HGPI Health and Global Policy Institute

JHPN Japan Health Policy NOW

4. The Healthcare Delivery System

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As the world's attention turns to Japan, one of the world's fastest ageing countries, there is increasing interest in Japanese health policy and a growing need to share information on Japan's health policy with the world. JHPN is committed to addressing this need by delivering factual information about the Japanese health system, Japanese health policy stories of interest, recent Japanese health policy news, and a resource list for those who want to learn more about Japanese health policy.

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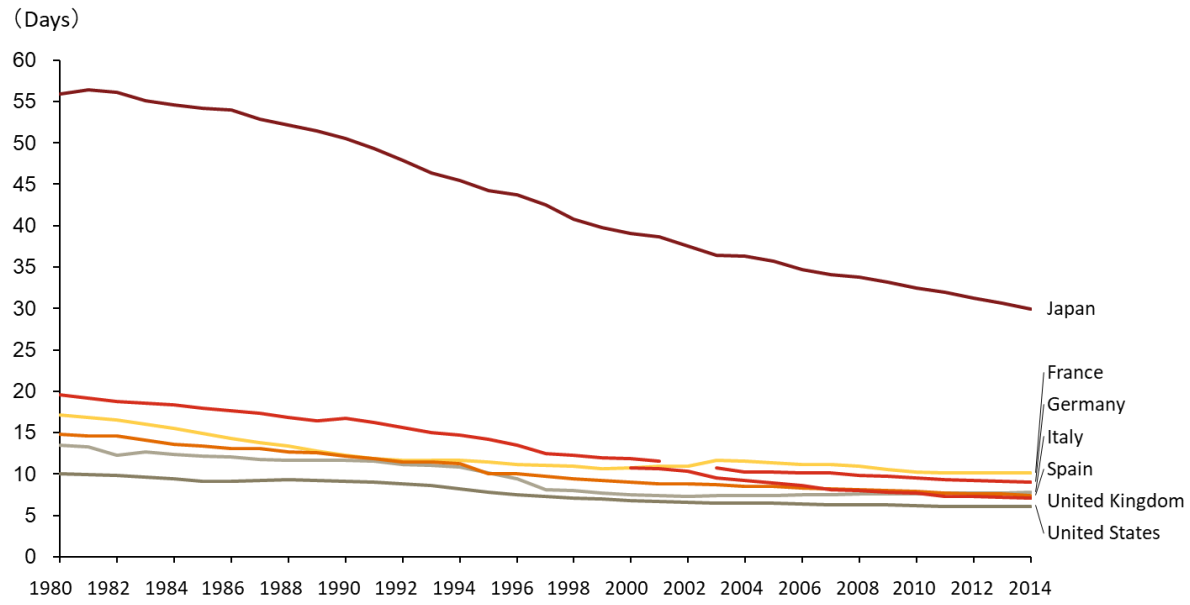
4.1 The Healthcare Delivery System | Overview of Japan's Healthcare Delivery System

Under universal health coverage (UHC), and because Japan's healthcare delivery system ensures unrestricted access, patients are able to receive care at any medical facility throughout the country. Another characteristic of Japan's healthcare delivery system is that it is primarily managed by private organizations, with private hospitals (medical corporations) accounting for 70% of all hospitals and owning 50% of all hospital beds. When viewed from an international perspective, the number of hospital beds per capita in Japan is comparatively high, the average length of hospitalization is long, and the number of healthcare professionals per bed is low. For example, as shown in Figure 4-1-1, although the average length of hospitalization is falling, it remains long in comparison to other countries. On the other hand, it is important to recognize that simple comparisons are not possible, since the types of hospital beds used for calculations vary by country.[1]

Figure 4-1-1: Average length of hospital stay in days – International comparison



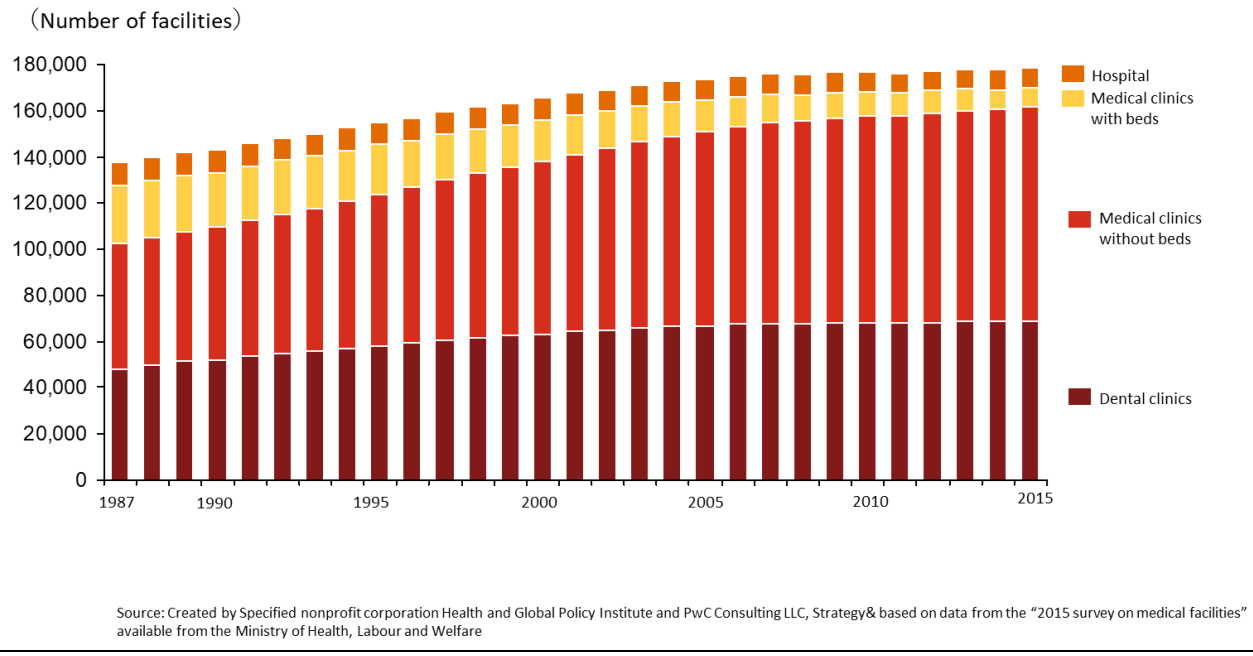
Source: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on "OECD-Health-Statistics-2017-Frequently-Requested-Data"

[1] Ministry of Health, Labour and Welfare "Current Situation and Issues Regarding the Healthcare Provision System" http://www.mhlw.go.jp/file/05-Shingikai-12601000-Seisakutoukatsukan-Sanjikanshitsu_Shakaihoshoutantou/0000184301.pdf (Accessed 2018, Feb.1)

4.2 Healthcare Delivery System | Classification of Medical Facilities and Hospital Beds in Japan

Medical facilities in Japan can be divided into medical clinics (inpatient/outpatient), dental clinics, and hospitals. As can also be seen from Figure 4-2-1, medical clinics account for most medical facilities.

Figure 4-2-1: Trend in number of medical facilities



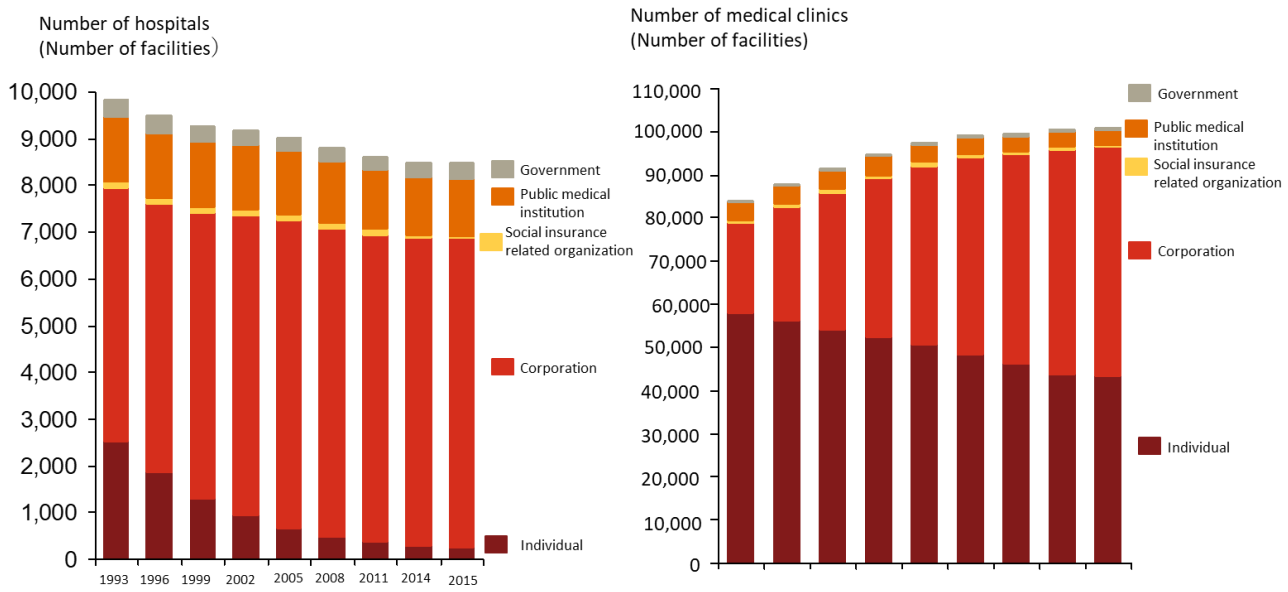
Source: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on data from the "2015 survey on medical facilities" available from the Ministry of Health, Labour and Welfare

Hospitals and medical clinics are distinguished in Japan based on their numbers of beds. Facilities with 20 or more beds are referred to as "hospitals," while facilities with 19 or fewer beds or lacking in-patient accommodations are referred to as "clinics." As of 2015, Japan had 8,480 hospitals, 7,961 in-patient medical clinics, 93,034 out-patient clinics, and 68,737 dental clinics. Looking at the changes in medical facilities from 1987 to 2015, the number of hospitals declined by a factor of 0.86, while the number of out-patient clinics grew by a factor of 1.7.[2]

[2] Ministry of Health, Labour and Welfare "Survey of Medical Facilities"
http://www.mhlw.go.jp/toukei/saikin/hw/iryosd/15/dl/02_01.pdf (Accessed 2017, Nov.20)

Hospitals and clinics can be broadly categorized by the organizations that manage them. There are national, public, social insurance organization, corporate, and private facilities, among others. As can also be seen from Figure 4-2-2, private hospitals continue to be the main healthcare provider within Japan's healthcare delivery system, but corporate clinics are gaining prominence. This characteristic of Japan's healthcare delivery system is unique, since the majority of hospitals in other countries such as the United Kingdom and France are public facilities.[3]

Figure 4-2-2: Trend in number of medical clinics and hospitals per developer



Source: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on data from the "2015 survey on medical facilities" available from the Ministry of Health, Labour and Welfare

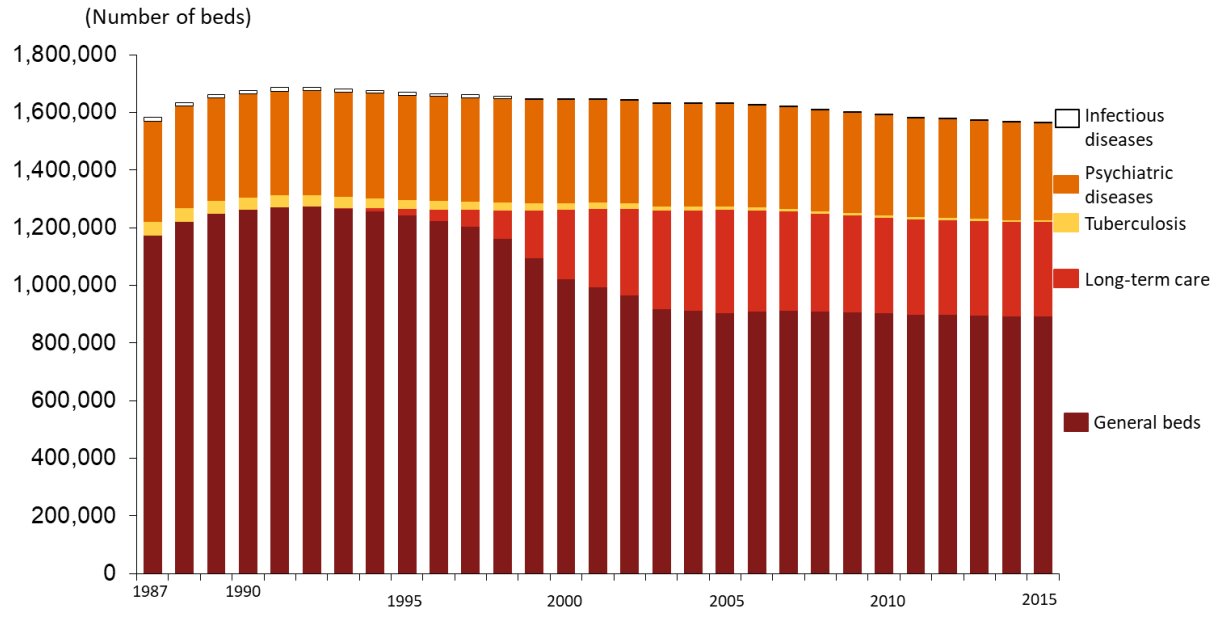
The types of hospitals operating in Japan include general hospitals, advanced treatment hospitals, regional support hospitals, clinical research hospitals, psychiatric hospitals, and tuberculosis hospitals. Among these, advanced treatment hospitals, regional support hospitals, and clinical research hospitals have requirements that vary from those of general hospitals regarding matters such as staffing. Only hospitals that fulfill these requirements may be licensed to operate.[4]

[3] Ministry of Health, Labour and Welfare "Survey Research Regarding the Actual Situation of Medical Corporations Outside of Japan" http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kenkou_iryou/iryou/igyou/igyoukeiei/anteika.html (Accessed 2017, Nov.20)

[4] Ministry of Health, Labour and Welfare "Ministry of Health, Labour and Welfare 2015 Fiscal Year Edition White Papers " http://www.mhlw.go.jp/wp/hakusyo/kousei/17-2/dl/02.pdf (Accessed 2017, Nov.27)

Hospital beds in Japan are classified as general beds, long-term care beds, psychiatric beds, infectious disease beds, and tuberculosis beds[5]. Although prior to the 4th revision of the Medical Care Act in 2000, “long-term care beds” and “general beds” were combined in a single category referred to as “other beds,” this category was split to facilitate more circumstance-appropriate healthcare delivery. As can be seen in Figure 4-2-3, most hospital beds are general beds.

Figure 4-2-3: Trend in number of hospital beds per bed type



Source: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on data from the “2015 survey on medical facilities” available from the Ministry of Health, Labour and Welfare

In terms of general hospital bed trends, due to healthcare expense burden mitigation measures implemented after the achievement of universal health coverage such as the High-Cost Medical Expense Benefit System, public demand for medical care increased, and in accordance, the numbers of hospitals and hospital beds increased as well. It is also worth noting the reality that general hospital bed numbers are propped up by many "socially hospitalized" patients who are unable to leave hospitals and return home due to financial hardships or other reasons.[6]

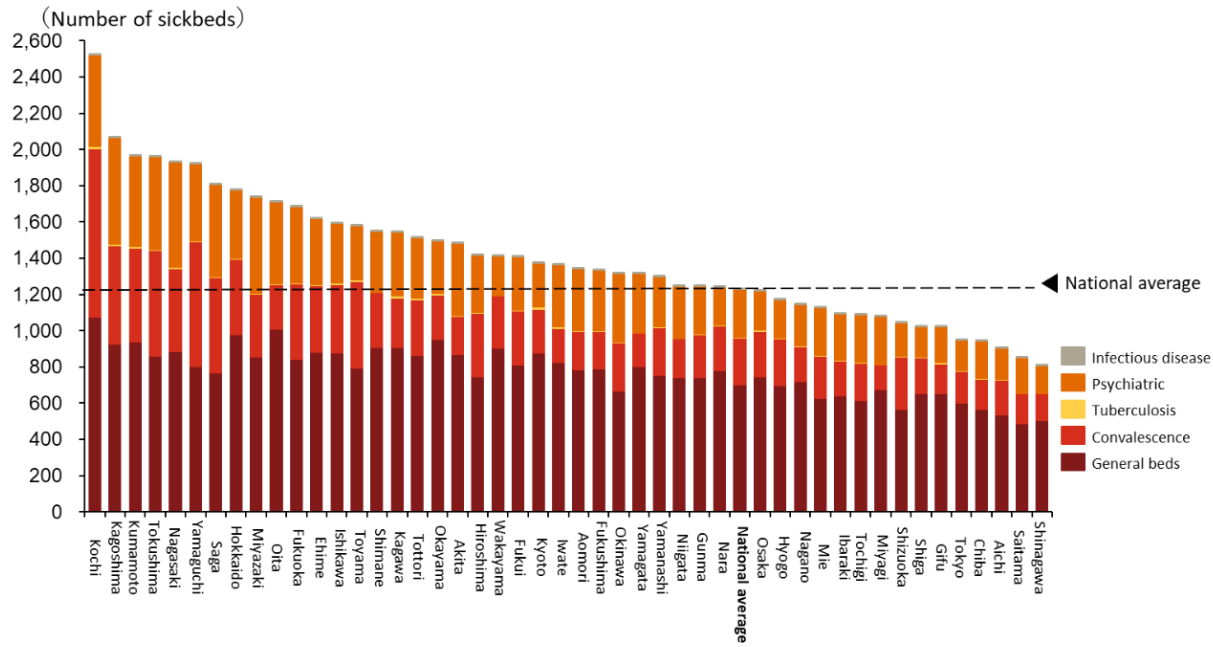
By 2025, all members of the Baby Boomer generation (those born between 1947 and 1949), will reach age 75 or over, inducing sharp increases in social security costs, including long-term care expenditures and medical care expenditures. With the aging of the Japanese population predicted to progress even more rapidly in the future, it is important for Japan to effectively utilize its limited medical resources. To ensure patients are able to access appropriate care at the appropriate facility regardless of their location or situation, the government is functionally differentiating medical facility beds according to needs, aiming to reduce the number of hospital beds to between 1.15 and 1.19 million by 2025.

[5] Ministry of Health, Labour and Welfare "Ministry of Health, Labour and Welfare 2015 Fiscal Year Edition White Papers " http://www.mhlw.go.jp/wp/hakusyo/kousei/17-2/dl/02.pdf (Accessed 2017, Nov.27)

[6] National Federation of Health Insurance Societies (2017) Healthcare Coverage Seen Through Charts, 2017 Edition,” Gyosei Corporation, p.43

As shown in Figure 4-2-4, there are large disparities among prefectures in terms of the number of hospital beds. The number of hospital beds per 100,000 people is about three times higher in Kochi Prefecture, where it is the highest, than in Kanagawa Prefecture, where it is the lowest. In efforts to realize a more ideal future healthcare delivery system, Japan is addressing such regional disparities by formulating Regional Medical Care Visions (See Section 4.4) and reporting hospital bed functions and needs to prefectural governors.

Figure 4-2-4: Number of beds per 100,000 people in population, by prefecture and bed type (1 October 2015)

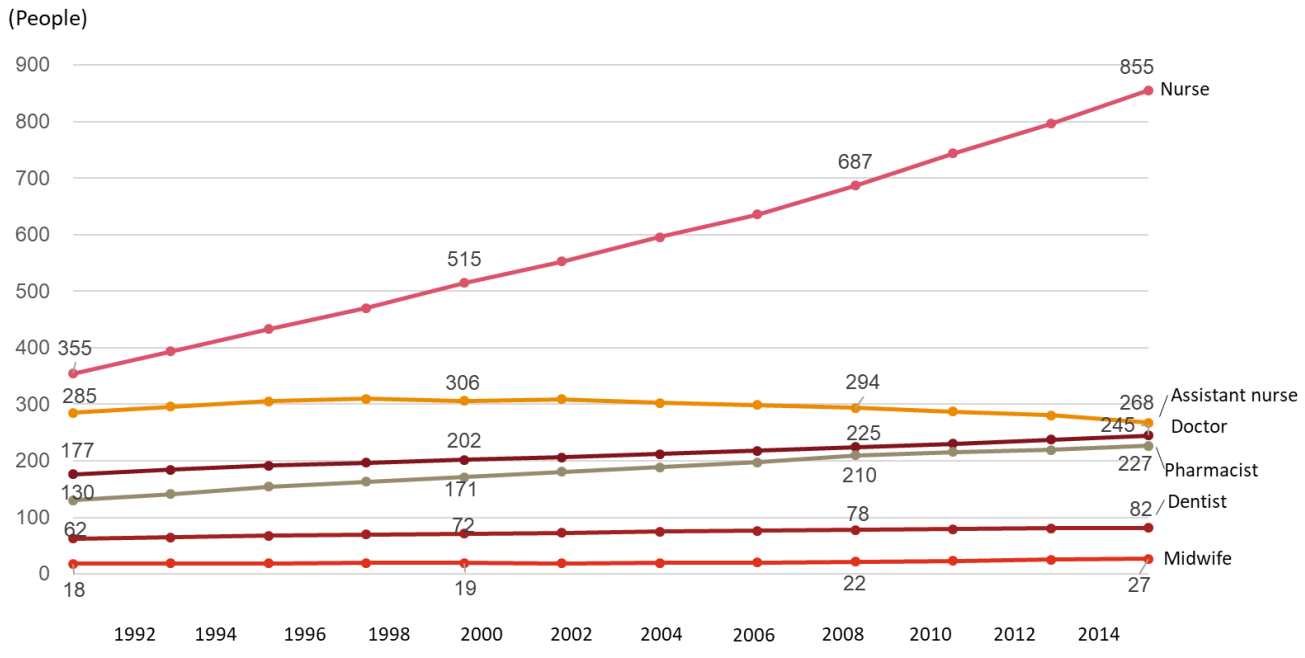


Source: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on data from the "2015 survey on medical facilities* available from the Ministry of Health, Labour and Welfare

4.3 The Healthcare Delivery System | Numbers of Medical Professionals

As shown in Figure 4-3-1, nurses are the fastest-growing category among medical professionals in Japan, while the number of doctors has remained relatively constant, only increasing by about 4,000 people per year.

Figure 4-3-1: Number of medical practitioners per 100,000 people in population



Sources: Created by Specified nonprofit corporation Health and Global Policy Institute and PwC Consulting LLC, Strategy& based on data from the "2014 survey on doctors, dentists and pharmacists" and the "2014 public administration report on medical workers" by the Ministry of Health, Labour and Welfare

Although doctor shortages previously pointed out in obstetrics and general surgery have been in decline since 1994, regional maldistribution of doctors remains an issue, so a variety of actions are being undertaken. Specific examples include (1) supporting increases in university admissions by utilizing regional frameworks; (2) supporting regional medical support centers; (3) supporting clinical departments that suffer from shortages such as obstetrics and pediatrics; (4) supporting clinical training programs, (5) supporting a new system of medical specialists; and (6) organizing conferences to discuss the demands of medical practitioners. Regarding point (5), although implementation of the new medical specialist system was originally planned for FY2017, it was postponed until FY2018 due to concerns that the system might cause significant confusion in regional medical institutions.[7]

Concerning the new medical specialists system, which has been the subject of much debate related to the impact that it will have on regional healthcare in terms of the maldistribution of physicians, many have thus far expressed concerns about the consistency of accreditation standards for specialists under the independently managed academic institutions and the maintenance of physician quality. The new system has been constructed with the aim of improving that quality and providing high-quality medical care. Specifically, a framework has

[7] Ministry of Health, Labour and Welfare "2. Physician Maldistribution Countermeasures" http://www.mhlw.go.jp/file/05-Shingikai-12601000-Seisakutoukatsukan-Sanjikanshitsu_Shakaihoshoutantou/0000184302.pdf (Accessed 2018, Feb.1)

been established for appointing neutral, third-party organizations and for the consistent evaluation and certification of specialist accreditation and specialist development programs.[8]

[8] Ministry of Health, Labour and Welfare "2. Physician Maldistribution Countermeasures" http://www.mhlw.go.jp/file/05-Shingikai-12601000-Seisakutoukatsukan-Sanjikanshitsu_Shakaihoshoutantou/0000184302.pdf (Accessed 2018, Feb.1)

4.4 The Healthcare Delivery System | Regional Medical Care Delivery System Maintenance

Regional governments are also launching various measures in response to the issues of the medical delivery system. Along with establishing efficient, high-quality regional healthcare delivery systems, via the creation of regionally comprehensive systems and by enforcing the Acts for Securing Comprehensive Medical and Long-Term Care in the Community (intended to promote the comprehensive maintenance of medical and long-term care systems in each region), governments are taking major actions to establish Regional Medical Care Visions within their Medical Care Plans (MCPs) and to construct regionally comprehensive care systems. The sections below highlight specific actions.[9]

Medical Care Plans

The obligation to create Medical Care Plans (MCPs) was established in the 1985 revision of the Medical Care Act, with the objective of promoting regional healthcare delivery systems by encouraging the efficient use of medical resources. Regional governments formulate MCPs based on the actual regional circumstances they face as they work to maintain their healthcare delivery systems. MCPs include measures for the management of hospital bed numbers and the maintenance of systems needed to provide high-quality healthcare.

Each MCP must address points such as the following: (1) five diseases (cancer, stroke, acute myocardial infarction, diabetes mellitus, and psychiatric disorders); (2) five project areas (emergency care, care in the case of a disaster, care in remote areas, perinatal care, and pediatric/emergency pediatric care); (3) goals to be achieved for in-home care; (4) medical collaboration systems; (5) securing of human resources in the healthcare field; (6) promotion of information provision to the public; (7) ensuring safety in the healthcare field; (8) promotion of secondary and tertiary healthcare; and (9) standardization of calculations for general hospital bed numbers.

Regional governments typically review their MCPs in accordance with revisions to the Medical Care Act. Following the sixth revision of the Medical Care Act in 2014, in order to "formulate regionally comprehensive care systems along with efficient, high-quality healthcare delivery systems," regional governments have been working to comprehensively ensure medical and long-term care, to establish hospital bed function reporting systems, to formulate regional care plans, and to establish Regional Medical Care Vision Councils.[10]

Regional Medical Care Visions

Medical and long-term care expenses are predicted to increase rapidly in 2025, when the Baby Boomers reach the ages of 75 years or over. Growth in the elderly population varies by region, so in order to effectively and efficiently distribute healthcare resources commensurate with each region's functional needs, and based on the recognition that it is crucial each region maintain a healthcare system that can provide high-quality healthcare services in line with the circumstances of patients—whether they require acute, recovery, or chronic care—it was decided that each region should establish a "Regional Medical Care Vision" within its Medical Care Plan.

The Medical Care Act, revised in accordance with the Acts for Securing Comprehensive Medical and Long-Term Care in the Community, stipulated the establishment of plans (regional MCPs) aimed at ensuring the future of medical delivery systems. Those plans must set out Regional Medical Care Visions that include the matters specified via an MHLW ordinance such as standards for promoting the functional differentiation of hospital beds

[9] Ministry of Health, Labour and Welfare "Promotion of Comprehensive Long-term and Medical Care Act" http://www.mhlw.go.jp/file/06-Seisakujouhou-12600000-Seisakutoukatsukan/0000038005_1_2.pdf (Accessed 2018, Feb.2)

[10] Ministry of Health, Labour and Welfare "Regional Inclusive Care System" http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/hukushi_kaigo/kaigo_koureisha/chiiki-houkatsu (Accessed 2017, Oct.20)

and regional collaboration. Prefectural governments must establish Regional Medical Care Visions that consider the future necessity of each medical function per vision category by making use of estimates of future regional demands and reported information. Governments must incorporate this information into their MCPs. This process helps to further promote functional differentiation across medical institutions.
Regional Medical Care Visions include the 2025 healthcare demands (categorized by inpatient/outpatient, disease, etc.), the ideal healthcare delivery system that the region aims to create by 2025 (extent of necessity for medical facilities in each secondary health management area etc.), and the measures/policies necessary for realizing these systems.

Other Major Policies

The Comprehensive Strategy to Accelerate Dementia Measures (The New Orange Plan)[11]

Aging of the population has turned dementia into one of Japan's major issues. By 2025, roughly 7 million people will be living with dementia. Currently, 1 in 5 people aged 65 or over live with dementia in Japan, but by 2025 that number will rise to 1 in 7. In such a society, it will be important to think beyond merely supporting those with dementia and also focus on how to help them live better lives. To that end, MHLW has been seeking a wide array of opinions from various stakeholders, including people living with dementia and their families. Based on those opinions and in cooperation with other related ministries and agencies, the MHLW formulated the "New Orange Plan."

Overview of New Orange Plan Goals

- Promote understanding and raise awareness about dementia (E.g. run awareness-raising campaigns and trainings for dementia supporters)
- Provide appropriate medical and long-term care according to the stage of the disease (E.g. provide thorough, patient-centered medical and long-term care, encourage people to take measures to prevent the onset of dementia, and develop systems for early diagnosis and treatment)
- Strengthen early-onset dementia policies (E.g. raise and spread awareness)
- Support caregivers for people living with dementia (E.g. create early-stage dementia Integrated Support Teams (IST) involved in early diagnosis and treatment)
- Promote the creation of aging- and dementia-friendly communities (E.g. enact abstract initiatives such as for livelihood support as well as concrete initiatives such as for the creation of easily livable environments)
- Promote R&D and the dissemination of results on topics such as dementia prevention methods, diagnostic methods, treatment methods, rehabilitation techniques, and long-term care models (E.g. clarify the pathophysiology of dementia)
- Emphasize viewpoints of people living with dementia and their families (E.g. grasp the needs of those in the early stages of dementia and support their quality of life)

Cancer Countermeasures[12]

In Japan, cancer has been the leading cause of death since 1981. In 2015 alone, 370,000 people died from cancer. In light of this situation and with the objective of further enhancing cancer countermeasures, the Cancer Control Act was established in June 2006, and enforced in April 2007. In June of 2007, in order to comprehensively and systematically promote cancer countermeasures, Phase One of the Basic Plan to Promote Cancer Control Programs was formulated.
The First Term of the Basic Plan (FY2007 - FY2011) laid out the establishment of "Designated Cancer Care Hospitals," the strengthening of palliative care delivery systems, and the improvement of regional cancer registries. The Second Term of the Basic Plan (FY2012 - FY2016) tackled such issues as pediatric cancer, cancer

[11] Ministry of Health, Labour and Welfare "Comprehensive Strategy for the Promotion of Dementia Measures (New Orange Plan)" http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000064084.html (Accessed 2018, Mar.2)

[12] Ministry of Health, Labour and Welfare "Basic Plan for Promoting Cancer Countermeasures" http://www.mhlw.go.jp/file/04-Houdouhappyou-10901000-Kenkoukyoku-Soumuka/0000181862.pdf (Accessed 2018, Mar.2)

education, and cancer patient employment. To add to that, in December of 2015, the "Plan to Accelerate Cancer Control Programs" was formulated.
Although a variety of efforts were made via such cancer countermeasures, Japan was unable to achieve its 10-year goal set in FY2007 of "decreasing the age-adjusted cancer mortality rate by 20% (for those under 75 years of age)." In light of the situation, Japan needs to strengthen preventive policies even further from here on out. It is also important to increase the rate of screenings for the early detection and treatment of cancers.
The overall goal for the Third Term of the Basic Plan to Promote Cancer Control Programs (FY2017 - FY2022) states that "The Japanese public, including cancer patients, will aim to understand and overcome cancer." A categorized outline of the policies of this Term is shown below.

・Cancer prevention
(1) Primary prevention of cancer; (2) Cancer screenings and early detection (secondary prevention)

・Improvement of Cancer Treatments
(1) Genomic medicine; (2) Surgical therapy, radiation therapy, chemotherapy, and immunotherapy; (3) Team care; (4) Rehabilitation; (5) Psychological and emotional support;(6) Rare and treatment-resistant cancer (measures according to the characteristics of each cancer); (7) Childhood cancer, AYA (Adolescent and Young Adult) cancer, and cancer in the elderly; (8) Pathological diagnosis; (9) Cancer registration; (10) Efforts aimed at early development and approval of pharmaceuticals and medical devices

・Living with cancer
(1) Palliative care from the time of diagnosis; (2) Counseling and support, communication of information; (3) Countermeasures/support based on community cooperation; (4) Social issues including the employment of cancer patients; (5) Countermeasure that correspond to developmental life stages. Cancer research, human resource development, cancer education, and raising public awareness make up the foundation that supports these three pillars.

The following points are also listed as necessary for the comprehensive and systematic promotion of cancer countermeasures: further strengthening of collaboration and cooperation among stakeholders; formulation of plans by prefectural governments; efforts by the public, including cancer patients; cooperation with patient organizations; implementation of necessary fiscal measures and budget optimization/prioritization; progress assessments and reviews of the Basic Plan.