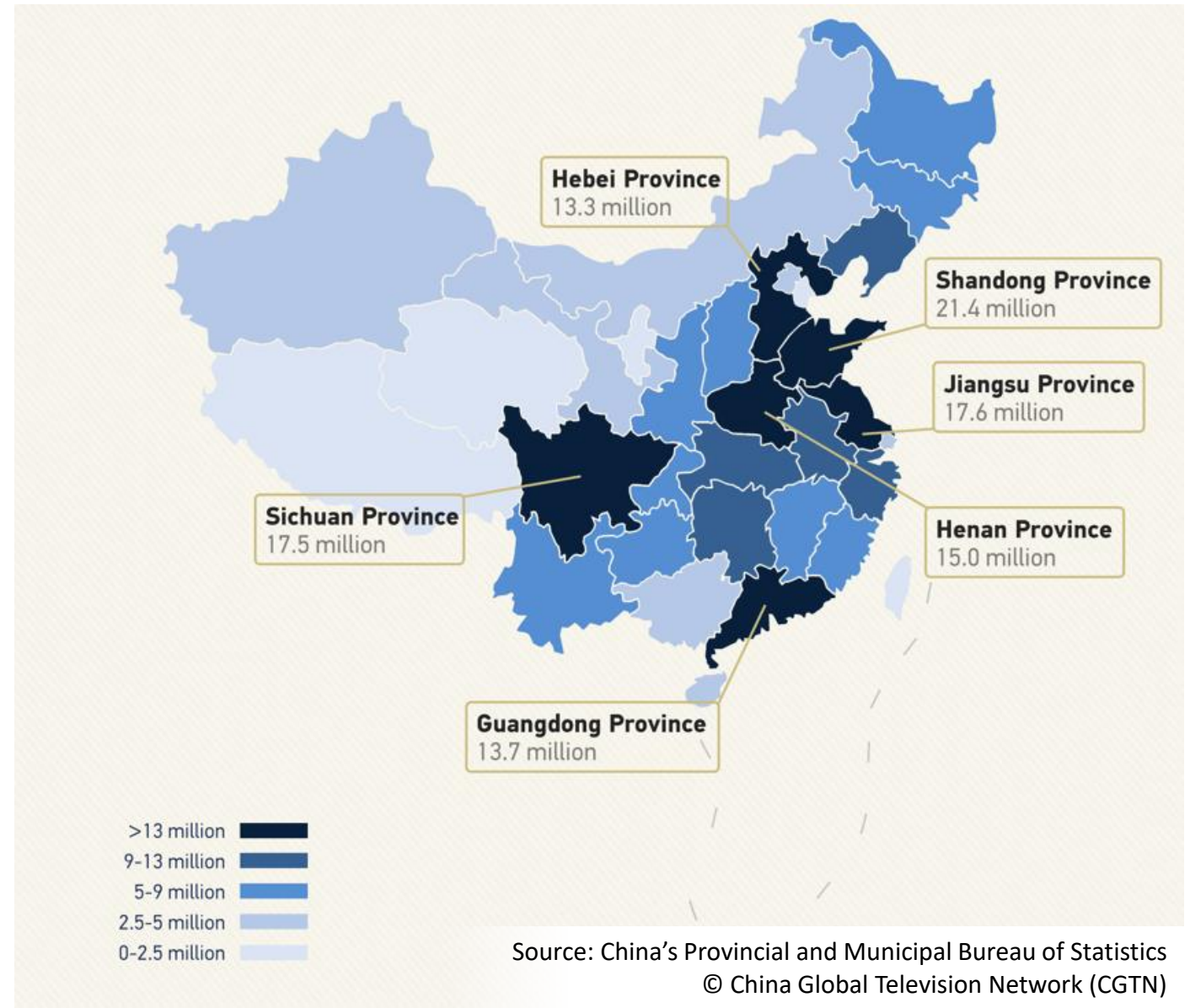
China is facing challenges from its large aging population.

- China had over 249 million people aged 60 or above at the end of 2018.
- That is 17.9 percent of the national population.
- This number is estimated to reach 300 million by 2025 and 400 million by 2033.



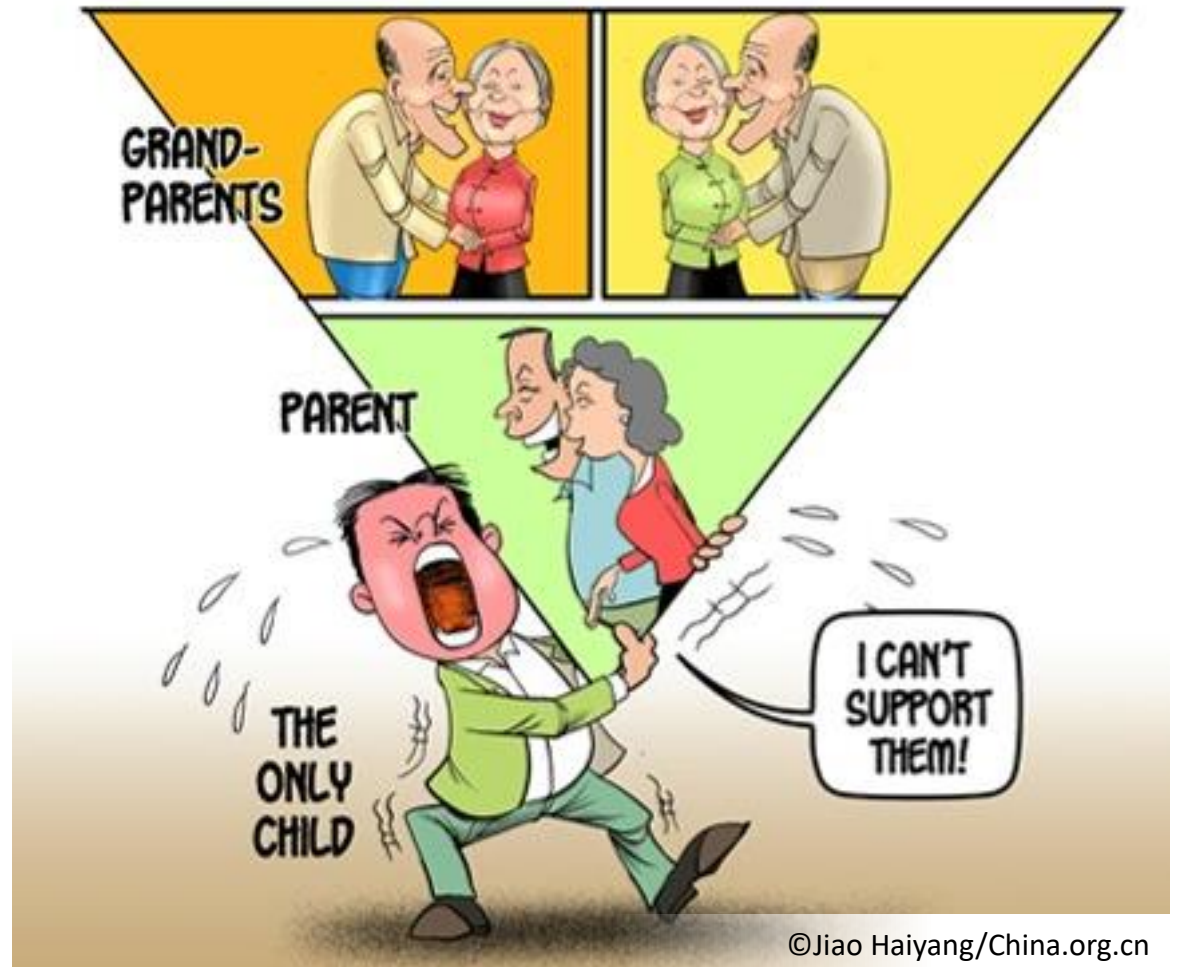
Source: China National Bureau of Statistics
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Geographical Distribution of China's Elderly Population (2017)



The 4-2-1 Family Structure

- Four grandparents, two parents, one child
- One-Child Policy
- All six elderly depend on one of the younger generation



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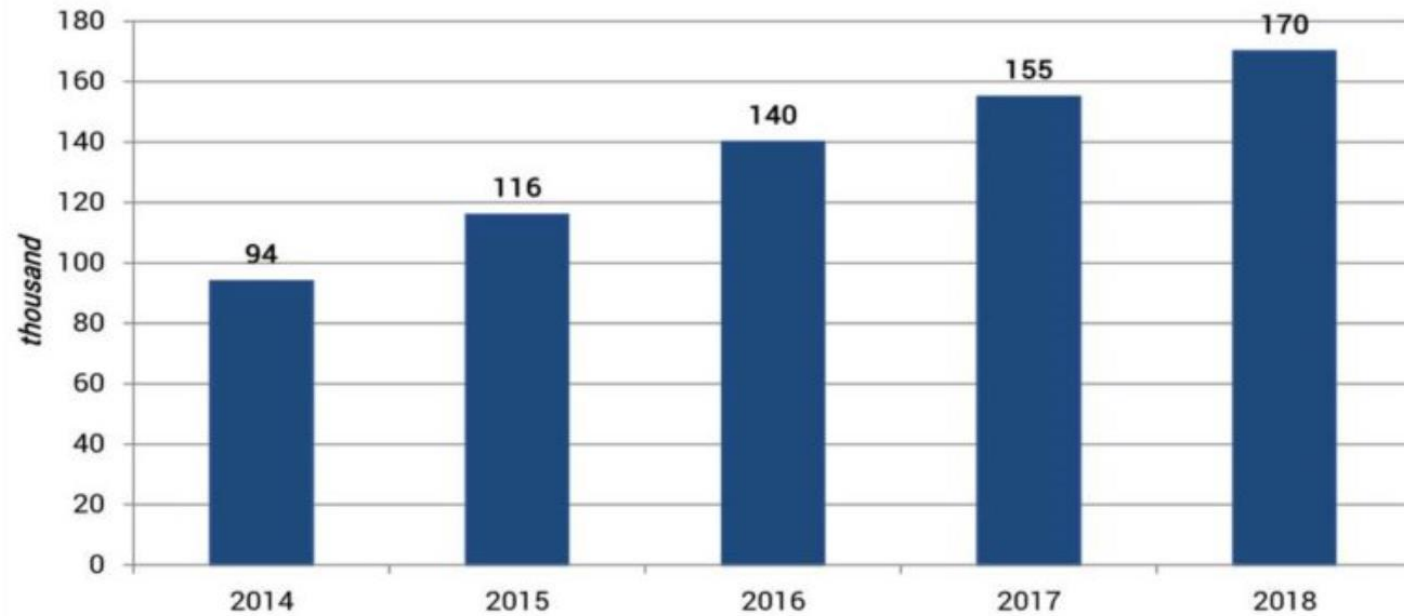
Elderly Care

Industry Overview

Main Models of Elderly Nursing Services



Number of nursing homes in China (thousands – 2014-2018)



China's Elderly Care Policy Landscape

- Elderly Rights Law
- The 13th Five-Year Plan for Economic and Social Development (2016-2020)
- Action Plan on the Development of Smart Health and Elderly Care Industry 2017 – 2020 (February 2017)
- Notice on Accelerating the Reform on the Entry, Supervision and Service Level of the Senior Service Industry (February 2017)
- The 13th Five Year Plan for Developing Undertakings for the Elderly and Establishing the Elderly Care System (March 2017)
- Two Sessions Government Report – increase basic pension



Government Bodies Responsible for Different Policy Areas

Equivalent authorities at municipal, provincial and regional levels of government.

Government body	Policy areas of interest
Ministry of Science and Technology (MOST)	Central government ministry which coordinates science and technology activities.
Ministry of Civil Affairs (MCA)	Oversight and administration for elderly and welfare affairs.
National Health Commission (NHC)	Administration of medical and health-related issues.
Ministry of Commerce (MOFCOM)	Approval and oversight for foreign investment where necessary.
Administration for Industry and Commerce (AIC)	Administration of the for-profit business.
China Food and Drug Administration (CFDA)	Administration of food, drug, medical equipment and cosmetics.
Ministry of Finance (MOF)	Policies for tax preference and subsidies.
Ministry of Housing and Urban-Rural Development (MOHURD)	Construction standards and requirements.
Ministry of National Resources (MNR)	Land use rights policies.
State Administration on Foreign Exchange (SAFE)	Foreign exchange controls.
National Development and Reform Commission (NDRC)	Approval of project construction.
Ministry of Human Resources and Social Security (MOHRSS)	Caregiver qualification, long-term care insurance policy.
China Insurance Regulatory Commission	Insurance policies, and a pilot for "Reverse Mortgage."
Ministry of Industry and Information Technology (MIIT)	Responsible for regulation and development of the postal service, internet, wireless, broadcasting, communications, production of electronic and information goods, software industry and the promotion of the national knowledge economy.

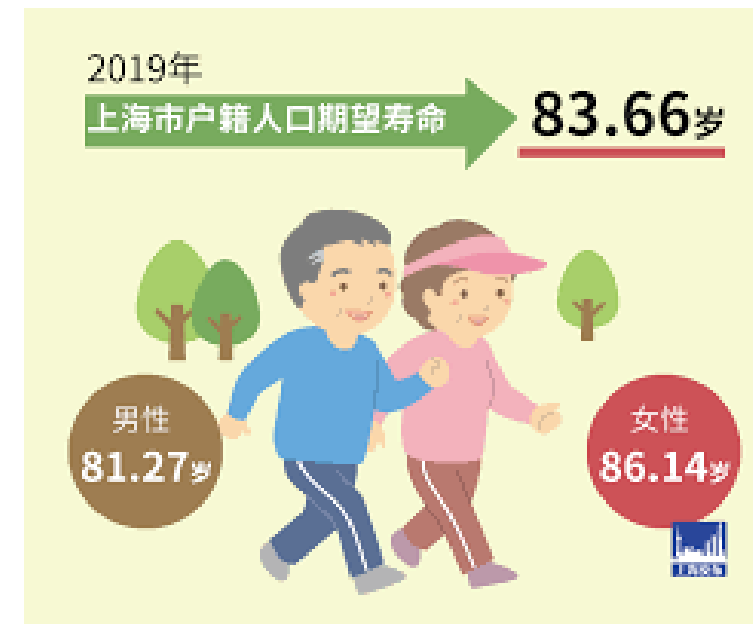
Elderly Care in Shanghai

Market Overview

The Aging Population in Shanghai in 2019

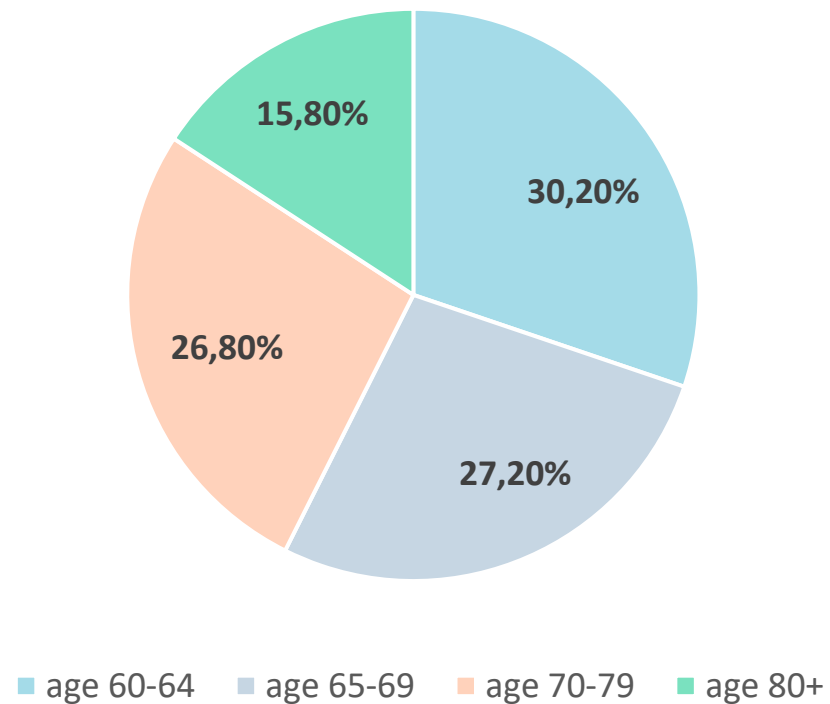
Household Population 2019	14.71 million		
Average life expectancy	Total	Female	Male
Years	83.66	86.14	81.27
Age group	60 and above	65 and above	80 and above
Number (million)	5.18	3.61	0.82
Percentage of population	35.2%	24.6%	5.6%

Source: Shanghai Municipal Statistics Bureau
Shanghai Municipal Civil Affairs Bureau
Shanghai Municipal Health Commission



© 上海发布 Shanghai Municipal Government Official Social Media Account

Age Composition of the Registered Elderly Population of 60 Years and Above in Shanghai



“十二五”规划国家养老战略目标
Aged Care strategic goal of 12th Planning



Statistics on Elderly Care Services in Shanghai

Elderly Care Institutions	Number
Number of elderly care institutions	724
Number of beds at elderly care institutions	151,552
Home Care Services	
Number of community daycare centers for elderly people	720
Monthly average number of elderly at daycare centers	27,000
Community Elderly Care Stations	
Number of community elderly care stations	187
Number of beds in community elderly care stations	8,691
Meal Service Centers	
Number of meal service centers for elderly people	1,020
Monthly average number of elderly using meal service centers	101,000

Source: Shanghai Municipal Statistical Bureau
Shanghai Aged Undertakings Development and Promotion Center



Synergies with Health Care

Healthy Aging Local Government Services: Shanghai Civil Affairs Bureau



The Bureau has three healthy aging policy development themes

- Love and care
- Traditional communities
- Giving elderly people a second “respectful” life.



The Shanghai government operates four healthy ageing service models:

- Day-to-day elderly care service model
- Home care service model
- Community care service model
- Institutional care service model



Shanghai Municipal Government and the Civil Affairs Bureau is looking to transform their current model to a more integrated care model.

Healthy Aging Local Government Services: Shanghai Civil Affairs Bureau

Senior living alone

- The government encourages younger elderly people to team up with the elderly over 80 years old to build local self-help groups to tackle loneliness and isolation

Dementia care

- Its area of interests in dementia care are care services and infrastructure for different stages of dementia, accurate tools for diagnosis of dementia, prevention of dementia and psychological support for family members supporting a parent with dementia.
- There are two models of dementia-care delivery: a special dementia care unit and a dementia support group. A special dementia care unit delivers dementia care through specialist staff, professional nursing staff and dedicated dementia resources. Dementia support groups are non-professional groups that support family and friends who have an elder with dementia.



Healthy Aging Local Government Services: Shanghai Civil Affairs Bureau

- **Elderly people home environment improvement**
 - The Shanghai government launched pilot projects in September 2019 to upgrade the home environment for elderly people.
- **Health care supporting elderly care**
 - Elderly homes have in-house health care institutions.
 - Elderly homes are located close to health care institutions.
 - Elderly homes sign collaboration agreements with health care institutions.
- **International exchange and knowledge-sharing**
 - The Shanghai Civil Affairs Bureau has learned from Japan on establishing a long-term care system and from the Netherlands on elderly care assessment standards.



Online Service Platform

Shanghai launched an online senior care platform in May 2019 allowing the users to:

- Obtain senior-care guidance and advice based on their health and financial needs using an "intelligent" self-inquiry system.
- Look for information on senior-care centers and senior-care policies.

www.shweilao.cn



Chronical Disease

The most common chronical diseases of elderly people in Shanghai are:

- Cardiovascular diseases including cerebral infarction, cerebral hemorrhage and hypertension.
- Respiratory diseases, such as chronic obstructive pulmonary disease.
- Malignant neoplasms.
- Metabolic diseases, such as diabetes.
- Geriatric diseases, such as Parkinson's disease, dementias.

43 percent of elderly people in Shanghai have **more than two chronical diseases.**

21.6 percent of elderly people in Shanghai have **more than three chronical diseases.**

3.7 percent of elderly people above 60 years old **cannot take care of themselves.**

13.1 percent of elderly people above 80 years old **cannot take care of themselves.**



The 1+1+1 Project

Shanghai has a tiered health-care system since 2011 which is known as the **1+1+1 project**.

A 1+1+1 combination of medical institutions perform the health care service, per which residents sign contracts with a family doctor working at a community health service center, a district hospital and a city hospital at the same time.



Community Health Service Center

District Hospital

City Hospital

Major Statistics of Public Health in Shanghai (2018)

No. of health care institutions	of which	Medical professionals	of which
	No. of hospitals		No. of licensed (assistant) doctors
5 298	364	206,500	74,900

Beds in health care institutions	of which	Doctors per 10 000 persons	Hospital beds per 10 000 persons
	No. of beds in hospitals		
147,200	129,000	31	53

- 55 elderly medical care organizations (including 3 geriatrics hospitals and 52 elderly nursing homes) with 16,860 elderly nursing beds.
- Elderly medical services: 56,227 home based beds; 1.8 million people of 65 years old and above under health management.
- Integrated medical and health care: 299 elderly homes embedded with medical care organizations.

Challenges and Opportunities

Challenges Faced by the Elder Care Industry in Shanghai

Shortage of caregivers and service staff.

Challenges on how to improve the service standard and skills of caregivers.

Low standard of staff training and development.

Inability to attract sufficient young people into elderly care.

Underdeveloped care needs assessment tools.

Underdeveloped assessment tools for service providers.

Aging process is faster in relatively short period.



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Challenges Faced by Health Care System Regarding Elder Care

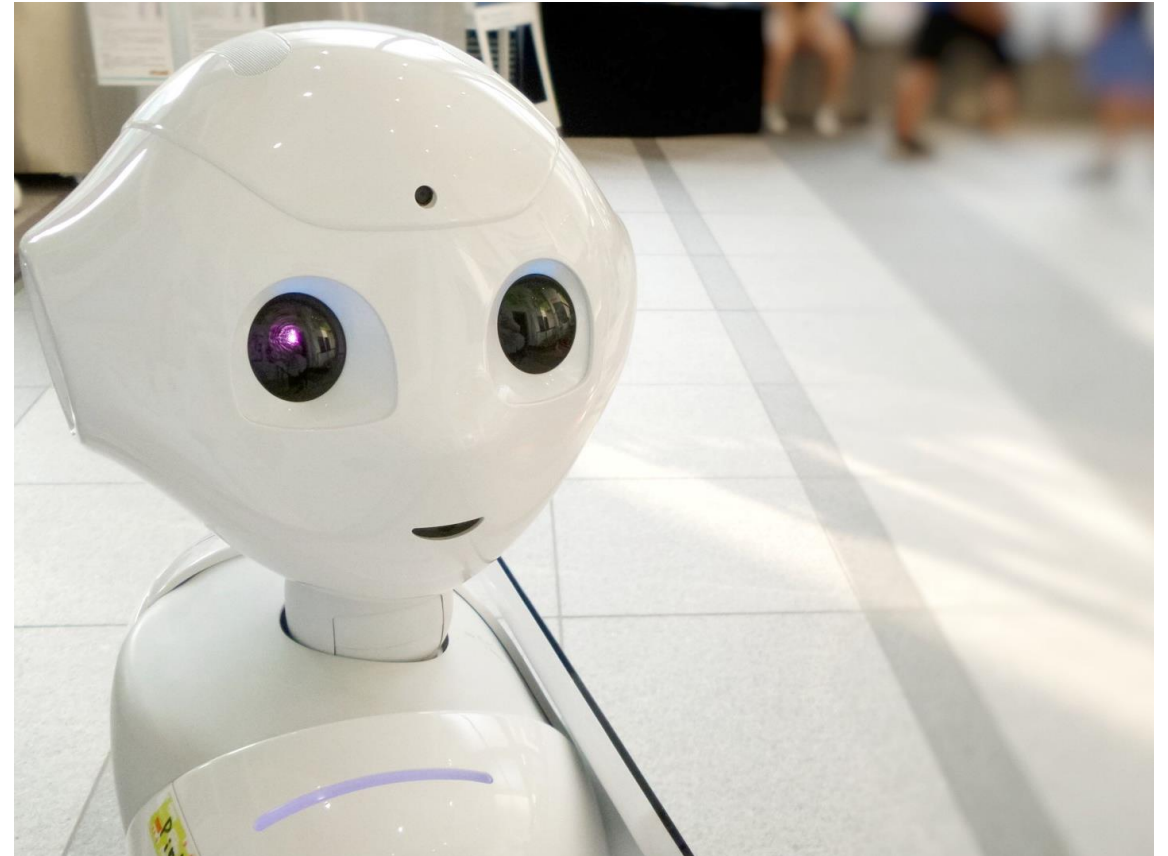
- Lack of good and efficient coordination between medical and nursing care due to different administrative, management and organization schemes.
- Limited capability to provide services is due to lack of caregivers and staff working at elderly homes.
- Lack of precision from elderly care programs. There are currently 42 elderly care services that could be offered but market demand goes far beyond these 42 services.
- Regulatory organizations and process needs to be further improved.



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Problems with the Application of High Tech in the Elderly Care Industry

- Too much focus on developing the technology itself and lack of good understanding of the actual demand.
- Too much focus on products and lack of continuous after-sales services for the products.
- Too much focus on elder care concepts, lack of good understanding of scenarios where the products and solutions shall be applied.



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Four Categories of Smart Elderly Application Scenarios

"Products and services should reflect humanistic care, respect the behavioral habits, emotions and personal dignity of the elderly, and it is not appropriate to simply replace the old people's ability to live."

Jiang Rui, Deputy Director-General, Shanghai Civil Affairs Bureau

Security protection

- Fall prevention
- Emergency rescue scenes
- Anti-lost scenes for elderly with cognitive impairments scenes
- Institutional intelligent round of ward scenes
- Institutional intelligent video surveillance scenes
- Institutional access control scenarios

Care services

- Elderly bed care scenes
- Home bed remote support scenarios

Health services

- Chronic disease medication scenes
- Institutional non-contact intelligent disinfection scenes.

Emotional care

- Intelligent voice communication interaction scenes
- Intelligent companion scenes

Recommendation and Summary

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