

**Why the Discretion Mix Matters:
Understanding the Transformation of Long-Term Care Services**

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Abstract

This study aims to extend the concept of discretion, 'a certain degree of freedom to decide what to be done in a particular situation', to understand and examine the transformation of social care services in the era of ageing and austerity. Care discretion, defined as the freedom and authority to decide how much care and what type of care from whom, is unevenly distributed from law, central government, local governments, street-level bureaucrats and care providers to recipients. Although existing studies review and analyse changes of care provision, they are less concerned with who has authority to make 'care' decisions. This research, using the case of the long-term care (LTC) services in South Korea, investigates how ageing and austerity pressures have transformed the discretion mix. It also discusses why the discretion mix can be a useful concept for analysing the changing landscape of social care services.

Introduction

This study aims to extend the concept of discretion, ‘a certain degree of freedom to decide what to be done in a particular situation’, to understand and examine the transformation of social care services in the era of ageing and austerity. This research begins with a critical review of existing concepts related to the transformation of long-term care (LTC) services. As will be discussed in detail, we argue that they are insufficient to identify the nature of the LTC transformation. In this paper, we aim to propose a new theoretical concept, the discretion mix, to understand the realignment of social care services beyond illustrating the partial aspects of institutional changes. We explore the theoretical validity of the concept by examining changing LTC schemes in South Korea (hereafter, Korea). After reviewing the Korean case, we briefly discuss implications of the concept. We argue that the discretion mix can be a useful concept to analyse the changing horizon of the territorial coordination as well as conflicts and cooperation among actors involved in the policy process, complementing existing concepts such as the welfare mix and local governance.

Why Existing Concepts Are Not Satisfactory

One of the largest changes in contemporary welfare states has been found in LTC services together with pensions. Unlike pensions, LTC services have been expanded in line with rapid ageing only since the late 20th century when austerity pressures became intensified in developed countries. This context creates a dilemma for well-advanced welfare states between reduced financial capacity and increasing social needs in line with the increasing number of dependent elderly people (Meagher & Szebehely, 2013; Ranci & Pavolini, 2012; Theobald, 2003). Some countries, such as Scandinavian countries, have restructured and reduced the range of the existing scope of service eligibility for the frail elderly (Clayton & Pontusson, 1998; Rauch, 2007; Szebehely & Trydegård, 2012). Other

countries, especially late ‘social service developers’, have introduced new universal programmes to respond to the growing ageing population (Arntz et al., 2007; Costa-Font, 2007; Grilz-Wolf et al., 2003; Joël et al., 2010). In this sense, the LTC programme is often regarded as the main ‘testing ground’ to address the increasing social needs in the era of austerity (Pavolini & Ranci, 2008, p. 46).

Then, what is the nature of these changes, and how can we understand the transformation of LTC services? Whether to expand or to downsize is one of the important questions in social care reforms, but the boundary between expansion and retrenchment is not always clear-cut. Most LTC reforms have accompanied the reform of meso-level governance aiming to make the LTC programme more affordable and efficient. One of the prominent meso-level reforms is marketisation in which private actors are becoming more influential in care arrangements. Competition amongst suppliers is perceived as the key mechanism of improving efficiency in delivering care service. Cash-for-care schemes or quasi-cash payments such as vouchers have been widely introduced to increase service users’ span of control.

Another noticeable reform trend in the care sector is the reorganisation of care governance through decentralisation or recentralisation. In Europe, the importance of central government seemed to decrease during the post-war period, and responsibilities for delivering social services were shifted to the local level (Allen et al., 2011; Kazepov et al., 2012). France and Japan, regarded as strongly centralised states, have conducted decentralisation reforms since the 1980s (De Montricher, 1995; So, 2003). On the other hand, the recentralisation trend has been observed in some countries. In Germany and Korea, the introduction of LTC insurance (LTCI) produced a significant change that nationalised care governance through insurance management.

There are several concepts to capture these transformations of the LTC governance. The concept of welfare mix identifies the empirical differences of institutional combinations in different countries and depicts the transformation of the public-private mix in the proportion of service ownership and funding (Glennerster & Le Grand, 1995; Ascoli & Ranci, 2002). It has been widely used to analyse the institutional plurality and shared responsibility for welfare by articulating three stylised types of actors: state, market and family (Ascoli & Ranci, 2006). It is particularly useful to exhibit diversities and variations among national arrangements for the welfare provision, delivery and financing beyond state welfare (Evers & Olk, 1991). Although provisional and financial aspects are the most common conceptualisations of the ‘welfare mix’, some authors emphasise that the concept of welfare mix illustrates not only the organisation of the different financial or provisional matrix but also the organisation of the realm of different logics (Evers, 1995; Longo et al., 2015).

The welfare mix approach has several merits to study the change of the LTC governance. However, it has some limitations. First, it does not reveal what happens within the ‘state’. De- or re-centralisation has been one of the most important aspects in understanding the LTC transformation, but this concept does not offer much insight on this aspect. Second, the descriptive and static nature of welfare mix does not capture the tension between and the dynamics of different levels of governments and different actors in the LTC reform. The ‘market’ in this approach has its own norm and logic, but depending on how it is associated with the ‘state’, it could have a very different role in the LTC governance.

In this respect, the concept of subsidiarisation by Kazepov et al. (2010) has clear advantages over the welfare mix approach. It distinguishes two processes of change – first, vertical subsidirisation with respect to the territorial reorganisation of regulatory powers, and second, horizontal subsidirisation with respect to the multiplication of actors. By clarifying

the rescaling trends among territorial levels, the concept of vertical subsidisation captures how the countries are responding to diverse sub-national territorial demands in different ways. The horizontal subsidisation focuses on the expansion of their policy networks in the policy process.

‘Co-production’ is another concept that could show the transforming relationship between different actors including service users. Hunter and Ritchie (2007) defines the concept as a particular form of partnership between service users and service providers which applies on both planning and implementation phases. In this model, the service users are not anymore seen as passive recipients (Hoggett, 1991; Miliband 2007) or mere consumers, choosing between different options offered to them (Leadbeater, 2004). Rather, the concept focuses on the centrality of dialogue or ‘intimate conversation’ between service users and service providers with emphasis of the role of front-lines managers (Barnes et al., 1999).

These concepts, both subsidisation and co-production, provide impressive breadth for understanding the transformation of the LTC governance. However, they are less effective for providing an interactive picture of how meso-level reforms affect various policy actors from governmental actors to providers and users and also how various policy actors interact to produce a specific policy decision-making and implementation, which is often not clear-cut. For instance, the marketisation, commonly found in the LTC reform, not only rearranges the role of the state and the market, but also has much ramification on the reorganisation of the roles of central and local governments. Moreover, it changes the position of the users in the governance.

Further, including the concept of welfare mix, few existing concepts have paid attention to the ‘decision-making’ and discretionary aspect in the LTC reform. Participatory governance and co-production surely deal with this aspect, but they are concerned with explicit decision-making in the governance system, but less interested in the explicit and

implicit discretion each actor exercises in the process policy. In order to complement the existing concepts, this research will propose a new theoretical concept and analytical framework of the 'discretion mix'.

Discretion Mix

Then, who decides? In classic theories on policy formulation and implementation, most policy decisions are made at the legislative framework, and public officials of the various ranks are supposed to follow and implement the rules in the command and control system. In this perspective, the legislators are expected to provide a framework of rules and directives of the provision system to guide the practices of administrative agents. In many cases, the major concern was to confine, structure, and check the local-level discretion (Pires, 2011; Pressman & Wildavsky, 1973). In this case, for bureaucrats and citizens as implementation agents, only the issue of compliance remains.

Yet, a cadre of scholars have challenged this dichotomy model, contending that the divergence of local practices by those lower level policy actors. In fact, the separation of policy making and implementation has been highly complicated, rather than straightforward, given the status of administration in modern democratic system (Peters and Pierre 2001). When a particular legislation is enacted through the national level democratic process, the law itself designates some important principles and details, and then it delegates the rest of 'what to do' to specify the unwritten elements of legislation. The delegation offers a substantial autonomy of decision-making to policy actors at each level or scale and these actors in the implementation process play much important roles, far beyond executing the law (Wildavsky 1973; Bardach 1977; Lipsky 1980; Brown 1988; Peters and Pierre 2001).

It leads to an unprecedented scholarly interest in investigating the vertical dimension of policy process in which each actor in the implementation process has a different range of decision-making power. Unlike the classical approach explained above, many argue that the legislators or upper level executive authorities allow sufficient autonomy for the lower level actors for making and implementing policy decisions. Here we call this autonomy or the range of decision-making power as 'discretion'. Discretion here is defined as 'a certain extent remit of choice or judgment to take a decision or not; postpone it or not; choose the content and direction of their decisions' (van Oorschot, 1991, p. 7, as cited in Hetzler, 2003). Some discretions are explicit in that it is designated by the law, guidelines, or regulations whereas others are implicit in that other actors need to actively interpret and implement the policy since there is unclear or unwritten elements in the law, guidelines, or regulations.

There are a number of policy actors exercising discretion. First, we identify three levels of policy actors in the executive bodies. The central government is often delegated a significant power to specify the policy content by the law. The central government exercises its discretion by producing executive orders or guidelines. Then, the central executives could delegate the policy making power to the lower level, not deciding the specificity of the policy content. When the decision-making power is further delegated to local governments to large extents, it enables local governments to transform the policy that is appropriate for their own context. But, in the opposite case, they may have the very marginal role if the law and/or the executive order are highly specific, leaving them as administrative agents.

Street-level bureaucrats turn rules and regulations from upper decision bodies into daily routines. These street-level-bureaucrats may engage in the policy process by further elaborating the law (Lipsky 1980; Barrett and Fudge 1981; Frederickson 2015) or strictly bound by the specific law. In the former case, the discretionary judgment of front-line workers is often regarded as 'tantamount' to political decisions and policy-making (Maynard-

Moody et al. 2009, p.11), whereas, in the latter case, the frontline managers are apparently considered as subservient agents who are not supposed to be deviated from the pre-defined regulatory framework.

The delegation of the discretion or decision-making power is not limited to governmental actors. Two other important policy actors share the discretionary power with governmental actors: service providers and service users. Although Ascoli & Ranci (2002: 12) mention that the formal transfer of welfare functions from the government to private actors does not reduce the government control, it is not the case in some countries in continental Europe. As Bode (2006) argues, public–private partnerships tend to be more volatile and heterogeneous as governments delegate more power to private actors. In addition, users have engaged in the policy process with the introduction of the cash-for-care system.

Lastly, different from previous service provision system, the cash for care scheme significantly expand the service users influence on how the service is produced and consumed. Although the range of their decision making power varies across the countries (Da Roit and Bihan 2010), still, they could influence the overall delivery system by becoming employers in relation to their care workers and service providers (Ascoli & Ranci, 2002; Ungerson & Yeandle, 2007). If the legislative body decides to expand cash benefits to individuals rather than provide services via the government or the market, as mentioned earlier, a large amount of discretion could be transferred directly to recipients from bureaucrats or service providers (Strohmeier & Smith, 2010).

<Table 1 here>

We propose the ‘discretion mix’, the extended concept of discretion, to understand static and dynamic picture of social care services. The framework is based on the theoretical assumption that it is hard to distinguish the realm of policy-making from that of policy implementation. Each level of policy actor in the policy-making and implementation process occupies a distinctive policy position, and the discretion is distributed among all actors. This study defines the term discretion mix to depict an established distribution of discretionary power between central-level bureaucrats, local-level bureaucrats, street-level bureaucrats, service providers and service users. In this paper, we focus on key aspects of care decisions (i.e. autonomy and authority to decide eligibility (to whom), amount of care (how much care), type of care services (which service), and choice of delivery (from whom) (see Table 1)).

<Figure 1 here>

As seen in Figure 1, the law is the starting point but outside of the discretion mix. If every component of care services is fully specified in the law, as in the classical top-down approach, meaning that parliament has decided all the details on care arrangements, other actors need to implement or use care services as designated without any discretionary action. In this case, any minor change in social care should go through parliament. The German LTC scheme is the typical example, as the LTCI law details every aspect of the policy implementation and thereby to minimize the need for local discretion.

But, laws rarely specify the full detail. If the law only provides the frame or the principle of the policy, it leaves substantial discretion to the executive level. Then, if the central government decide specific details of the policy, other actors might enjoy only little discretion accordingly. By contrast, the legislation can allow local actors more autonomy. If there is no well-established or coherent national policy framework, it allows higher autonomy

for local governments to shape the care system. If the local-level governments do not specify the policy content, the decision-making power is further delegated to the street level bureaucrats which enables the street level bureaucrats to transform the policy so that it is suitable for their own context, as found in Sweden.

In some cases, the government directly grants the substantial amount of discretion to care providers depending on the types of privatisation and marketisation. Further, while these market reforms could increase users' choice and discretion, users are given strong autonomy without much intervention from central and local governments, if the cash-for-care scheme is enacted by the law. Then, as an employer, the user could transfer some discretion to care providers.

The discretion mix is not uniform across welfare states. On the one hand, a specific form of the discretion mix in a country, just as the welfare mix, reflects the nature of its welfare regime, which has been historically institutionalised. We can assume that individuals and private actors have more discretion in liberal welfare regimes, whereas bureaucrats are likely to have more discretion in developmental states, such as East Asia. On the other hand, however, the discretion mix is never static, and its boundaries often shift in response to reform initiatives and changing contexts. For example, privatisation could transfer some portion of street-level bureaucrats' discretion to service providers (Savas & Savas, 2000). Giving greater fiscal flexibility to local governments via block grants may offer greater discretion to smaller unit governments (Vabo, 2010).

Methodological Note

The methodology used in this study is content analysis, which is the technique of making inferences by systematically and objectively identifying specified characteristics of

contents (Holsti, 1969). Legal scholarship has used the content analysis without referring specific methodological approach. They often analyse a legal system isolating other methodological tenets, still reducing this complex whole legal contents to several categories and concepts. In social sciences, content analysis has been used as a ‘systematic, replicable technique for compressing many words of text into fewer content categories’ (Stemler, 2001).

As the concept of discretion is strongly anchored to the law and regulations, we analyse the LTC law and related regulations in Korea. Specifically, we use the legislation, Act on Long-Term Care Insurance for Senior Citizens¹, its enforcement decree, Enforcement Decree for the Act on Long-Term Care Insurance for Senior Citizens², and national guidelines, Guidelines of the Health and Welfare Service for Senior Citizens³. The guidelines are also important since they are embodied in specific directions published by the Ministry of Health and Welfare, and local governments organise and implement their tasks according to these guidelines.

We develop content categories according to our theoretical framework. For the triangularisation, we also conducted qualitative interviews with key actors in our framework, two bureaucrats in the MOHW, one local governments, two street-level bureaucrats, and two users in 2015 and 2016. Besides, we also use one focus-group interview data, conducted by the authors, with service providers in 2013. In addition, this study also refers to secondary literature to analyse the discretion level (Chegal, 2009; Lee & Kim, 2013; Seok, 2010).

In this respect, the delegation of decision making power is understood as the power to construct the policy in details. Table 2 suggests an analytic toolkit for scrutinising the execution of public policy and evaluating different discretion levels. Strong means a policy

¹ <http://world.moleg.go.kr/World/EastAsia/KR/law/24132?pageIndex=25>

² [Enforcement Date 01. Jan, 2009] [Presidential Decree No.21225, 31. Dec, 2008, Partial Amendment] <http://moleg.go.kr/knowledge/northSouthResearch;jsessionid=ugH6UB1H58gdrX11tqyGFHUEXQXpflwkRaZiE6pYNYULCDSAZJ12RahAMQW9aIGd?pstSeq=52852&pageIndex=9>

³ Ver. 2016 http://www.mohw.go.kr/front_new/jb/sjb030301vw.jsp

actor decides the highly specific aspects of care arrangements (i.e. specific medical and physical conditions for eligibility decision, a specific amount of benefits). Substantial means a policy actor decides certain aspects of policy arrangement under broadly circumscribed range. (i.e. rules that allow certain groups have choice for service). Moderate means a policy actor decide under a certain range of choice set. (i.e. contract criteria that allow a broad range of service providers come in). Weak means a policy actor do not exercise meaningful decision under highly specified framework (i.e. care assessors do not have meaningful decision-making power constrained by highly specified checklist).

<Table 2 here>

Changing the Discretion Mix in Korean LTC Services

LTCI in Korea: Efficient Expansion Strategy

Prior to 2000, Korea was not an ageing society. Only about 7% of the population was aged over 65, and demographic ageing was not recognised as a serious social issue. In this period, the Korean Government maintained a highly restrictive approach to social care. It provided care services only for those who did not have family members on whom they could depend. The number of recipients and the amount of social care spending were negligible. The Central Government, the backbone of the productivist state, was clearly visible in economic policy but not in social policy. The law containing social care provision was highly abstract, and the Central Government and local governments had largely delegated the service provision responsibility to non-profit welfare associations and did not engage in the management process. The Central Government provided insufficient subsidies to non-profit providers but controlled the status of welfare association. This model was largely maintained

until 2008 when the Ministry of Health and Welfare (MOHW) provided the general guideline to local authorities, which included contract specifications.

As there is no frontline care management function within local governments, users usually contact non-profit service providers directly. The providers, specifically social workers within the organisation, assessed care needs and decided whether to provide the service and, if so, how much they would provide to clients based on their professional judgment and ethics. In principle, users had a choice of service providers. However, the inadequate number of service providers and long waiting lists seriously constrained the choice. Rather, service providers tended to exercise unofficial discretion to choose service users.

Since the beginning of the 2000s, rapid ageing has become one of the most significant social and economic issues. Experts and scholars warned that social policies were inadequate for absorbing the ageing shock and that the rapid ageing problem would undermine economic competitiveness. Under the contradictory circumstances, the Government had to figure out how to 'efficiently expand' LTC services under the austerity pressure. First, for the expansion, the Government devised the universal LTCI. Social care for the elderly significantly changed with the introduction of the LTCI Law in 2007 (Kim & Choi, 2013). Although the coverage is still limited to those with 'substantial' care needs, the coverage was expanded from below 1% in 2007 to 6.5% of elderly people as of 2014 (NHIS, 2015). Second, for achieving efficiency, the Government deliberately facilitated for-profit service providers and introduced the centrally organised regulatory framework. The Government needed to build the nationwide care infrastructure to provide the services to eligible elderly people within a short time. The previous solution relying only on non-profit organisations was not regarded as a viable option anymore. Non-profit providers were generally considered

reliable, but the Government was sceptical of whether non-profit and public sectors could meet soaring social care needs, assuming they would be either too slow or too expensive.

The Government changed not only the service delivery model but also the management strategies from delegation to strong engagement (see Table 2). First, the MOHW fully specifies the eligibility requirement, the level of benefit, the wage level of care workers, and providers' licensure specification through its decrees and guidelines. The eligibility and the amount of benefit are standardised in the grade system, from 1 to 5, defined by the dependency score. The MOHW provides a checklist for the needs assessment that consists of 52 items mostly about physical conditions. Care investigators assess the level of dependency using the checklist. The results are quantified as the dependency score and sent to the local board with doctors' statements. The care investigators have important roles as assessors, but they do not have the discretion to choose documents that might influence the board's decision, such as summary statements or recommendations (Lee, 2010, 2012).

Second, after the needs assessment, service users can choose between residential or domiciliary care services according to their grade, and they can also choose a service provider. Care investigators provide a list of local service providers, but they do not engage in the selection process, since they are supposed to hold a neutral position and not allowed to give any recommendations for the selection (Chon 2013). However, users are not completely free to choose. Imperfect information and the lack of providers, particularly in rural areas, are important obstacles. In addition, the Government strictly bans care services by family members because of concerns about benefit fraud (Kim & Choi, 2013). If the elderly want to receive care services from their own family, a family member should obtain an official care worker license. Nevertheless, even in this case, care users are entitled to a lower level of benefit and limited services compared to the standard care. The strong control by the Central

Government, marketisation and restricted family care services are all motivated by the ‘efficient expansion’ required under the austerity pressure.

<Table 3 here>

Then, what are the roles of legislators, the LTC law and local governments? The LTCI law is still very abstract containing basic principles, and it entrusts specific rules and regulations to the executive branch, the MOHW. The LTC law is roughly 16 pages long, whereas that of the German LTC law is more than 100 pages. The MOHW does not give much discretionary room to local governments and frontline managers, which assist the Central Government in implementing the LTCI. As lower-level policy actors are supposed to implement policies by complying with detailed rules, sometimes, service providers and frontline workers have to do things that contradict their opinion of the service users’ best interest. Overall, the discretion mix framework reveals that the governance of LTCI is characterised by the strong role of central bureaucrats and the central mandates have become a major instrument of LTC policy.

Consequences of New Discretion Mix

Figure 1 shows the contrasting features of the welfare mix of service production and the discretion mix in the Korean LTC system. Since the enactment of the LTCI, the dominant role of private service providers, particularly for-profit service providers, has been a key feature in the provisional welfare mix. However, the Central Government monopolises the decision-making arena, as social policy has emerged as one of the most important national agendas. Consequently, the welfare mix and the discretion mix show very different shapes.

<Figure 1 here>

Service providers do not occupy a significant position in the official discretionary space, and they are supposed to implement policies by complying with detailed rules and regulations. Yet, the substantial erosion of their discretionary capacity causes a large implementation gap (Chon, 2012, 2013; Lee & Choi, 2013; Woo, 2008). Service providers tend to manipulate their discretion, creating *illegal discretion*. They, together with service users, could subvert and distort the policy intentions of rule-makers and operate beyond their granted discretion. They engage in various types of self-serving or cream-skimming behaviours. For instance, they intervene in users' eligibility or benefit level decisions, such as giving tips on how to deceive care assessors or attracting customers by exempting them from co-payment fees or giving gifts to them (MOHW, 2010). Recent governmental inspections in Korea indicate that millions of dollars in care services were being paid out improperly (MOHW, 2015).

Central-level bureaucrats often do not know what is going on in the delivery process and are not able to respond to these problems effectively (Lee & Kim 2013). In addition, local governments do not have a clear mandate on the problem of malpractice in the market and do not engage in the coordination and control of service management. Many policy commentators have argued that the rules are not effectively enforced, and the fragmented coordination further complicates the market situation, which ultimately harms the public accountability of the LTC system and frustrates service users (Chegal, 2009; Seok, 2010).

This centralised form of the discretion mix clashes with the recent trend of 'service personalisation'. Recently, the Park Geun-hye Administration declared 'personalised' or 'tailor-made' social services as a core objective in the social service sector reform (Ahn, 2013; Korea Blog, 2013). The Government adopted the personalisation agenda to broaden the range of beneficiaries and, simultaneously, to meet diverse social needs in an efficient way.

However, there appears to be clear tension between the personalisation strategy and the centrally managed social services in which the central-level bureaucrats determine most details, such as the rates at which service providers and care workers are paid.

Instead of delegating the provision responsibility to the smaller units to enhance the policy responsiveness, the personalisation agenda created a range of centrally planned social service programmes to respond to these diverse needs. Consequently, the Government unintentionally established a highly fragmented LTC system consisting of a number of residual LTC services apart from the LTCI. Currently, there are about 30 elderly care programmes with separate institutional frameworks and several different eligibility standards, such as alarm services, food delivery services and extra care programmes (Choi et al., 2013). It is hardly surprising that the Government's commitment to 'personalisation' has resulted in increasing inefficiency because of the duplication or redundancy of minor programmes. It appears that the current discretion mix could exacerbate the tension between efficiency and personalisation.

Conclusion

In the absence of prior efforts to theorise each actor's discretion in care decisions, this article attempted to elucidate the care implementation process. We introduced the concept of the discretion mix that involves the different roles of central- and local-level bureaucrats, service providers and users in daily care decision making in the implementation process of the LTCI. In this article, we have shown how the discretion mix of the Korean elderly care system has changed, how other actors in the policy process are distinctively located in the discretionary terrain and what the consequences of the new discretion mix are.

As argued earlier, just as with the welfare mix, the discretion mix is the product of historical institutionalisation. In other words, the specific form of the discretion mix in each

country reflects socioeconomic and political institutions. For instance, the dominant role of the central government in Korea compared to the parliament or local governments can be easily understood by considering the legacy of the authoritarian developmental state. Thus, this concept could be fruitfully used for analysing cross-sectional differences of the LTC services and their transformations. Rooted in different traditions and contexts of social care development, decisions on eligibility (to whom), amount of care (how much care), type of care services (which service) and choice of delivery (from whom) are distributed in a different way in each country. Thus, it could not only reveal the longitudinal change of care governance in a country, but also offer a description of cross-country differences.

Based on the discretion mix, further research could question whether a certain type of discretion mix produce better quality of LTC services than other types and why a particular care regime adopts and develops a specific type of discretion mix whereas others develop a different type of discretion mix. Complementing the existing concepts such as welfare mix, subsidiarisation, and co-production, we hope to contribute to better understanding of the transformation of the LTC governance.

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Table 1 *Discretion Mix of Care Service*

| Discretion Level | Eligibility | Amount of care | Type of Services | Choice of delivery |
|--------------------------|-------------|----------------|------------------|--------------------|
| | To whom? | How much care? | Which service? | From whom? |
| Central government | | | | |
| Local governments | | | | |
| Street-level bureaucrats | | | | |
| Service providers | | | | |
| Users | | | | |

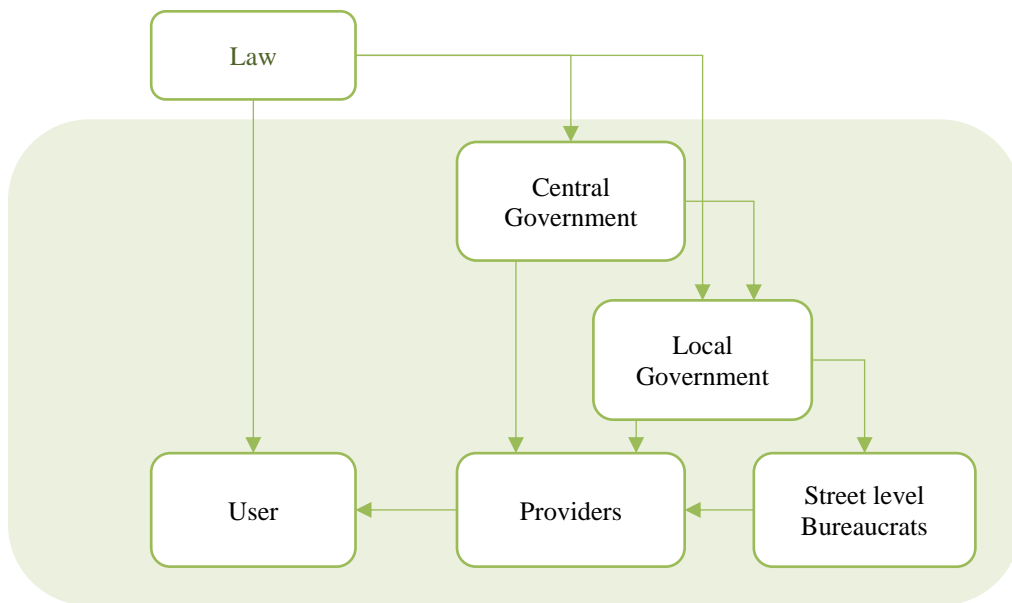


Figure 1. Dynamics of discretion mix

Table 2. Interpretive framework for Discretion mix

| | Weak | Moderate | Substantial | Strong |
|--------------------------|-----------------------|---|--------------------------------|---|
| Central Government | General principle | General framework | A range of specific conditions | Specific conditions, often numeric form |
| Local Government | General principle | General framework | A range of specific amount | Specific conditions, often numeric form |
| Street level bureaucrats | Rule-bound, no choice | Narrow choice within specified choice set | Some autonomy within framework | Autonomous within general principle |
| Providers | Rule-bound, no choice | Narrow choice within specified choice set | Some autonomy within framework | Autonomous within general principle |
| Users | Rule-bound, no choice | Narrow choice within specified choice set | Some autonomy within framework | Autonomous within general principle |

Table 2 *Discretion Mix of LTCI*

| Decision-Making Level | Eligibility (To whom?) | Amount of Care (How much care?) | Benefit Type (What type of service?) | Delivery Choice (From whom?) |
|---------------------------------------|---|---------------------------------------|--|---|
| LTCI Act | - 65 + (§2) -NHI subscribers (§12) Other conditions are delegated to MOHW | Decisions are delegated to MOHW (§28) | Decisions are delegated to MOHW and service users (§24, §25) | Decisions are delegated to MOHW and service users (§31.2) |
| Bureaucrats (MOHW) ¹⁾ | Eligibility decision (checklist) | Grade and amount | Decide grade for particular benefit type ¹⁾ | Setting contract criteria |
| Local Gov't Bureaucrats | Committee participation | Committee participation | | Issuing licensure |
| Frontline Managers (NHIS) | Assessment | Assessment | | Providing provider list |
| Service Providers (mostly for-profit) | | | | |

| | | | | |
|-------|----------------|----------------|--|-----------------|
| Users | Self-reporting | Self-reporting | Either homecare or residential (Grade 1,2) | Making contract |
|-------|----------------|----------------|--|-----------------|

| | | | | |
|------|------|----------|-------------|--------|
| None | Weak | Moderate | Substantial | Strong |
|------|------|----------|-------------|--------|

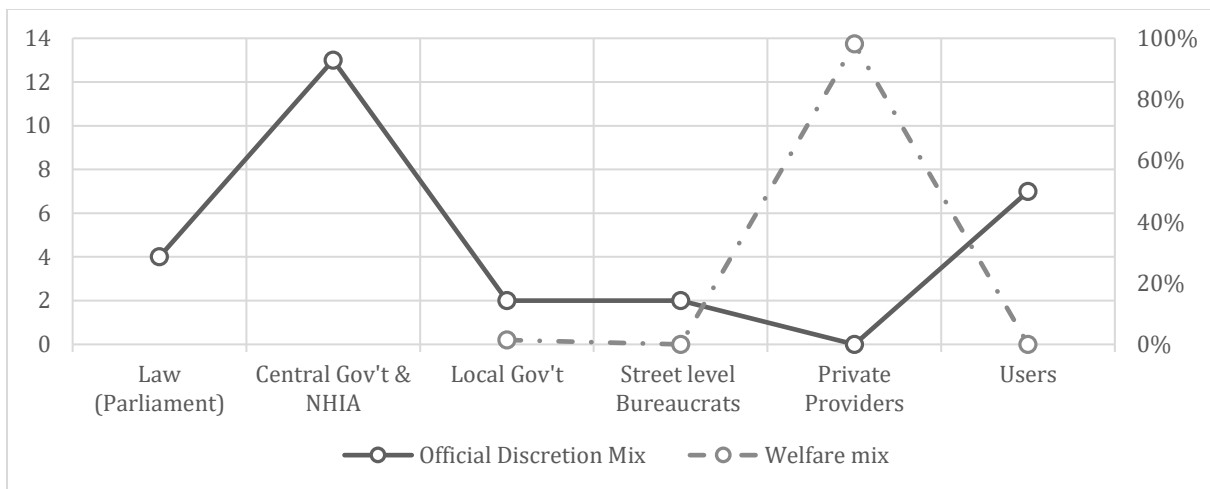


Figure 1. Welfare mix and discretion mix in Korean LTC system (Source: authors).

Note: The graph shows the discretion mix (left axis, discretion index score) and welfare mix (right axis, percentage of total care facilities). In order to get a clear view of the vertical distribution of discretionary power, an index was constructed assigning weights. If the decision-making power is strong, a score of 4 is assigned, and if there is no decision-making power, a score of 0 is assigned (see methodological note). A composite index was constructed summing up all values for each level in four different decision-making domains.