

# **Analysis of Medical Supporting Facilities in Hainan's Senior Care Industry—Taking Boao Lecheng International Medical Tourism Pilot Zone as an Example**

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**Abstract:** At the present, the problem of population aging in Hainan is becoming more and more serious, the number of "Snowbirds" is increasing, and the burden faced by the Hainan Senior Care Industry is adding. In order to effectively cope with the aging of the population and protect and improve people's livelihood, Hainan Province should accelerate the development of the Senior Care Industry, especially to improve the medical supporting facilities of senior care institutions to meet the urgent security needs of the elderly. This article is based on the study of the Boao Lecheng International Medical Tourism Pilot Zone, and makes a comprehensive analysis of Hainan's elderly care institutions. It is found that Hainan's Senior Care Industry has some problems, such as the contradiction between supply and demand, weak medical supporting facilities and unclear policies. To address these problems, the Hainan government should promote the opening of the Senior Care Industry, make up for the shortage of talents, and promote the full implementation of the policy.

## **1. Introduction**

Accelerating the development of the Senior Care Industry is an important measure to deal with the aging of the population, guarantee and improve people's livelihood, and is of great significance to make society harmony and promote the sustainable, stable and healthy development of Chinese society. China has always attached great importance to the development of Senior Care Industry. In February 2017, the State Council issued the "Thirteenth Five-Year Plan for the Development of National Aged Care and Elderly Care System Construction" which carried out the top-level system design for improving the development level of aging undertakings in China in the new period. In April 2019, the General Office of the State Council issued the "Opinions on Promoting the Development of Elderly Care Services" which points out that it is necessary to continuously improve the old-age service system that combines medical care and nursing. Hainan's superior natural conditions give it a unique advantage in the development of the Senior Care Industry. The development of the Senior Care Industry is of great importance for driving the upgrading of the Hainan industrial chain, solving employment, and absorbing talents (Ying, 2018). In addition, due to the warm climatic conditions and beautiful natural scenery of Hainan, the elderly "Snowbirds" who come to Hainan for winter gradually increase. Under this situation, the development of Hainan's Senior Care Industry should be more international and professional, which needs higher standards for the medical supporting facilities of Hainan's elderly care institutions. According to previous literature analysis, combining Maslow's hierarchy of needs, the author makes an analysis of the medical supporting facilities of the Hainan Senior Care Industry. This article selects Hainan international medical representative Boao Lecheng International Medical Tourism Pilot Zone as a sample, and further analyzes the problems of Hainan's Senior Care Industry medical supporting facilities, with a view to advising on the policy design and implementation of Hainan's Senior Care Industry.

## **2. Related concepts and theoretical background**

### **2.1 Maslow's hierarchy of needs**

The American social psychologist Maslow first proposed the hierarchy of needs in 1943. He believes that needs can be divided into five categories: physiological needs, safety needs, social needs, esteem, and self-actualization, which are arranged from lower levels to higher levels (Maslow, 1943). When a person's lower needs are met, there will be higher-level needs. In the same way, in the field of elderly services, after the physical needs of the elderly are met, the satisfaction of safety and the needs of emotion and belonging need to be met urgently. This requires the Senior Care Industry to provide multi-level and comprehensive services for the elderly, not only to maintain the survival of the elderly, but also to give the elderly health protection, help the elderly find emotional support and gain self-confidence. And ultimately help the elderly to continuously improve themselves and achieve self-worth. Today, the physical needs of most Chinese elderly can be met, and the elderly in China are eager to have their physiological needs met.

### **2.2 Definition of the concept of China's Senior Care Industry**

In China, research on the Senior Care Industry has attracted great attention in the past decade. From the perspective of industrial economics, profitable and competitive private senior care institutions operating in accordance with the market mechanism are the leaders of the Senior Care Industry (Liu & Yin, 2015). The business scope of the Senior Care Industry is very broad. The China Aging Industry Association summarizes the business scope of the aging industry into elderly care services, medical rehabilitation, financial insurance, manufacturing, product circulation, scientific research and teaching, nursing training, cultural tourism, management, etc (Wang, Liu & Pan, 2013).

China's Senior Care Industry has eight major industrial chains, including senior housing, food and clothing, medical care, housekeeping services, entertainment life, senior education, senior finance and senior tourism which are industries that China will focus on and develop in the future. Corresponding to the physical needs of the elderly, elderly care services include elderly housing, food and clothing, products including elderly real estate, elderly food with less salt and less oil, and elderly clothing. Regarding to security needs, services include medical care and housekeeping services, and products include hospitals, doctors, and caregivers. Corresponding to emotional needs, services include entertainment life and education for the elderly, and products include recreational facilities and universities for the elderly. Corresponding to the need of respect, services include elderly finance and elderly tourism, and products include elderly insurance, elderly financial management and medical tourism.

### **2.3 Definition of International Senior Care Industry**

The United States, Japan and some European countries have all entered an aging society in the twentieth century. In Japan, there is increasing interest in the development and use of products and services related to gerontechnology as well as other social innovations that may be considered as central parts of the "Silver Economy" (Klimczuk, 2016). In the United States and Europe, the keywords for the elderly service industry include senior-care industry, care of the aged, long-term elderly care, health care, and health services. "Long-term care" refers to a broad range of medical, social, personal care, and supportive services needed by individuals who have lost some capacity for self-care because of a chronic illness or condition (Price, 1998).

The well-developed Senior Care Industry in the United States can be specifically manifested in Florida. Florida is located in the southern United States with a warm climate and fertile soil which is similar to the environment in Hainan. Because of its bright sunshine and soft sandy beach, it is known as the "Sunshine State". Florida is a well-known old-age holy place in the United States, and old people from all over the United States come here to enjoy their old age. These old people usually come here to live in winter, and then fly back to the north to live in summer who are called

"Snowbirds". It is estimated that there were 818,000 "Snowbirds" in Florida during the peak winter of 2005 and 119,000 in late summer (Smith& House, 2006). There is no accurate data comparable, but Florida may have more "Snowbirds" than any other state. Such a large aging population did not become a burden for Florida, but increased its wealth, thanks to its mature elderly service industry. Florida has the most complete set of service facilities for the elderly: elderly apartments, elderly health centers, elderly rehabilitation hospitals, elderly hospitals, elderly clubs, elderly universities, elderly restaurants, elderly service centers, elderly employment and training centers, institute of geriatric problems, senior counseling service, etc (Zhu, 1988). It has also established residential areas for the elderly of different classes, different standards and different requirements to meet the needs of various types of people. Under these circumstances, the income of the elderly service industry has always contributed greatly to the state's tax revenue. Florida's successful experience in the Senior Care Industry can provide some reference and inspiration for Hainan.

### 3. Development status of China's Senior Care Industry

#### 3.1 Chinese Senior Care Industry Policy

Table. 1 China's Senior Care Industry Policy Changes

Time	Policy	Issuer	Keywords
Jan. 19, 2015	Guiding Opinions on Regulating Service Charge Management of Senior Care Agencies and Promoting the Healthy Development of Senior Care Services	Development and Reform Commission, Ministry of Civil Affairs	Standardize the service charge management of senior care institutions
Apr. 14, 2015	Opinions on the Implementation of the Development of Financial Support for the Construction of Social Endowment Service System	Ministry of Civil Affairs, China Development Bank	Attract private capital
Nov. 18, 2015	Guiding Opinions on Promoting the Combination of Health Care and Elderly Services	Health and Family Planning Commission and other departments	Combination of health care and elderly care services
Dec. 7, 2016	Several Opinions on Fully Opening the Senior Care Service Market to Improve the Quality of Senior Care Service	Office of the State Council	Open the market
February 6, 2017	Notice Regarding the Issuance of the "Intelligent Elderly Industry Development Action Plan (2017-2020)"	Ministry of Industry and Information Technology, Ministry of Civil Affairs, Health and Family Planning Commission	Smart health care
Feb. 10, 2017	Notice Regarding the Issuance of the "Administrative Measures for the Central Government's Pilot Subsidy Funds for Supporting Home and Community Senior Care Service Reform"	Ministry of Finance, Ministry of Civil Affairs	Subsidy fund management
Aug. 14, 2017	Implementation Opinions on Using the Government and Social Capital Cooperation Model to Support the Development of	Ministry of Finance, Ministry of Civil Affairs, Ministry of Human Resources and Social	Government and social capital cooperation

	Senior Care Services	Security	
Mar. 29, 2019	Opinions on Promoting the Development of Elderly Care Services	Office of the State Council	Advance the development of elderly care services
Jul. 27, 2019	Letter Regarding Agreement to Establish an Inter-Departmental Joint Meeting System for Elderly Care Services	Office of the State Council	Interdepartmental joint meeting system for elderly care services
Oct. 25, 2019	“Reliability of the Senior Care Service Market Measures for the Administration of the List of Joint Disciplinary Objects (Trial)”	Ministry of Civil Affairs	Senior care service
Feb. 4, 2020	Statistical Classification of Senior Care Industry (2020)	National Bureau of Statistics	Senior Care Industry classification

### 3.2 Development status of Hainan Senior Care Industry

According to the Hainan Statistical Yearbook, in 2018, the proportion of Hainan’s population over 65 years of age was 8.15 percent. Under the background of accelerating the construction of Hainan Free Trade Zone, Hainan's elderly care service is facing new challenges. In recent years, the Hainan Provincial Department of Civil Affairs has closely focused on the reform of the Senior Care Industry, implemented the "Opinions of the General Office of the State Council on Promoting the Development of Senior Care Services", and "Implementation Opinions of the General Office of the People's Government of Hainan Province on Fully Opening the Senior Care Service Market and Improving the Quality of Senior Care Services", and issued a series of policy documents such as "Guiding Opinions on the Implementation of Comprehensive Liability Insurance for Senior Care Agencies", "Hainan Province Public Senior Care Agencies" Public Construction and Private Implementation Measures (Trial)", and "Community Home Senior Care Service Standards (Trial)". This provides policy support for the development of the Senior Care Industry. Simultaneously, the Department of Civil Affairs of Hainan Province carefully sorted out and summarized the current preferential policies for senior care services, and published an investment guide for old-age services to encourage social capital and social forces to participate in the Senior Care Industry.

In recent years, Hainan's elderly care service facilities have been continuously improved. It has invested more than 1.3 billion yuan in planning, construction and maintenance of 19 provincial (municipal) nursing homes, the construction, renovation (expansion) of hundreds of rural nursing homes, and 178 urban and rural community daycare centers were constructed. As of October 2019, there are 198 senior care institutions of various types in Hainan, including 13 private senior care institutions and 185 public senior care institutions.

In addition, Hainan Province has adopted pilot methods to promote the construction of home and community senior care services. As of October 2019, a total of 565 communities in Hainan Province provided urban and rural home care services; cultivating 63 home care service organizations; and building 178 urban and rural community day care centers for the elderly. Hainan Province also vigorously promotes the integration of medical and nursing care. In 2019, there were 132 senior care institutions with internal medical institutions or cooperation agreements with hospitals. 75.86% of old-age care institutions can provide some basic medical care for the elderly.

### 3.3 Boao Lecheng International Medical Tourism Pilot Zone Development Status

On February 28, 2013, Hainan Boao Lecheng International Medical Tourism Pilot Zone was established with the approval of the State Council. The overall plan of Boao Lecheng International Medical Tourism Pilot Zone is to become an international medical tourism destination, a cutting-edge medical research and development and transformation base, and a gathering place for new national medical institutions. The three core industries are medical services (general hospitals, specialized hospitals, super hospitals, super Chinese medicine hospitals), application display

channels (display centers, duty-free shops for health products, medical equipment circulation), rehabilitation (Chinese medical care, sub-health conditioning centers, sleep management, spiritual well-being).

In terms of operation, first, the performance maintained rapid growth. In 2018, the operating income of medical institutions in the Pilot Zone was 365 million yuan, an increase of 227% year-on-year; the number of medical consultations was 32,000, an increase of 69.1% over the previous year; the number of employed medical institutions in the Pioneer District reached 1,778. In 2019, the operating income of medical institutions is about 640 million yuan, an increase of 75% over the previous year; Boao Lecheng is expected to receive about 75,000 medical tourists, an increase of 134% year-on-year. The Boao First-Age Life Conservation Center, a well-being institution that is a major taxpayer of the Pilot Zone, had a total revenue of 417 million yuan in 2019 which accounting for 65% of the total income of the Pilot Zone.

Second, the introduction of new drugs and new equipment is well. Before the end of July 2019, the use of 14 "national first cases" of new drugs and new devices was created in two years, meaning that patients first used new drugs and new devices that had not yet been listed in China. As of January 11, 2020, this number reached 51, with 37 new in 5 months, benefiting a total of 253 patients. In December 2019, the use of imported medical devices in the Lecheng Pilot Zone was 21 times the same period in 2018.

Third, the policy environment is appropriate. In August 2019, the Boao Lecheng International Medical Tourism Pilot Zone Administration was established. The Administration, has cooperated with the Provincial Health Commission, the Food and Drug Administration, and Haikou Customs to reduce the waiting time for patients to wait for medical equipment from 27-180 days to only 3-7 days. In September 2019, the National Development and Reform Commission, the Health Commission, and the Food and Drug Administration jointly issued the "Implementation Plan" to support the construction of the Pilot Zone. One of the biggest highlights is that it allows the Pilot Zone to conduct real-world research. On January 11, 2020, the Pilot Zone Medical and Drug Administration was officially unveiled. This is the first regulatory agency jointly established by the health department and the drug regulatory department in the country to implement the "hygiene + drugs" integrated supervision model.

#### **4. Existing problems in Hainan's Senior Care Industry**

As an emerging industry, the Senior Care Industry cannot develop well in a short period of time. Despite years of vigorous promotion, the development of the Senior Care Industry still has a long way to go. According to the research on Hainan's senior service system, there are still some urgent problems in the Senior Care Industry.

##### **4.1 The contradiction between supply and demand is a prominent problem.**

There is a huge demand for Hainan's elderly care services. The Hainan Provincial Bureau of Statistics predicts that during the "13th Five-Year Plan" period, the elderly population in Hainan will enter a period of rapid growth. By 2020, the elderly population over 60 years old will reach 1.68 million, accounting for 16.4% of the household registration population. The accelerated development of the aging population will become the basic situation of Hainan Province in the future. In addition, a large number of "snowbirds" come here every year to spend the winter and shelter from the cold, and enjoy the old age. However, the Senior Care Industry in Hainan Province is still underdeveloped, so it faces a severe test. Take Sanya City as an example. At this stage, Sanya City needs to address the public service provision of more than 400,000 "Snowbirds" during peak periods (Wang & Zhao, 2019). However, the effective supply in Hainan is very limited. As of the end of 2018, Hainan Province has 174 various old-age care service institutions with nearly 12,000 old-age beds. Hainan's old-age care institutions are still inadequate, especially in county towns and rural areas. Private senior care institutions are too few to meet the needs of multi-level elderly. Moreover, there is a lack

of elderly nursing staff. The elderly industry is a labor-intensive industry, but many people are reluctant to engage in this industry, resulting in a shortage of nursing staff.

#### **4.2 Weak medical facilities in senior care institutions.**

The overall health facilities in Hainan are weak. "Old Snowbirds" still choose to leave Hainan Island for treatment when they are seriously ill, because Hainan's medical foundation is relatively weak. As far as the Boao Lecheng International Medical Tourism Pilot Zone is concerned, the medical institutions and personnel in the Pilot Zone are not highly internationalized and there are insufficient international medical tourism professionals. There are no medical colleges and medical research institutes in the Pilot Zone, which indicates Pilot Zone itself does not have the ability to cultivate talents. And it does not provide convenient and high-quality supporting life services for medical staff in the Pilot Zone, which makes it difficult for the medical institutions in the Pilot Zone to recruit professionals. The various conditions of the Pilot Zone and the medical companies in the park have just started, and no large-scale operation has been formed, and no real comparative advantage has been formed. This has led to the failure to truly attract world-class medical institutions and talents to invest and practice in the Pilot Zone.

#### **4.3 Policy interpretation and implementation are not in place.**

The industrial policy in Hainan is not clear, and the division of labor between the government, society and market is unclear (Zhang&Wu, 2018). The Boao Lecheng Pilot Zone has a problem that the policies are not fully implemented and the relevant laws and regulations are not matched. Although the Pilot Zone has made significant progress in implementing policies, on the whole, there has been no comprehensive and systematic implementation and the formation of a joint force for policy competition. Special preferential policies are also required in respect of the import and use scope of overseas listed and domestic unlisted medical devices, stem cell research and application, the introduction of international tourists, and tax support. In addition, the relevant national ministries and commissions are not systematically supporting the opening up of the Pilot Zone in a timely manner, resulting in difficult policy implementation.

### **5. Suggestions for improving the medical supporting facilities of the Senior Care Industry in Hainan**

#### **5.1 Promote the comprehensive opening of Hainan's Senior Care Industry**

In order to solve the contradiction between the demand and supply of Hainan's Senior Care Industry, the key is to accelerate the comprehensive opening of the old-age service system. First, it is recommended that the relevant functional departments release new preferential policies for the Senior Care Industry according to the new situation and new requirements. Strive to break the monopoly of the health service field, promote the entry of social capital, and improve the quality of the Senior Care Industry to meet the different needs of elderly groups at different levels. Learn from the experience of Florida, and make the Senior Care Industry bigger and stronger. Second, encourage the development of a diversified combined medical and nursing model. The government should introduce relevant policies to encourage the combination of senior care institutions and medical institutions to meet the safety needs of the elderly. Public hospitals should be allowed to establish senior care institutions, encourage private capital to enter the medical Senior Care Industry, and increase the supply of various medical and nursing complexes. Third, the government should introduce some support policies for senior care institutions, and the government should provide some labor subsidies to encourage more people to learn professional nursing knowledge and engage in related work to reduce the shortage of nursing personnel.

#### **5.2 Strengthen the construction of talent team in the Senior Care Industry**

For the construction of the Boao Lecheng Pilot Zone. First, make bold innovations and establish attractive talent introduction and incentive mechanisms. Clarify the policy and treatment of

high-level international medical professionals at home and abroad. And provide convenience for introduced talent in dealing with family members moving, housing security and foreign expert residence permit processing, etc. Second, high-end think tank institutions in Pilot Zone should be established. Focus on improving the comprehensive research and judgment and strategic planning capabilities, strengthen the top-level design of the development of the medical industry in the Pilot Zone. Carry out forward-looking, targeted, and reserve policy research to provide strong intellectual support and academic support for the development of the medical tourism industry in the Pilot Zone. Third, gradually integrate Hainan's medical and nursing education and junior college higher education, and partly relocate to the Pilot Zone to develop high-quality international medical and nursing personnel.

### **5.3 Make great efforts to promote the comprehensive implementation of policies**

In the development of the Florida Senior Care Industry, the government's attention, support and guidance have played a very critical role. Based on this experience, first, it is recommended to increase research on the national senior care policy and formulate implementation rules. Promote the comprehensive development of the eight major industrial chains of Hainan's Senior Care Industry, and continuously meet the physiological needs, safety needs, social needs, self-esteem and self-realization of the elderly. Second, the Hainan government should promote the comprehensive implementation of the country's nine policies. For example, granting visit visas to overseas consumers of international medical tourism or granting tourist visas for 6 months, supporting tariff exemption for imported drugs and medical devices in the Pilot Zone, etc. Provide legal protection and first-aid experience for the Pilot Zone to accelerate the development of international medical tourism and high-end medical service industries.

## **6. Conclusion**

In summary, the problem of aging in Hainan Province is becoming more and more serious, the number of old "Snowbirds" is gradually adding, the problems in Hainan's Senior Care Industry are becoming increasingly prominent, and the contradiction between supply and demand is becoming more serious. Under this background, the construction of the Hainan senior care system should be highly valued. The Hainan government should draw on the experience of Florida in the United States and expand and strengthen the Hainan senior care institutions based on Maslow's hierarchy of needs to meet the multi-level needs of different elderly groups. In response to the safety needs that the elderly are now attaching great attention to, the Hainan government should improve the medical supporting facilities of the senior care institutions, promote the integration of medical and nursing, vigorously promote the development of the Boao Lecheng Pilot Zone, actively cultivate nursing professionals, and continuously add vitality to the Hainan Senior Care Industry. The development of Hainan's elderly group is still in the rising period. The Hainan government should turn the pressure of aging into motivation, encourage the development of the Senior Care Industry, strive to increase the income of elderly services, and turn the Senior Care Industry into an important part of tax revenue.

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