EXECUTIVE SUMMARY
Age Friendly Communities

Building a Smart, Age-Friendly Community
Community, Home Based Elder Care Information Platform
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EXECUTIVE SUMMARY
This paper examines China’s efforts to meet the challenges posed by its rapidly growing elderly population with an emerging care model: community, home-based elder care, integrated with smart, digital technologies. When fully developed, this model of care has the potential to keep China’s older adults more fully engaged in society, while simultaneously reducing national spending. As this paper demonstrates, good care policy can be great economic and fiscal policy.

Background
Population aging is one of the most significant developments in the world. By 2040, the number of people over age 65, worldwide, will increase to 1.3 billion, or 14% of the world’s population. In China, the population is aging at an especially rapid pace. Over the next few years, the number of elderly Chinese will increase, on average, by 8.6 million people per year. The country’s “oldest-old” segment will grow even more dramatically, increasing from 1% of the total Chinese population in 2000 to nearly 8% by mid-century. By 2050, China’s 80+ population will be roughly the same size as the global 80+ was in 2010.

Meanwhile, China is urbanizing. By 2030, a full 60% of the Chinese population will live in cities. Together, aging and urbanization prompt the need for new ways to integrate and care for the elderly and they create significant market opportunity. The Chinese elderly are creating demand for goods and services that, in turn, increases China’s employment rate. To capture this opportunity, greater clarity and understanding of the older demographic segments is needed. As not all “seniors” have the same needs and wants, a more detailed segmentation is required. Categories could include: 1) the healthy and active; 2) those with limited independence; 3) the unhealthy and dependent.

Segmentation around condition, rather than age, will enable greater understanding of China’s rapidly growing elderly population.

There has been significant policy attention paid to the aging and urbanization of the population, both globally and in China. The Age-Friendly Cities Program, launched by The World Health Organization, aims to create a network of global cities that are working to keep aging adults integrated into social and economic life. In China, the Twelfth Five-Year Plan for Developing the Cause of Chinese Seniors dedicates national attention and resources to creating new and better ways to care for the elderly. Together, these two policy initiatives, if implemented upon the new, more detailed segmentation suggested above, can inform a roadmap for elder care in China.
Overview of Traditional Elder Care in China

In China, historically, there have been several approaches to caring for the elderly: household elder care, self-care, and social elder care. In the household elder care model, family members provide living arrangements and basic life necessities. This approach yields a high sense of security and belonging for seniors, but it also can lead to high costs, intergenerational conflict, and varying standards of care. In China’s common 4-2-1 family structure, where each couple is responsible for caring for four older adults and one child, household elder care is becoming unsustainable. In the self-care scenario, the elderly purchase care at their own expense. In social care, the state and society provide care and financial support.

Given the emerging demographic structure of the Chinese population, the Chinese government has stated that the goal of elder care under the Twelfth Five-Year Plan is a 90-7-3 structure — that is, 90% of the elderly receive home-based care, 7% receive community care, and 3% receive institutional care. This goal suggests the possibility of developing a methodological framework that assesses how best to apply interventions that cut across care models, meeting individual wants as well as fiscal and health needs. Such a framework would apply across the continuum, from information provisioning, to monitoring, to early detection. As more data is collected, better strategies for intervention could be devised.

Community Home-Based Care

As the Chinese population ages and urbanizes, a new kind of elder care has been emerging — community, home-based care. This model integrates the family and the community together, at the core of elder care, and aims to provide seniors both necessary, daily services and spiritual solace.

Given the aging and urbanization of the Chinese population, as well as the Chinese government’s 90-7-3 policy goal, community, home-based care is emerging as the most viable form of elder care in China. Done right, it will meet the unique needs of each of China’s elderly segments: the active and healthy, those with limited independence, and those dependent on others for their care. Each segment must be treated differently, as each has its own ideal health outcome — whether maintaining health and activity or managing sickness effectively and efficiently.

Currently, the various stakeholders are attempting to develop community, home-based elder care so that it can be more widely adopted and lead to better care and cost savings. Driving this care model’s evolution are the following factors:

Current Limitations

- Community, home-based elder care is not meeting growing demand and quality is suffering.
- There is no complete, consistent system of evaluation for community, home-based care.
- Information service platforms are neither integrated, nor able to meet individual needs.
- Outdated telecommunications services fail to capture the potential of mobile digital devices.

Reasons for Further Development

- Community, home-based elder care has the potential to meet Chinese seniors’ desires for social meaning, interpersonal communication, adequate medical and healthcare, and safe and sustainable living.
- Local governments and social organizations are constructing and operating home-based care services.
- Government is playing a central role in improving retirement security and services.
- Institutional and community elder-care services can expand to home-based care services.
- New digital technologies can assist with care for older adults, giving them greater independence.
- Innovative technologies can enable huge cost savings and facilitate economic growth among an aging population formerly considered fully dependent, disabled and/or unproductive.
At present, these services are being offered in four different modes: government led, agency led, professionally led, and market led. The advantages and disadvantages of each are presented in the table below:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Description</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government led</td>
<td>The government leads all aspects</td>
<td>Government endorsed, streamlined implementation</td>
<td>Opposed to market-based reform in China; quality can be inferior</td>
</tr>
<tr>
<td>Agency led</td>
<td>Government authorizes social organizations to operate</td>
<td>Cost advantageous, reduced administrative and operating costs</td>
<td>Low trust locally; difficulty getting right level of government regulation</td>
</tr>
<tr>
<td>Professionally led</td>
<td>Government funds professional service agencies to operate</td>
<td>Professional, efficient management</td>
<td>Poorly paid service providers</td>
</tr>
<tr>
<td>Market led</td>
<td>Market-driven, no government involvement</td>
<td>High level of service and quality</td>
<td>Inconsistent level of service</td>
</tr>
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</table>

A recent survey of community, home-based care throughout the country reveals that there are shortcomings in both quality and quantity that must be addressed. For example, many home-based care services require government funding to operate effectively, and volunteers must be incentivized to participate. Inconsistent evaluation criteria inhibit standardization of service and quality. Often, the needs of the elderly go unmet. A solution to some of these problems is to make community, home-based care smart, digitally-integrated, and capable of tracking needs and opportunities across segments.

**Smart, Age-Friendly Communities and Home-Based Care**

In a smart, community, home-based care model, the elderly person is at the center of a connected network. A strategically constructed web of information flow understands, anticipates, and meets the person’s needs, as visualized in the figure below.

As this image details, a community, home-based elder care information service platform connects the elderly person to the network of people responsible for providing care. Through this technological platform, the older adult gains all the advantages of integrated care, while remaining independent. Both socially and economically, the costs are far lower than those associated with other models of care. Significant gains in cost efficiencies can be attained if IT technologies can be
Age-Friendly Communities

used to develop care models that meet specific needs and are based on clinical outcomes and fiscal and economic targets. For example, the healthy 65 or 75 year-old may benefit from technology to monitor vision deterioration or mobility. Used as a basis for appropriate intervention, such technology could prevent future deterioration. The health and fiscal implications of this are significant for the individual, the municipality, and the payer. There are three stages to building this service platform: the Fundamental Requirement Stage, the Open Development Stage, and the Decision-Making Stage. Each of these contains subsidiary steps, as detailed in the figure below:

As this paper illustrates, this platform effectively connects all stakeholders, making it easier to provide consistent, cost-effective, high-quality care. It creates a win for the elderly, their caregivers, and payers. Additionally, by facilitating data connection and analysis, it can yield significant economic and fiscal benefits. As China phases in this new approach over the next few years, best practices that extend to other countries are likely to emerge.

In the 21st century, as the global population ages, many countries are recognizing the need for new models of integrating and caring for the elderly. Both socially and economically, traditional models of care no longer seem to fit. This paper presents a unique, immensely promising approach to meeting this challenge: using smart, digitally-integrated, home-based care.

It suggests how such models of care can meet the wants and needs of the elderly, providing vital services to the very sick, while keeping the more independent integrated into social and economic life. The results are significant cost savings and social benefits at the individual, local, and national level.

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2. United States Dept. of Commerce, Census Bureau, International Programs, International Database, World Population by Age and Sex, 03 Jun. 2013
8. State Council of P.R. China, "Twelfth Five-year Planning for Developing the Cause of Chinese Seniors; September 17, 2011

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