



8. Indications for the Future

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What is Japan Health Policy NOW?

Created in 2015 by Health and Global Policy Institute (HGPI), Japan Health Policy NOW (JHPN) is the only centralized platform in the world on Japanese health policy available in both Japanese and English.

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.

For more information, please see

<http://japanhpn.org/en/jhpn/>

Supplement: Interview – Envisioning future healthcare policies

Interviews were conducted with leading experts on the Japanese national healthcare system about the various challenges currently facing the system, the outlook for the future, and the best ways to reform the system. These interviews were used to enrich the information available on the JHPN website on healthcare policies as part of updates made to that site.

The main challenges identified in the interview were the change in the epidemiological profile of Japan alongside the rapid ageing of society, and the limited resources available to deal with those changes. The key to resolving these challenges is greater cooperation among academia, government, and the private sector.

The world is looking carefully at the policies of Japan, which is witnessing a more extreme rate of ageing and decrease in its birthrate than any other country, to see how it will develop its response to the incredibly urgent and complex challenges it faces.

Interview 1 (Kiyoshi Kurokawa – Health and Global Policy Institute; Chairman – National Graduate Institute for Policy Studies; Professor)

Challenges related to Japanese healthcare policies

- At the time the national universal healthcare system was established, it lent itself to evaluation. However, the system did not adapt well to changes in the times.
- There are many challenges faced by the healthcare system of Japan, including universal access, the evaluation of medical service quality, and ways to determine out-of-pocket medical expenses.
The biggest problem is universal access. For example, the number of CT machines available in Japan per million people is over three times higher than the number in other countries. This is but one example of how universal access can lead to waste. Despite the adverse effects, no one has come up with an adequate way of dealing with this issue.

Necessary measures to resolve challenges

- As Japanese society ages and chronic conditions become most prominent in the population's epidemiological profile, it will become necessary to have more general practitioners that patients can routinely consult with about the state of their health so as to prevent diseases or the worsening of symptoms.
- Although it is often claimed that there is a shortage of doctors in Japan, as a matter of fact, the number is sufficient. The apparent shortage, if there is a shortage, is related to the excessive number of hospitals that are being built. Given the certainty of the future demographic decline in Japan, as a response to this issue, a general practitioner system should be established. That system should assign doctors to each community as appropriate, and regional hospitals should move toward open systems that allow for them to share CT imaging equipment and other medical devices.
- In order to make effective use of otherwise limited medical resources, a plan must be devised to establish open relationships between healthcare institutions. This would allow each type of institution to achieve functional differentiation. In such a system, advanced medical care would be offered only in university hospitals. These hospitals would then discontinue the provision of outpatient services.

Aims for the Japanese healthcare system in the future

- The role of coordinator for efforts to draw up a mid-to-long term vision for the national healthcare system in Japan could be assumed by public institutions, but discussions about the actual implementation of that vision must involve multiple stakeholders, including patients. The importance of adopting a mid-to-long term perspective when planning for the future of healthcare cannot be stressed enough.
- A vision for the future already exists – “Japan Vision: Healthcare 2035.” The important task now is determining the steps and goals necessary for its realization. As a part of that, it is important to devise a process whereby individuals involved in the implementation of the vision become core actors with vital responsibilities over the twenty years of the vision's implementation.

- Government institutions must continuously communicate with the public and residents when implementing the vision.
- Henceforth, local governments – municipalities in particular – are set to play a much bigger role. Data on national health insurance, which is currently in the possession of municipalities, must be converted into a visible and accessible format and put to constructive use.
- When thinking about Japan's healthcare system, it is important to remember that under the integrated community care system, it is municipal governments that provide certain residence, nursing, preventative medicine, and lifestyle support services.

Contributions Japan could make to healthcare policymaking in other countries

- Even though the Japanese government possesses the ability to put new policies into practice, it lacks the mechanisms to discontinue existing systems. This means it does not learn from past mistakes. I would like other countries to learn from this aspect of Japan's system.

Interview 2 (Anonymous, Global Technology Company Executive)

Japan's Health Policy Challenges

- The key health policy challenge facing Japan is that the overall structure of the healthcare system is too expensive. These costs are exacerbated by the aging population, which is growing at a rate for which government and society are not prepared.
- To address this, it is important for Japan to shift away from the model it has today where people flock to large hospitals for care. The government is currently trying to encourage people not to do so by moving towards a community healthcare based model.
- However, Japan is running out of time. Innovative solutions are needed immediately. One of the biggest issues facing innovation in Japan is the lack of speed. While the problems of the burgeoning elderly population and cost structure have been understood for a long while, most entities and organizations, including the government, are not prepared to move fast enough - or flexibly enough - to deal with this challenge.

How the Private Sector can contribute to addressing Health Policy Challenges

- The manner in which people receive their healthcare or physical items that support their health all must change to address the challenges the healthcare system faces. This is a big focus area for the private sector, which is looking at how to use their specific capabilities to healthcare.
- While no one organization or individual has all of the solutions, companies, including non-traditional players in healthcare, have many assets and services they can utilize to help make these systemic changes happen.
- Furthermore, non-traditional players, such as IT companies, also bring different perspectives to innovation that can enable new solutions.
- Within the high-tech industry, the concept of velocity is important and is a term we use broadly. Philosophically, we approach innovation not by trying to solve for the end state right away, but by taking an iterative, agile, and experimental approach. While in medicine and healthcare, we need to be prudent, in spirit, we believe the key is to generate solutions quickly and iterate as we go.

How can stakeholders collaborate to transform health policy

- While many already see that change is required to address the problem of the increasing elderly population and cost structure, it is important to find likeminded stakeholders. It is important that we all share the same vision for the future and that there is a shared sense of urgency as well.
- Furthermore, particularly as a non-traditional player in healthcare, we must learn to work with traditional stakeholders. Not only are they unfamiliar with how we operate, but we are also unfamiliar with their concerns and way of working.
- As stakeholders, the solutions we build must be developed for the customers, the patients and physicians. We cannot develop a solution just because it is convenient for us. It is only by taking on this mentality that

patients and physicians will believe that we are working with their interests in mind and that we can drive change.

How can Japan contribute to global health policy

- The manner in which Japan addresses the issue of its aging population is of interest to other countries. Furthermore, I believe Japan has the potential to be a leader in this space as it addresses this issue.

Interview 3 (Seigo Hara – MICIN Incorporated Company CEO)

Challenges related to Japanese healthcare policies

- The Japanese healthcare system faces three challenges. One, as income revenue and economic growth stagnate, the amount of resources available for social welfare is becoming limited. The second challenge is the ageing of the population and low birthrate, and the impact that this is having on the workforce, which in turn affects healthcare system finances. Third is the change in the overall epidemiological profile of Japan.

Necessary measures to resolve challenges

- It is important to make efficient and thrifty use of the limited resources available for spending on high quality medical care. To do so, we must first define “quality care,” and then we need to organize medical data based on that.
- As social welfare expenditures rise, it is necessary to collect data that can guide efforts to streamline resource allocation.

Challenges related to data use

— Data collection

- A challenge in medical data analyses is the actual lack of sufficient data. For instance, although some part of any medical consultation between a doctor and a patient is recorded as data, that data is not being stored in a form that is possible to analyze. Given these circumstances, data analyses will not return useful results for either patients or the public. This is a challenge now facing data analyses, the implementation of interventions based on such analyses, and the active use of data.

— Data use

- At the present time, what Japan needs is to establish acceptable methods and concrete policies for the use of data, and to clear up issues around personal privacy and intellectual property rights in order to further facilitate data use.
- While it is currently possible to analyze data, it is still not possible to feed the results of such analyses back into the medical field and use it to serve patients on an individual basis. Work is underway to generate health data for practitioners. The scope of that work should be broadened to cover all beneficiaries.
- When planning data use, it is very important to consider the merit its use might have from the perspective of the user, or the potential of the data to become the basis for the development of trustworthy services and products for eventual users. One way to make such a judicious use of data is for private companies to incorporate user perspectives into their designs and plans. From the perspective of policymaking, mechanisms should be put in place to provide a boost for private sector-based initiatives, and to create a basis for cooperation within the private sector.
- Entrepreneurs face the difficult task of drawing up outlines for the development of future businesses. Comparisons with other countries show that Japan has a higher number of CT and MRI machines given its total population. The massive amount of imaging data generated by such devices, and the amount of consistently formatted data Japan has on medical expenditures, may constitute a competitive advantage for Japan in the world.

Telemedicine

- The establishment of a system for telemedicine has advanced well over the past one or two years. Telemedicine might help to further promote the digitization of medical information that is not yet being recorded digitally. Thanks to telemedicine, data related to communications between doctors and patients will be created in places closer to patients.
- Alongside progress in telemedicine, not-yet-digitized data might eventually be put to constructive use. Nevertheless, much more effort still needs to be invested into spreading the custom of amassing data at the patient level. In addition, electronic medical records created by doctors are usually filtered, causing most data on communications between patients and doctors to be lost. It is thus important to always be aware of the fact that the extent to which available medical data approximates the reality of the information communicated by patients cannot be fully ascertained.

The form the national healthcare insurance system should assume in the future

- I believe the national healthcare insurance system in Japan is a good system. Japan tops the world in terms of indicators related to average life expectancy and infant mortality. This situation is believed to have been made possible by the establishment of universal access and safety nets in the healthcare system. Out-of-pocket medical expenditures are set at a fixed rate. These and other social benefits, which emanate from a system in which individuals may receive medical services regardless of their economic status, must be protected in the future. We also must protect the high-cost medical fees system.
- I think that it would be better if, in the future, the world adequately invested resources into higher value medical treatments. Payers will probably come to play a bigger role in Japan's medical system in the future. The system used in the Netherlands is a good example of a managed competition model. In the Netherlands, patients select payers, who in turn select providers, enabling the government to control risk.

Expectations of insurers

- It may be possible for policy-makers and service providers to work together to find innovative ways of allocating resources based on analyses of medical data and the claims data owned by insurance providers.
- In Japan, individuals, depending on age and occupation, may throughout their lifetime enroll in different insurance schemes. Data must be made consistent. It is necessary to investigate how to coordinate benefits between employee insurance schemes and regional healthcare insurance schemes so as to improve life expectancy and quality

Contributions Japan could make to healthcare policymaking in other countries

- Other countries will follow Japan in the future along the same path of declining birthrates, population ageing, and increasing strains on social security resources. Japan could serve as a model for such countries as they also seek to increase their own life expectancies and life satisfaction indicators.
- The National Clinical Database (NCD) includes a number of unprecedented cases in the world and surgery outcomes. As such, it is of great value. Since its claims data is to some extent gathered and stored within a database, it could be a source of competitive strength for Japan in the future.

Interview 4 (Akio Onishi, Visiting Professor – The University of Tokyo, Graduate School of Public Policy)

Challenges related to Japanese healthcare policies

- Ageing, the cost of healthcare, and human resource shortages are the chief challenges for Japan, but that has been known for some time. Nevertheless, it is important to pave the way for solutions to the problems underlying these challenges.
- For example, if we look at the problem of the declining birthrate and population ageing, there appears to be a trend toward investing a large amount of resources into ageing-related measures. With regards to the declining birthrate, a great deal is being done to resolve the issue of waiting lists at daycares and other challenges. It is important that a balance be struck between the amount of resources dedicated to resolving ageing-related issues and the amount of resources dedicated to the challenges of the declining birthrate.

Necessary measures to resolve challenges

- Concerning the provision of medical services, because medical service providers, including paramedics, exert a large amount of control over the quality of the healthcare system, it is important to provide them with incentives to deliver high quality care while monitoring the quality of the services they offer.
- Alongside the monitoring and evaluation of the quality of services offered, further in-depth discussions should be held on a system of incentives to improve the quality of these services further. Many countries are attempting to create such a system. Japan should follow suit by organizing spaces where this issue could be discussed.

How to assess the quality of medical care

- There are quite a few examples around the world of medical reforms being undertaken from the perspective of quality of care. This perspective places emphasis on monitoring burdens placed on medical care providers and patients by hospitalizations and medical services, using indicators such as readmission rates and statistics on convalescence management for evaluations. With regard to medical equipment, the skills of health professionals are also important to the effectiveness of such devices. The evaluation of such skills should adopt or incorporate a certain number of the indicators related to quality of care. When evaluating such skills, it is important to assess the extent to which they satisfy some indicators of Quality of Care. I look forward to further discussions about this issue.
- In recent years the concept of Health Technology Assessments (HTA) has been garnering greater attention in Japan; however, HTA evaluations and quality of care evaluations are not necessarily the same thing. Although HTA can be useful for measuring the cost-effectiveness of drugs, and a useful guide for the effective distribution of medical resources, it is important to consider the special characteristics of medical technology, medical devices, and medical resources respectively when implementing an HTA.

The form the national healthcare insurance system should assume in the future

- Japan's national health insurance system is excellent, and was designed to have a smooth management structure. What's more, the medical skills and motivation of doctors and allied health professionals can be praised highly. With regard to the system of universal healthcare, it is not only important to discuss whether it should be maintained or abolished, but also how to improve it.
- A major issue for Japan is how to expand the good service framework of one institution to other institutions, including regional institutions. At-home care and telemedicine are being implemented from the perspective of regional cooperation. It is important that Japan consider further solutions to make these services better and more efficient. In particular, there should be further discussions held on medical care and hospital management issues.
- Economic incentive frameworks to encourage greater regional collaboration should be considered further. It is also important to consider the provision of services and evaluation methods for the regions that will take part in such frameworks.

The form the national nursing-care insurance system should assume in the future

- In every region, people in need of nursing care are obtaining authorization under the national nursing-care insurance system and beginning to receive care services. Decentralization is leading to differences in authorization standards and in the characteristics of the services provided to patients.
- When users move outside of their area of residence, they often must wait for some time before they are able to be re-authorized and start availing themselves of available facilities and services. What's more, out-of-pocket costs may differ for the same service provided in different areas. It is therefore hard to say that it is easy to use nursing services across different municipalities.
- It is anticipated that in the future, the circumstances surrounding individuals and communities will change. Such changes could be due to people temporarily moving or changing residences, or because they acquire

accommodations in different areas. Even in cases such as these, a mechanism should be developed to grant users a somewhat wide degree of freedom so that they can use nursing-care services smoothly.

The challenge of cooperation between Japan's medical and nursing sectors

- Despite the fact that in Japan, one is able to choose freely which medical institution one wants to receive medical treatment at, there are issues related to nursing care services that differ based on one's area of residence. Patient and patient family awareness about this issue is changing.
- As the number of elderly people increases, larger segments of the public are increasingly expecting to become centenarians, and more and more people will need to start considering how they want to live during late life stages. These considerations might lead to changes in medical and nursing-care services. It is a good time right now to take this opportunity for change to gather numerous and broad proposals for transforming medical and nursing care services, and to hold discussions on this matter.

Expectations of insurers

- The process of dividing roles between private and public insurers will undoubtedly continue in the future, and we are hopefully reaching the moment where serious discussions will commence on how the two groups can actually complement one another.
- Under the current system, while the risk of contracting a disease or suffering an injury varies based on the individual, risks associated with treatments after the individual becomes a patient do not vary that much from person to person. Considering these circumstances, it would be useful to consider adding an option to the existing public healthcare system that would allow for the payment of premiums to somehow ensure medical and nursing care service quality.

Contributions Japan could make to healthcare policymaking in other countries

- Ageing in Japan is proceeding at a rapid pace, but, at the same time, Japanese elderly people are in better health compared to elderly people in many other countries. The mechanisms and initiatives developed by Japan to encourage its citizens to maintain their health for a productive life even in their twilight years, and to guard against emergencies, could become extremely useful as references for other countries that are experiencing population ageing. By demonstrating how we were able to overcome various challenges, we could provide a great contribution to the world, as other countries look to us when developing their own policies on healthcare insurance.