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Revitalizing Medical Care: Searching for Directions

Is Japan's system of medical care sustainable in the face of an aging society? While various policy menus have been formulated to deal with the issues, little progress has been made in systemic reform, and a sense of crisis is widespread. The experts interviewed for this issue of the NIRA Policy Review offer suggestions – we must respect the right of self-determination for patients, and we must find ways of moving beyond an excessive dependence on consultations with physicians. The necessities for rendering the status of medical care visible through the use of data and for creating mechanisms for the provision of medical care based on needs are also indicated.

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Policy Review

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A shared sense of crisis

One thing that the experts interviewed for this issue of the NIRA Policy Review have in common is a strong sense of crisis in relation to medical care in Japan. Many people no doubt feel that Japan's medical system is facing a severe situation, but the gravity of the problems in the system is brought home to us all the more when explicitly pointed out by experts.

"Japan's population is both aging and declining ... It is impossible to optimistically assume that the existing system will be able to hold up without change" (Professor Ichiro Innami). Japan's public insurance system has "deteriorated to the extent that it is necessary to balance the books by indebting later generations. We no longer have time to allow the interested parties to engage in theoretical debates" (Professor Koichi Kawabuchi). "These oddities result from the fact that Japan does not have a mechanism in place for the provision of medical treatment suited to patients' needs ... [There is] a sense of patronage and isolation from the public" (Professor Masahiro Kami). "... emotive arguments and medical necessities should not be mixed together. We must not be swayed by our emotions while building up debts for our children, grandchildren and later generations" (Dr. Tomohiko Murakami).

The government is also continuing to engage in discussions from a variety of perspectives regarding the reform of the medical system. However, the scope of these discussions is limited to a narrow range of fields due to political interests. We face a situation in which discussion itself is taboo. Unfortunately, therefore, discussion of bold reforms is not allowed. However, if we are to resolve the serious structural problems plaguing Japan's medical system, we have no option but to implement bold and far-reaching reforms.

Towards this end, it will first be important for experts to discuss bold reform proposals in public forums. The reform proposals emerging from these discussions should then be announced publicly, to ensure that the public shares the sense of crisis and an awareness of the direction that reforms should take. The day when it will be essential to pursue such bold reforms in the political arena, and in the arena of government policy-making, is coming in the near future.

Correcting the allocation of medical resources by making the status of medical treatment visible

Medical resources are limited. But at the same time, the aging

of Japan's population will continue to increase the demands placed upon those resources. The importance of ensuring an appropriate allocation of medical resources will therefore only increase. The reason that so many have a sense of crisis in relation to the medical system is because they are aware that the distortion in the allocation of medical resources is becoming extreme.

In order to correct the allocation of medical resources, first it is necessary to understand the current status of medical treatment. In the words of Professor Kawabuchi, "it will be necessary to collect data from each administrative unit throughout the country, subject it to quantitative analysis, and on that basis design systems suited to the characteristics of individual regions." By "making the status of medical and nursing care in Japan's regional areas more visible," we can succeed in "inspiring action by involved parties and regional residents." Realizing increased visibility in the medical system is a means of ensuring an accurate recognition of the problems, and at the same time of sharing this recognition, creating conviction, and promoting decisions.

Professor Shinya Matsuda is one of the experts who seek to actualize methods of realizing this visibility. As he indicates, "some local administrations are creating databases of patients' medical receipts for the purpose of analysis." The use of such data "is extremely effective in enabling an understanding of differences in the structure of injuries and diseases and the balance of supply and demand between regions," and it can help "to facilitate judgments regarding, for example, the transfer of functions to specific hospitals or physicians, and enable the government and local administrations to more effectively guide hospitals and physicians by means of policy measures."

The method recommended by Professor Matsuda has also been taken up by the Council on Economic and Fiscal Policy, where it has attracted considerable interest. This is because the method renders the system visible at a comparatively low cost, by creating databases of patients' receipts. However, as Professor Matsuda informs us, it will be essential to "use an integrated method of databasing receipts throughout the country," in order to enable the data to be efficiently analyzed, for example by conducting comparisons between different administrative units. The government already recognizes the importance of making the status of medical care visible. The early adoption of a method such as that recommended by Professor Matsuda, which can be introduced at low cost, could be expected to act as a stimulant towards the realization of an appropriate allocation of medical resources. ➤

The limitation represented by uniform medical benefits

➤ Professor Innami points out the importance of "the right of patients to choose and determine their method of treatment for themselves." Japan's present medical system, bound by uniform regulations, is distorting the nature of medical treatment.

To take as an example life-prolonging treatments at the end of life, an area which will increase in importance in the future, Professor Innami believes that no restrictions, based on age or other factors, should be applied by the government in this area. But while the right of patients to such treatment should be recognized, the treatment "is the choice of the individual, and therefore the costs involved should presumably be borne by the individual." The responsibility of the government "is to provide patients with adequate information and to educate them regarding their choices."

Uniform medical benefits may weaken the desire to exercise choice. Clearly what is needed is not a system of medicine bound by regulation and management, but the strengthening of mechanisms to enable people to be more actively and flexibly involved in the choice of medical treatment and in maintaining their own health.

Dr. Murakami argues from the perspective of the "socialization of medicine." This is a concept focusing on home treatment and visiting nursing care, the importance of which many experts point out. Active efforts will be necessary: As Dr. Murakami indicates, "medical care should not be exclusively reliant on physicians," meaning that we should open medicine, "previously confined in hospitals, to the wider regional community." Dr. Murakami further states that "[t]he presence of aware, well-informed and independent patients will involve other members of the regional community and bring them into proximity," which "will also link up with community-building initiatives involving the residents of regional areas." This vision of the future of medical treatment in regional communities has numerous points in common with NIRA's proposal of the concentration of medical care in downtown areas.

Offering freedom of choice and more strongly reflecting the autonomous desires of patients in actual medical practice means demanding greater personal responsibility from physicians. As Professor Kami asks, "Why don't doctors lose their jobs?" This is a consequence of leaving unremedied a situation in which Japan's number of physicians is conspicuously low among the advanced nations. Professor Kami points out that "Increasing the supply of medical personnel by liberalizing the establishment of schools of medicine, and increasing the quality of medical treatment by means of competition: If these initiatives were promoted, physicians unable to provide the requisite quality would lose their jobs."

This is only natural in other areas of activity, but it does not hold in the world of medicine. However, now is the time for a fundamental rethinking of the concept of "rationing" which has held sway in Japan's medical system to date.

We must remove the taboo from bold discussion

Japan's population is aging rapidly. The social situation in five years' time or ten years' time may be entirely different to today's. This will not simply be a change in the Japanese economy as a whole. Changes will become manifest in a variety of forms, for example as differences in major cities and regional cities.

If the reform of Japan's social security system continues at its present pace, the situation will be severe in five or ten years' time. All experts giving consideration to the situation no doubt feel this way, and the interviewees in this issue of the Policy Review are no exception. Nevertheless, reforms are lagging behind. If this situation continues, and we experience a breakdown in medical finances in the near future, it is the provision of medical treatment which will receive the most significant impact. We must not let this happen.

The public must become more aware of the gravity and urgency of the problems and participate more actively in discussions that seek bold solutions. But it is not just discussion that we need. Viable reforms should also be put into effect as soon as possible. Reforms such as rendering the status of medical treatment visible can be effected immediately, and pushing ahead with reforms of this type will speed up the reform process as a whole. What is necessary "is to devise feasible solutions as quickly as possible" (Professor Kawabuchi).

The reform of Japan's medical system cannot be discussed without consideration of the nation's public finances. We need only imagine the state of the provision of medical treatment in countries experiencing financial crises, such as Greece and Spain, to realize that it is essential to prevent this situation from occurring in Japan.

Unless we build a sound medical system, it will be impossible to maintain the soundness of Japanese society as a whole. And if the Japanese economy experiences a crisis, we will face the danger of a collapse in the nation's medical system. Reform of the system based on a clear grasp of the big picture will be essential to avoiding this scenario. We must draw up a reform strategy that will see us proceeding steadily with reforms commencing with the most immediately viable, expanding the scope of reform, and actively engaging the public as a whole in reform efforts. I believe that the interviews conducted for this issue of the Policy Review provide us with valuable suggestions towards the formulation of such a reform strategy. ■

Motoshige Itoh:

President, National Institute for Research Advancement (NIRA), 2006 – present.
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Expert Opinions

The Future of Medicine: What are the Essential Reforms?

As Japan's population ages, the danger of a collapse in the nation's system of medical care increases. What vision of medical care should we aim towards, and what initiatives will be necessary for its realization? We sought opinions from specialists in the field of medical policy and experts at the front lines of medicine.

Interviewer: Nao Toyoda, NIRA Senior Researcher
Period of interviews: April - May, 2013

Making the status of medical and nursing care in Japan's regions visible

Koichi Kawabuchi

Professor, Tokyo Medical and Dental University

I believe that medical care should be fostered as a growth area, but when one considers that the greater part of medical expenses represent a public burden, it is clear that fiscal reconstruction is also essential. Japan's medical and public insurance systems, rooted in the spirit of mutual assistance fostered by the nation's history and culture, have deteriorated to the extent that it is necessary to balance the books by indebting later generations. We no longer have time to allow the interested parties to engage in theoretical debates. Our only choice is to devise feasible solutions as quickly as possible.

In the past, the bureaucracy has taken the lead in reforms, but the imposition of a uniform system throughout the country no longer accords with the realities of individual regions. Given this, it will be necessary to collect data from each administrative unit throughout the country, subject it to quantitative analysis, and on that basis design systems suited to the characteristics of individual regions. For example, it would be possible to render the status of emergency medical treatment visible by having access to consistent data from the time that emergency transport arrived at the scene to the time that the patient was discharged from hospital. Taking the specificities of the particular region into consideration, we would see more clearly what types of improvements need to be made, which areas they will need to be made in, and who will need to work towards their realization.

Many experts have made proposals concerning reforms in the medical system. However, the status quo has not changed. Now is the time to exploit the potential of data tools such as ICT and big data and speed up the process of making the status of medical and nursing care in Japan's regional areas more visible, with the aim of inspiring action by involved parties and regional residents. ■

Uniform medical benefits are a limitation

Ichiro Innami

Professor, Faculty of Policy Management, Keio University

The most important right in medical care is the right of patients to choose and determine their method of treatment for themselves. No matter what a person's state, that person's right to choose the course of their treatment based on their own value system (i.e., create a living will) should be enshrined in law. If, in the terminal stages of an illness, a patient desires life-prolonging treatment, that desire should be accepted, and should not be restricted by the government. The duty of the government is to provide patients with adequate information and to educate them regarding their choices. However, the prolonging of life beyond the provision of life-saving treatment is the choice of the individual, and therefore the costs involved should presumably be borne by the individual.

Medical care has two functions: To provide life-saving treatment, and to assist the patient in being autonomous. Of these, the former should be guaranteed by priority over the latter. The current uniform rate of 70% subsidization of medical treatment, and the scope of medical benefits, should be reexamined. Options that might be considered would be to increase the rate of subsidization of life-saving treatment, for example emergency treatment or cancer treatment, to 80-90%, while excluding massage and painkillers, for example, from coverage, or increasing the burden of cost on the individual. The adjustment of insurance finances should be carried out in the area of medical care that assists in the realization of autonomy; financial restrictions should not be imposed on the domain of life-saving medicine.

The purpose of medical policy is to provide the public with high-quality medical care. There should be no difference in benefits based on age or income. Japan's population is both aging and declining. At the same time, new medical technologies will continue to be developed, and will be introduced to the health insurance system. It is impossible to optimistically assume that the existing system will be able to hold up without change. ■

Why don't doctors lose their jobs?

Masahiro Kami

Professor, the Institute of Medical Science, the University of Tokyo

Why is it that a world-leading country like Japan suffers from a problem of drug lag? Or that the number of physicians per population in Kanagawa Prefecture is similar to the figure in Turkey, a middle income country? These oddities result from the fact that Japan does not have a mechanism in place for the provision of medical treatment suited to patients' needs.

Prices for medical treatment are managed by a central committee, producing a sense of patronage and isolation from the public. The mode of determination of prices should be the bedrock of economic activity. The prices of the drugs and medical equipment purchased by medical institutions should be liberalized. In addition, while insurance covers continuous treatment, there should be free competition in the area of incidental expenses such as treatments requiring a single visit.

Further, because schools of medicine are unevenly allocated to west Japan, there is a shortage of medical personnel in the Tokyo area, where demand is high, and the medical system is breaking down. Increasing the supply of medical personnel by liberalizing the establishment of schools of medicine, and increasing the quality of medical treatment by means of competition: If these initiatives were promoted, physicians unable to provide the requisite quality would lose their jobs.

At present, the evolution of advanced medicine is impeded in Japan because prices and the number of medical personnel are centrally administered. The level of Japan's private practice medicine is world-class. What the country needs is a comprehensive mechanism that allows people to pay for the treatment that they wish to receive, thus circulating resources to other fields and increasing the overall technological level and level of quality. ■

Overcoming an excessive dependence on medical treatment

Tomohiko Murakami

Doctor/Representative, *Sasaeru Iryo Kenkyujo* (NPO)

Offering patients the ability to receive any number of consultations with a physician simply because they feel anxious about their state of health is excessive medical treatment. Some people will say that this is an unsympathetic attitude, but emotive arguments and medical necessities should not be mixed together. We must not be swayed by our emotions while building up debts for our children, grandchildren and later generations. The medical system is a system of mutual assistance. It should be provided to people who strictly observe the rules, but the operation of the system has been overly lax up to date. There is no necessity for the public insurance system to look after people who are simply feeling anxious or who are neglectful of their own health.

In the future, it will be necessary to maintain the medical system amid a situation of limited resources. Home treatment and visiting nursing care will be able to contribute to controlling medical costs. We must make the transition to a system in which there is cooperation between a variety of roles, including nurses, caregivers, dental hygienists, pharmacists and volunteers, and in

which doctors provide support for these roles by visiting the patient as the last recourse. Medical care should not be exclusively reliant on physicians. Opening medicine, previously confined in hospitals, to the wider regional community, will allow a division of roles, and will resolve the shortage of physicians. I call this the "socialization of medicine."

The presence of aware, well-informed and independent patients will involve other members of the regional community and bring them into proximity. The transition to this type of "supportive medicine" will also link up with community-building initiatives involving the residents of regional areas, and will thus be effective in activating regional economies and creating employment. ■

Digitalize medical data using a unified method

Shinya Matsuda

Professor, School of Medicine, University of Occupational and Environmental Health

The major problem is the imbalanced allocation of medical resources (doctors, medical institutions, etc.) among Japan's regions. In Japan, doctors are free to establish businesses, and it is not possible to compel private hospitals to transfer their functions. It is therefore essential to develop a corrective mechanism enabling balanced allocation of doctors and hospitals based on their own judgment.

The concept of Diagnosis Procedure Combination (DPC) is effective in such cases. DPC is a method which classifies patients based on a combination of the category of their condition and the associated medical procedures. Some local administrations are creating databases of patients' medical receipts based on these classifications for the purpose of analysis. This is extremely effective in enabling an understanding of differences in the structure of injuries and diseases and the balance of supply and demand between regions. The use of data of this type will facilitate judgments regarding, for example, the transfer of functions to specific hospitals or physicians, and enable the government and local administrations to more effectively guide hospitals and physicians by means of policy measures.

The immediate issue is to use an integrated method of databasing receipts throughout the country. The use of different methods by prefectures, medical institutions, and health insurance societies will make it difficult to grasp the big picture and to conduct mutual comparisons. Cooperation between the government and private entities in realizing a shared databasing method would simplify a variety of analyses and promote the reflection of the results in medical care plans. Japan's medical data would become a significant intellectual property, without parallel anywhere else. ■

What's NIRA?

The National Institute for Research Advancement (NIRA) is an independent, private-sector research institute which defines urgent policy issues and formulates bold and timely policy proposals, seeking to contribute to the revitalization and further development of Japanese society and the Japanese economy.

Utilizing a network of scholars, researchers, and specialists in a wide range of subjects, NIRA works for the public benefit from a fair and neutral perspective, attempting to reinvigorate policy debate and contribute to the process of policy formation in Japan. The institute focuses on domestic social and economic policy, international relations, and regional issues in Japan as its principal areas of research.

Established in 1974 as a government-authorized independent research institution, NIRA became an incorporated foundation in 2007, and since February 2011 has been recognized as a Public Interest Incorporated Foundation.

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