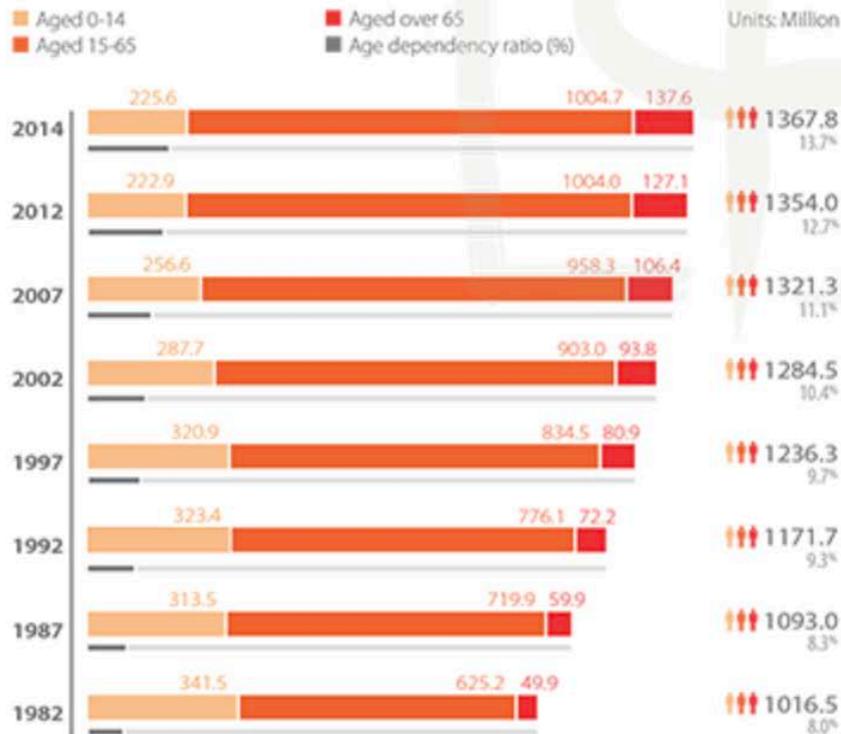
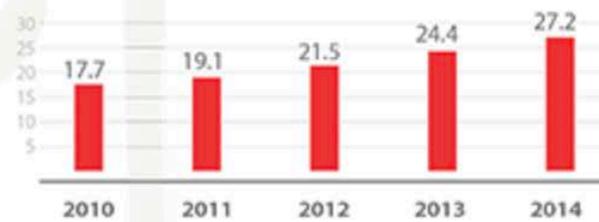


Aging population in China

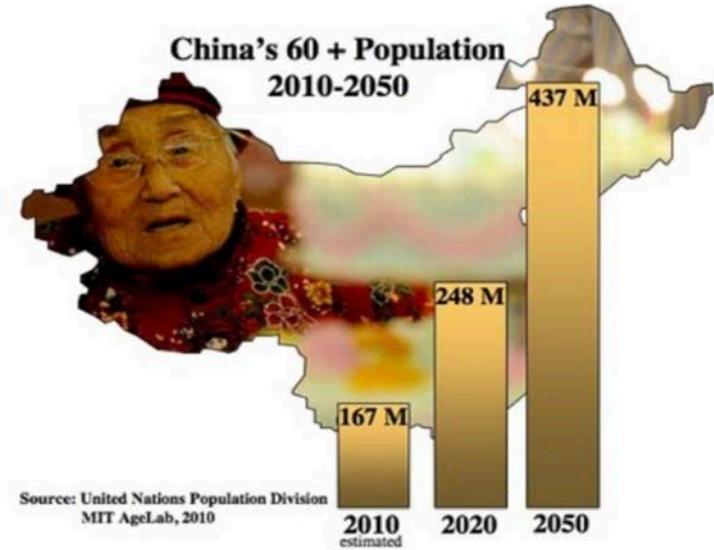
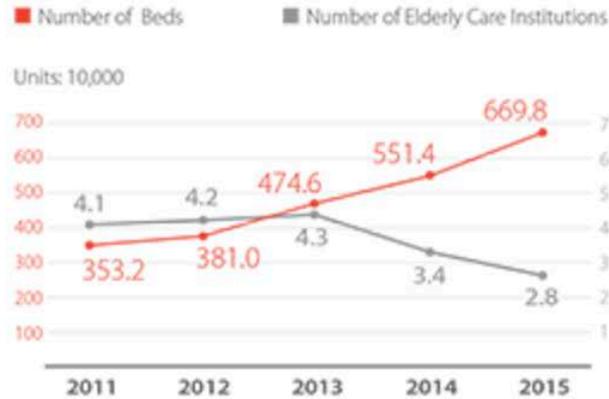
China's demographics and age-dependency ratio



Number of beds per 1,000 elderly individuals

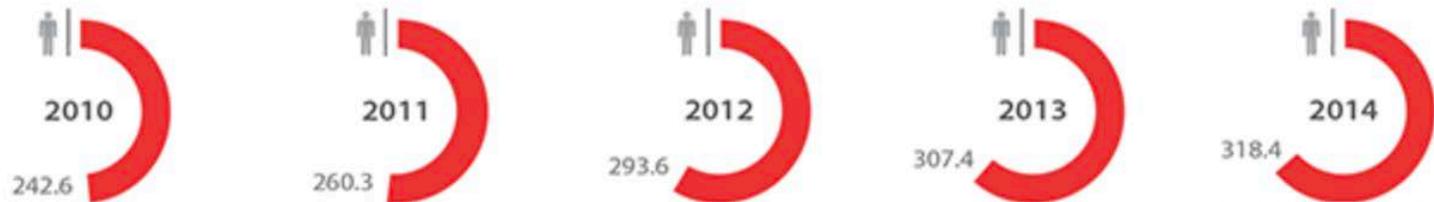


Number of elderly care institutions and beds in China



So, what does China need?

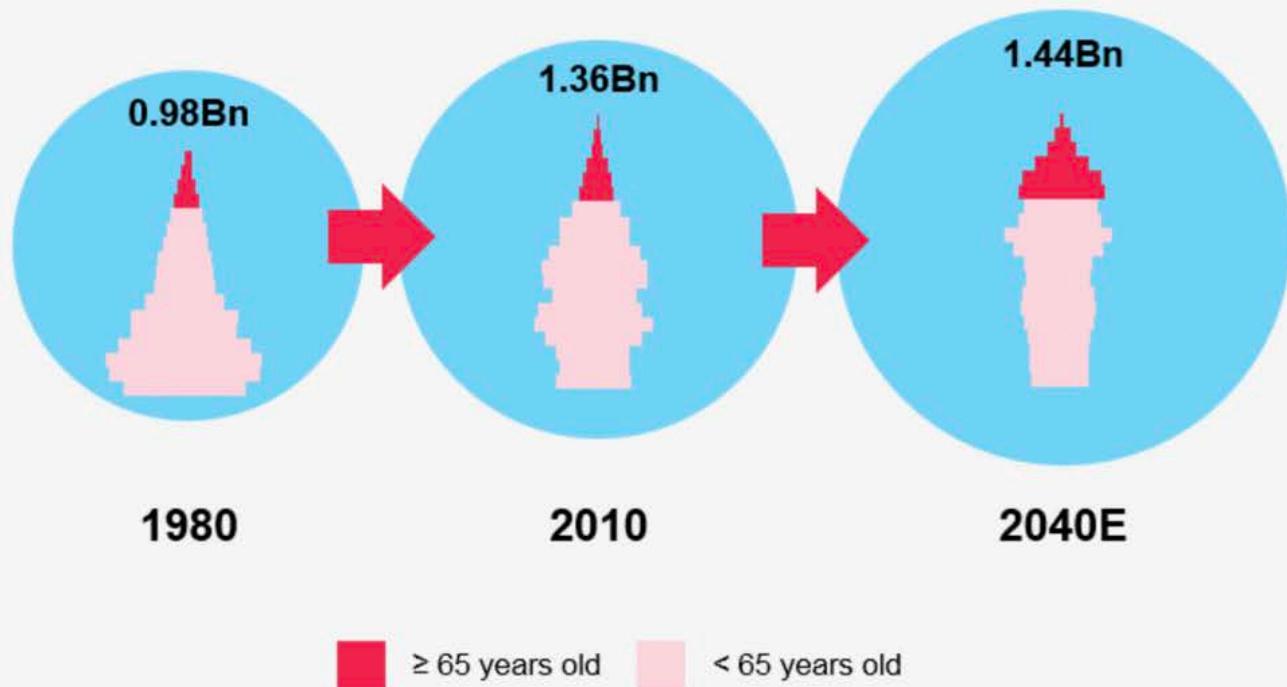
Amount of elderly citizens in care homes



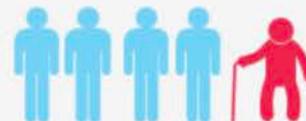
THE POPULATION IS GETTING OLDER

CHINA NEEDS MORE NURSING HOMES

China Population and Age Distribution



With aging speed of **28** years...



... by 2040, **22%** of China's population will be 65+ years old...

... and average life expectancy will be up to **77** years



DEMAND FOR NURSING HOMES IS INCREASING

Overview of Policies Connected to Elderly Care in China

2012

Budding Period

Encourage private funds to get involved in

2013

Promoting Period

Guide more social capital to participate in

2014

Prosperous Period

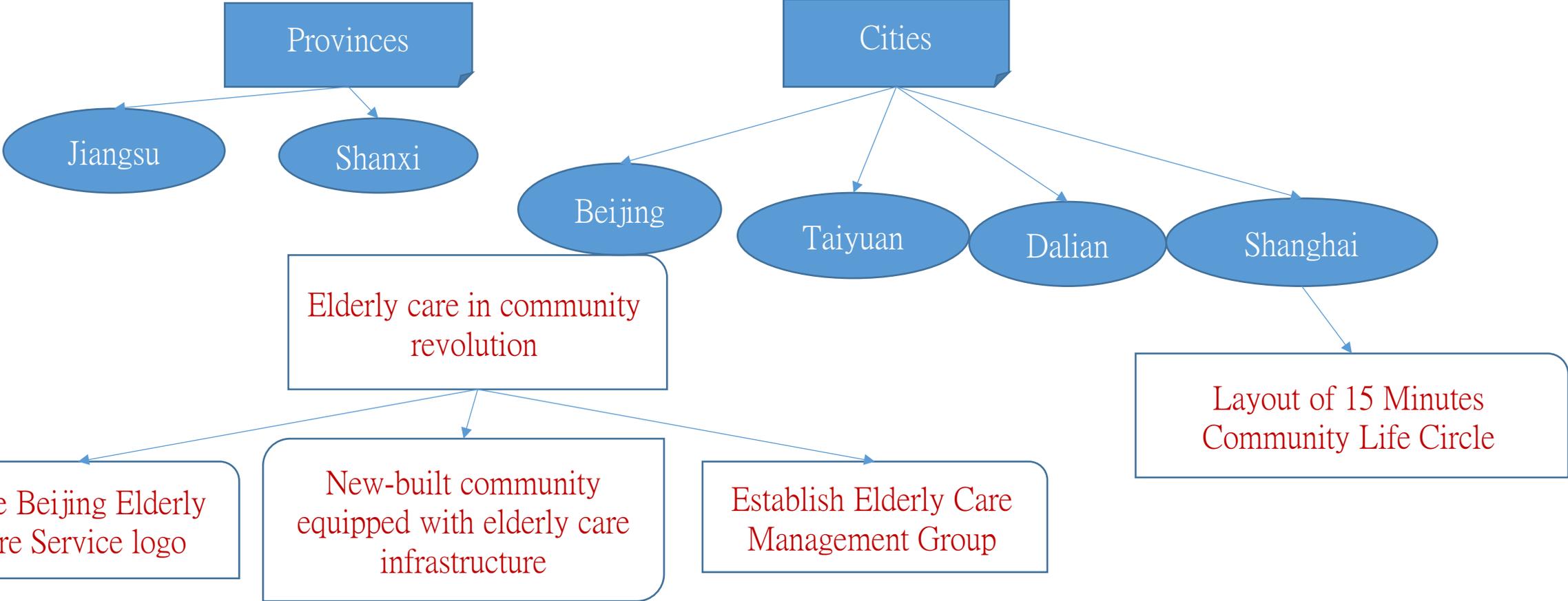
Break the barriers for abroad capital to invest

2015

Rational Period

Lead and redress the participation and transfer of social capital rationally

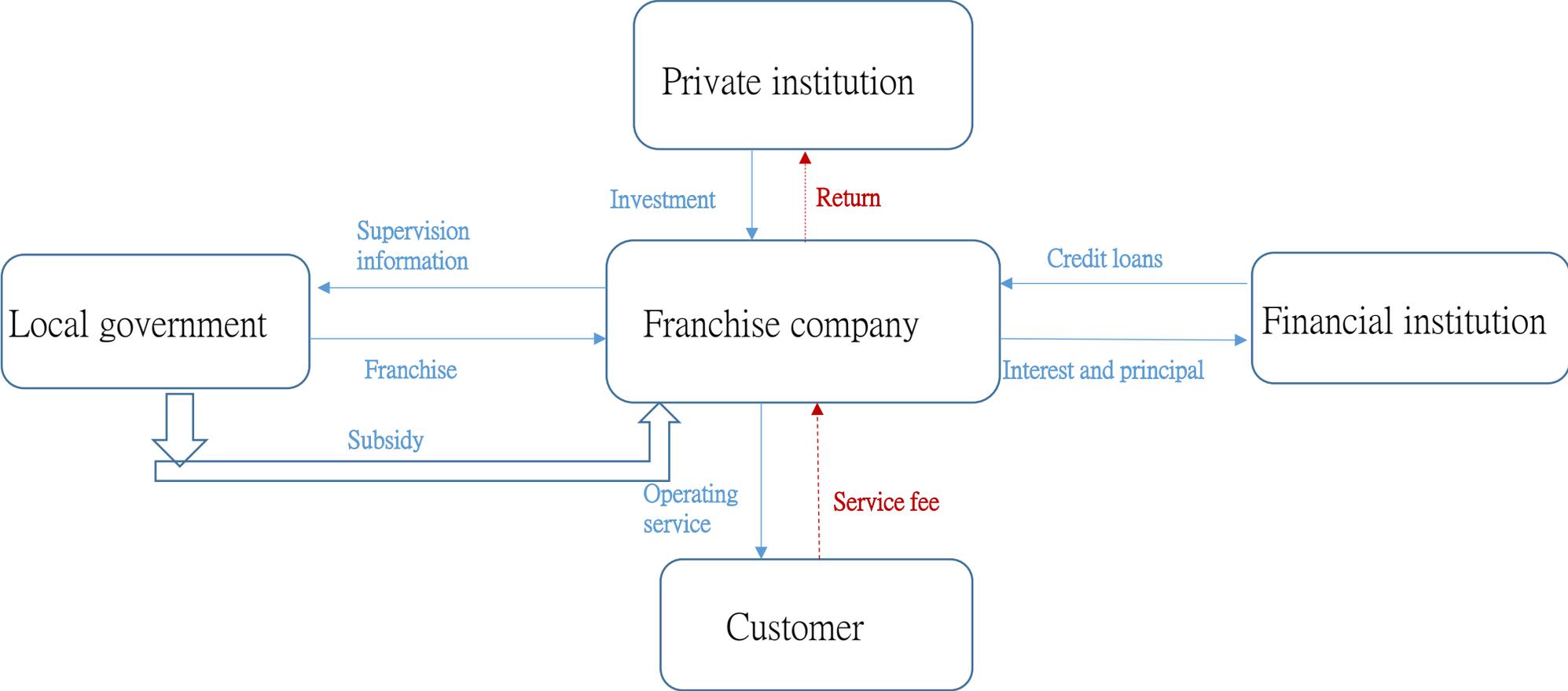
2016 Elderly Care in Community and PPP



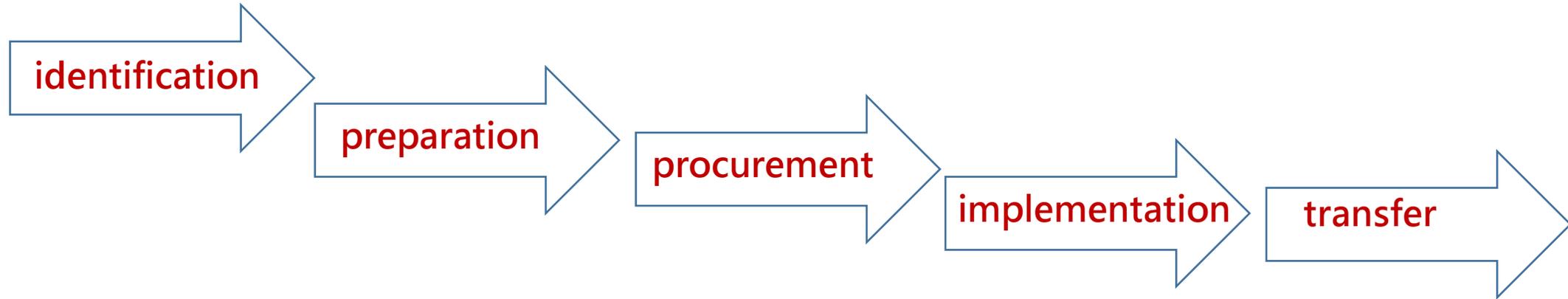
PPP (Public-Private Partnership)

- PPP (Public-Private Partnership): is often defined as a long-term contract between a private party and a government agency for providing a public asset or service, in which the private party bears significant risk and management responsibility (World Bank, 2012).
- Cooperation Field: Infrastructure and Public Service
- Elderly Service and PPP
 - a) Great Social Benefit
 - b) Wide Coverage
 - c) Long-term Benefits

How does PPP work?



Status quo



| Project | Number | Level | Number |
|------------------------|------------------|----------------------|--------|
| Apartment | 41 | Financial Department | 32 |
| Medicare | 52 | Province | 17 |
| Integrated | 135 | Others | 179 |
| Total Investment Funds | 150 trillion RMB | | |

Status quo

- **Return Mechanism:** Government payment; Customers Payment; Affordable Subsidy
- **Most Popular:** Customers Payment Number:148 Total Investment Funds:1.05 trillion RMB (more than 70% of total amount)
- **Least Popular:** Government Payment (around 3% of total amount)

Investment Preference

| Investment Funds (10million RMB) | Less than 1 | [1,3] | [3,10] | More than 10 |
|----------------------------------|-------------|-------|--------|--------------|
| Number | 44 | 63 | 58 | 38 |

Source: PPP information platform(2016.9)

Literature Review

- Based on the reality of aging society, **Guixiang (2012)** analyzes the necessity and application conditions of using PPP mode to construct the elderly-care institution from several perspectives and draws a conclusion that it is necessary and conditional to use PPP mode to construct the elderly-care institution.
- **Grimsey (2002)** presents a framework for assessing the risks of PPP projects, and uses as illustration, a case study of a waste water treatment facility in Scotland which is typical of most PPP projects.

Literature Review

- **Lessons from Latin America: The early landscape of healthcare public-private partnerships**, this studying report aims to document and raise awareness of innovative PPP models in health globally and to disseminate lessons learned to inform current and future healthcare partnerships.
- **The Emerging Role of PPP in Indian Healthcare Sector**, this report illustrates that the Infrastructure development area where private sector contribution can prove very beneficial.

Infrastructure development---Development and strengthening of healthcare infrastructure that is evenly distributed geographically and at all levels of care.

Case Study

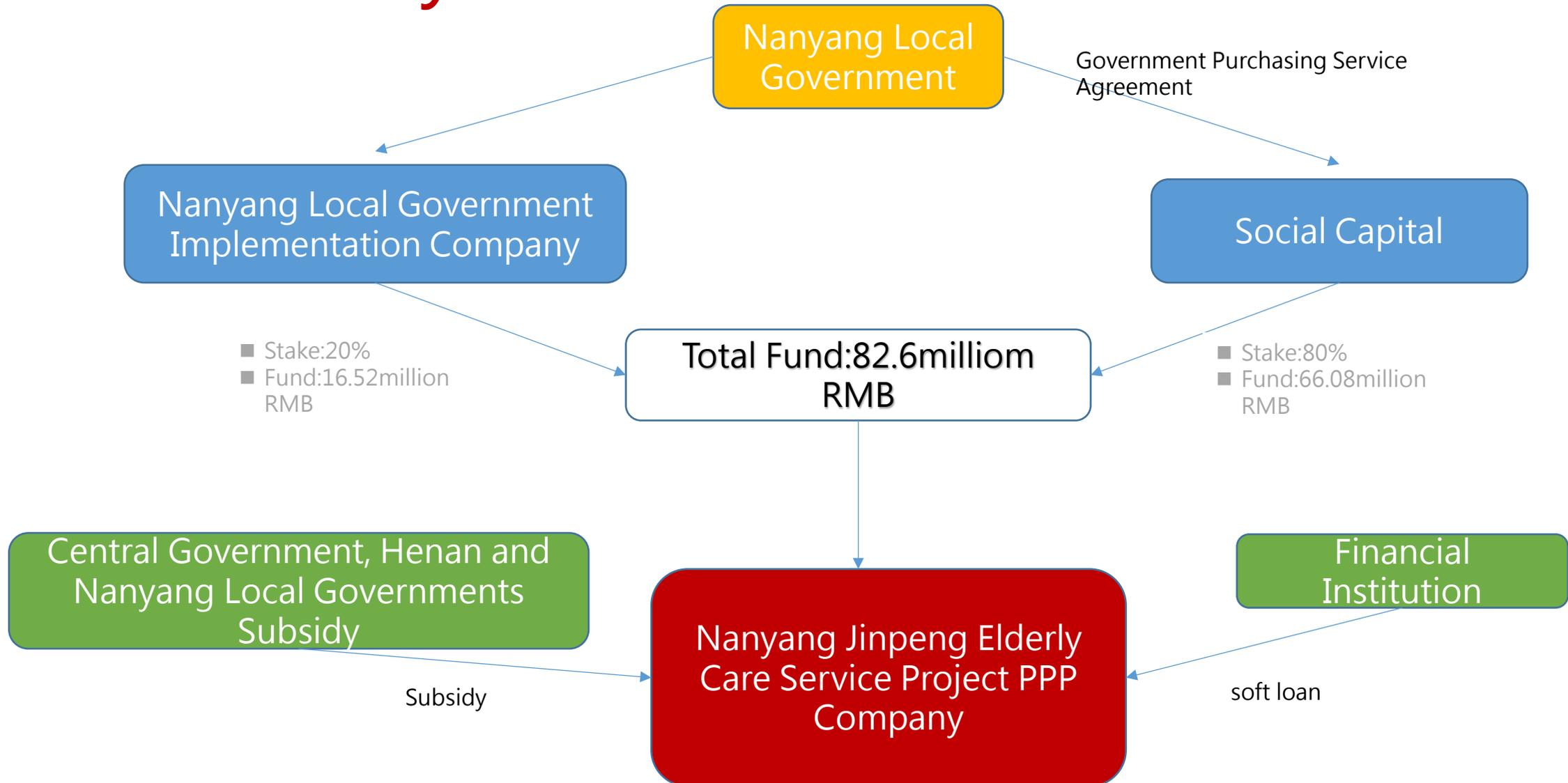
- ✓ Nanyang Jinpeng Elderly Care Service Center starts to run in 2002, covering an area of 113 acres, which is currently the largest elderly care center with relatively comprehensive services.
- ✓ Henan Province Health Care Services Key Project
- ✓ 2015 Provincial Class A Key Construction Project

Case Study

Nanyang Jinpeng Elderly Care Service Center Project

- ✓ Total estimated investment funds: 236 million RMB
- ✓ Projected new-added number of beds : 100,00
- ✓ Constructions: Apartments for the elderly; Hospital ; Nursing center ;Elderly Activities Center;
- ✓ Total covered area: 920,000m²
- ✓ Final goal: To solve the local need of elderly care in Henan greatly by accomplishing the project

Case study



Case Study

The elderly with middle-income will enjoy more benefits from the project.

The gap of elderly care service institutions is huge because private nursing home is too costly while public one is not so satisfied, making a dilemma for middle-income elders.

Nanyang Jinpeng Elderly Service Center PPP Project

- ✓ Lower the cost of elderly care
- ✓ Undertake more social responsibility (reasonable pricing; meeting the need of middle-income elders)

Future Development

The 13th Five-year Plan Development (June,2016)

- Expand the scope of government purchasing service
- promote competitive purchasing third-party service
- increase the supply of Medicare service
- The supply quantity and quality of added elderly care service based on PPP has been approved by the Chinese central government

Future Development

- Obstacles of developing Chinese elderly care industry: lack of funds, experts and resources.

PPP

- Distribute capital and Public resource
- Lower investment risks

Thus, it is estimated that PPP has a prosperous future development.