

Policy Evolution of Long-Term Care Insurance in China: A Multiple Streams Framework Analysis

Xiaoying He, Fangxu Lu

School of Public Administration, Northwestern University, Xi'an 710127, Shaanxi, China

Abstract: This study analyzes the evolution of China's long-term care insurance (LTCI) policy using the Multiple Streams Framework. Rapid population aging, increasing disability risks, and declining family caregiving capacity constitute the problem stream. Government initiatives and expert proposals shape the policy stream, while national policy priorities and growing public demand form the political stream. The convergence of these streams created a policy window that facilitated the emergence and expansion of LTCI in China. The findings suggest that future reforms should strengthen multi-stakeholder collaboration and promote a co-governance model to ensure the sustainable development of LTCI.

Keywords: long-term care insurance, multi-stream theory, policy window

1. Problem Statement

Long-term care insurance (LTCI) is an important component of China's social security system and a key policy instrument for addressing population aging, improving the quality of life of older adults, and reducing family caregiving burdens[1]. As aging accelerates, demand for long-term care services has grown rapidly, attracting increasing attention from government and society. As a supplement to the social insurance system, LTCI provides care support for older adults and patients with chronic diseases while alleviating family caregiving pressure and promoting social equity.

China's LTCI system has gradually evolved from pilot programs to broader institutional development. In 2016, the government promoted home- and community-based elderly care models, marking a new stage of policy development. The 2018 Guidelines issued by the General Office of the State Council further clarified the policy framework and encouraged local pilot programs. Despite these efforts, uneven implementation, limited funding mechanisms, and incomplete service systems remain major challenges[2].

Although LTCI has gained increasing policy attention and become part of China's social security framework, it remains at an early stage of development. Policy design and implementation still face uncertainties. Against this background, this study applies the Multiple Streams Framework to analyze the evolution of China's LTCI policies, identify the drivers of policy change, and provide insights for future policy improvement.

2. Application of the Multi-source Flow Theory Framework

The Multiple Streams Framework, proposed by John W. Kingdon in *Agendas, Alternatives, and Public Policies* (1984), explains policy agenda setting through the interaction of three streams — problem, policy, and politics — drawing on the Garbage Can Model developed by Michael D.Cohen and colleagues[3].

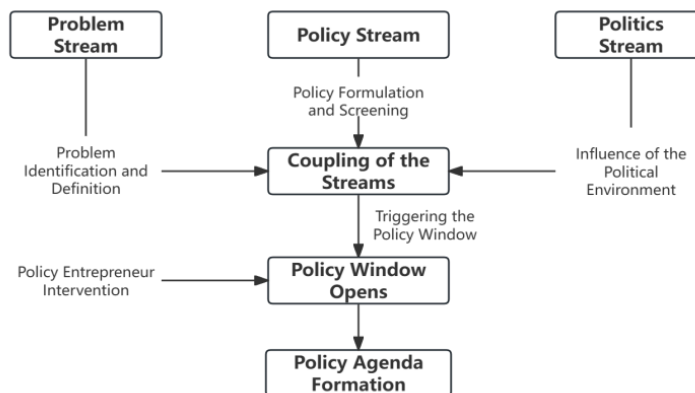


Figure 1. Kingdon's Multiple Streams Model

The problem stream identifies issues through indicators, public attention, and major events; the policy stream concerns the development and selection of policy proposals; and the political stream reflects the influence of public sentiment, interest groups, and governing ideology on agenda setting[4]. When these streams converge, a “policy window” opens, allowing policy entrepreneurs to promote policy change.

Although originally developed in a Western context, the framework has been widely applied by Chinese scholars to analyze policy issues such as real-estate reform, ride-hailing regulation, the two-child policy, and the “double reduction” policy[5][6]. The evolution of China’s LTCI policy, shaped by social problems, policy proposals, and political forces, fits well within this analytical framework.

3. Evolution of Long-Term Care Insurance Policy: A Multiple Streams Perspective

3.1 Source of Problems

The problem stream transforms social issues into policy agendas. Three factors are particularly significant:

3.1.1 Population Aging and Rising Disability Risk

China’s rapid population aging has significantly increased demand for long-term care. By the end of 2022, the population aged 60 and above reached 280 million (19.8% of the total population) and is projected to approach one-third by 2050. Meanwhile, the number of disabled and semi-disabled older adults is expected to exceed 77 million by 2030. These demographic trends have created an urgent need for a long-term care security system.

3.1.2 Weakening Family Caregiving Capacity

Traditional family-based elder care has gradually weakened due to shrinking family size, the legacy of the one-child policy, and increasing female labor participation. According to CFPS data, only 35% of adults aged 60 and above lived with their children in 2018, a marked decline from a decade earlier. As younger generations face increasing employment and caregiving pressures, their capacity to provide support has diminished, leading to rising demand for institutional and community-based long-term care services.

3.1.3 Supply–Demand Imbalance in Care Services

Despite rising demand, long-term care service provision remains insufficient. China currently faces shortages of professional caregivers and uneven service accessibility. The number of trained caregivers is far below actual demand, while rural areas experience significantly lower service coverage than urban areas. This imbalance not only affects the well-being of older adults but also creates pressure for policy intervention.

3.2 Policy Origin

The policy stream focuses on the development and refinement of policy proposals. Two forces are particularly important.

3.2.1 Government-led Policy Design

The Chinese government has played a central role in promoting LTCI. Since 2016, pilot programs have been launched in selected cities and gradually expanded nationwide. By 2021, pilot coverage had reached 49 cities and more than 100 million people. Key policy documents clarified the institutional framework, including coverage scope, financing mechanisms, and benefit design, laying the foundation for system expansion.

3.2.2 Policy Proposals from Delegates and Scholars

Policy suggestions from NPC and CPPCC delegates, together with academic research, have provided intellectual support for LTCI development. Scholars and policy experts have proposed diversified financing mechanisms, improved service standards, and strengthened professional training for caregivers. Academic research has gradually evolved from theoretical discussions to policy evaluation and system optimization.

3.3 Political Stream

The political stream provides momentum for policy advancement through national strategies and public expectations.

3.3.1 National Strategy and Institutional Support

China’s national development strategies have provided strong policy guidance for LTCI. The “Healthy China 2030” initiative emphasized the establishment of a sustainable, multi-tiered medical security system, within which LTCI occupies an important position. Policy guidance from the National Healthcare Security Administration further accelerated pilot programs and institutional development.

3.3.2 Rising Public Demand for Care Services

With improvements in living standards and health awareness, public demand for long-term care services has increased significantly. Survey data indicate that a growing proportion of elderly individuals require long-term care support. In

response, the government has strengthened policy coordination between basic medical insurance and commercial health insurance to meet diversified care needs.

3.4 Convergence of the Three Streams and Opening of the Policy Window

The convergence of the problem, policy, and political streams has opened the policy window for LTCI development in China. Rapid population aging and the shortage of care services created strong problem pressure. Policy innovations through pilot programs provided feasible solutions, while national strategies and public expectations generated political momentum. The alignment of these streams placed LTCI on the national policy agenda and promoted its institutionalization.

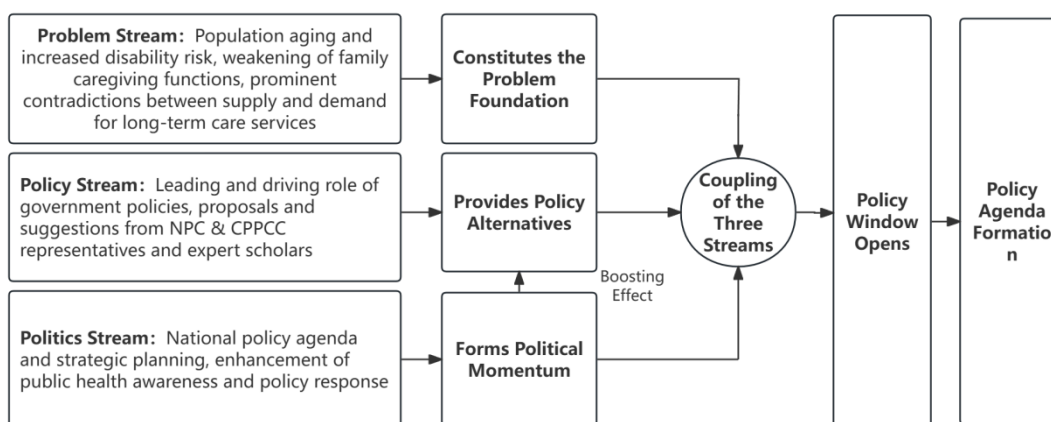


Figure 2. Open the "Policy Window"

4. Conclusion and Implications

To promote sustainable development, several policy implications emerge.

First, policy design should remain problem-oriented and address the care needs arising from population aging by expanding coverage and improving service accessibility. Second, collaborative governance should be strengthened through coordination among governments, insurers, experts, and social organizations to enhance policy implementation. Third, stronger political support and public participation are needed to advance LTCI reform and improve policy acceptance. Finally, the opening of the policy window depends on the interaction of multiple stakeholders and institutions; inclusive decision-making mechanisms can support a governance model of co-construction, co-governance, and shared benefits.

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Author Bio

Xiaoying He (born August 1996), female; Han Chinese; hometown: Xianyang, Shaanxi; PhD candidate; research direction: social security.

Fangxu Lu (born August 1998), male; Han Chinese; hometown: Hanzhong, Shaanxi; PhD candidate; research directions: emergency management and grassroots governance.