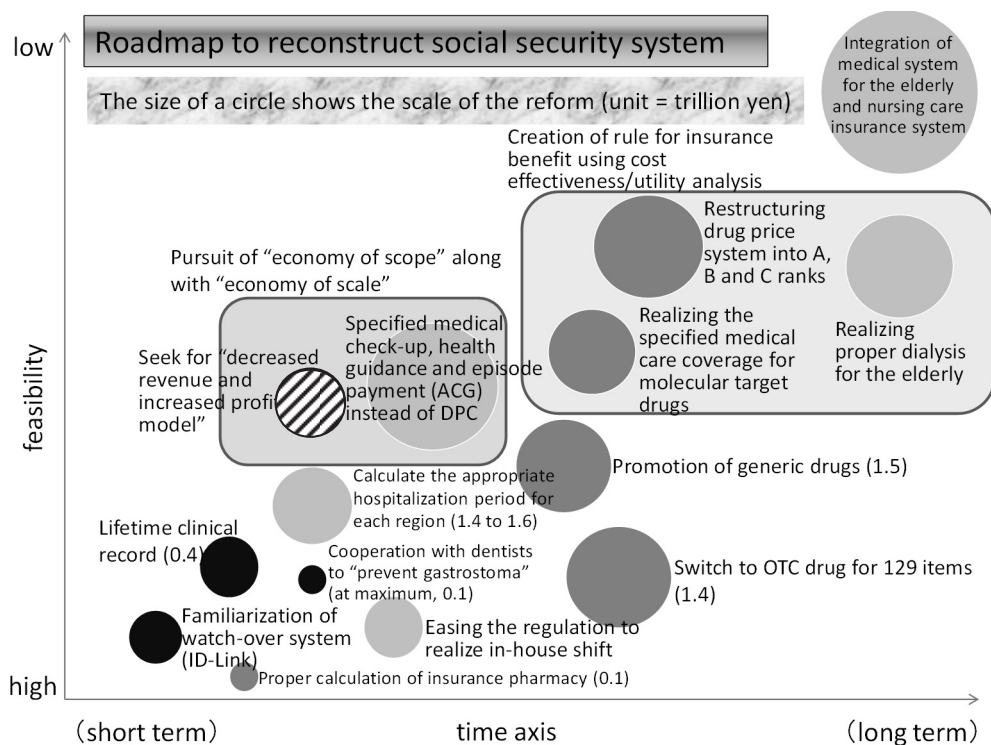


Restructuring a healthcare and long-term care system for sustainability

[Summary report]

1. In the movement of comprehensive reform of social security and tax, approximately 2.7 trillion yen tax income is planned to be allocated for the enhancement of social security, and in return, it is a premise to reduce the social security cost of about 1.2 trillion yen through streamlining and prioritizing. However, Japan is facing the unprecedented aging society, and the medical and nursing care allowance has a larger growth rate than pension. In order to keep its sustainability, it is essential to impose certain tasks for stakeholders in medical and nursing care sectors, and Japan as a country to make an effort for structural change.
2. For such goal, we need to advance “visualization of medical and nursing care” based on a quantitative analysis, as well as to verify “value for money” that is worthwhile to spend approximately 1.6 trillion yen tax income. However, a reform scenario shown by the Headquarters of the Government and Ruling Parties for Social Security Reform does not meet this requirement. It describes that in return of investing the public expense of about 870 billion yen by 2015, they will generate 440 billion yen by reducing the average hospitalization period, but we must say that the feasibility of this plan is extremely low. As a reform scenario for 2025, the government announced the assumption on demand and supply of medical and nursing care services (namely, the number of required beds) and its price unit estimated by the Council for Intensive Discussion on Social Security. But this is a super macro assumption, and it is not an accumulation of micro data taking into account the features of diseases of patients and users, or characteristics of each region. In order to convince those in charge of medical and nursing care services, it is vital to achieve the consistency between the provision system and the reimbursement system of medical and nursing care services, and to have a solid strategic thinking through the approach of “accumulating micro to make up macro”.
3. In particular, the following eight policies are proposed. Since the so-called “Japan’s X year” is anticipated to be just around the corner and securing financial resource shall become more difficult, it is important to have a feasible roadmap with a definite timeframe.
 - 1) In the short term, first utilize the already existing medical information system (such as ID-Link and the social security card system) with subsidy from the government to promote introduction of ICT (information and communication technology) for realizing a comprehensive regional care system, as well as easing the regulations to accelerate “in-home shift”.

- 2) Calculate the appropriate hospitalization period for each disease for each area, and obligate local prefectural governments to add 5W1H to their regional medical plans.
- 3) Under the policy to “select and concentrate”, realize further streamlining of medical and nursing care institutions with reference to foreign cases, and strive for “economy of scope” along with “economy of scale”. Create an integrated system by combining and grouping the health, medical and nursing care systems.
- 4) Japanese medical and nursing care sectors should also refer to Toyota’s production method to explore the “decreased revenue and increased profit model” with extensive cost management.
- 5) Call for the cooperation of dentists who are said to be over supplied, and promote collaboration between dentists and doctors to “prevent gastrostoma”.
- 6) Change the current drug system to reward those who make effort (among pharmaceutical industry, doctors, medical institutions, insurance pharmacies, insurers and patients) to promote generic drugs, switch to OTC (over-the-counter) drugs for 129 items, and realize the specified medical care coverage for molecular target drugs.
- 7) In the mid- and long term, drastically re-examine the current medical and nursing care reimbursement system. That is to say, change to “episode payment” system to acknowledge a patient or user in a more coherent manner - for instance, regarding DPC (Diagnosis Procedure Combination) which is currently only for hospitalization care in the acute stage, shift it to a case-mix to seamlessly deal with all cases of hospitalization, hospital visit and in-home care, for both emergent and chronic stages. This change enables a payment system in which economic incentive is functioning for health and prevention activities.
- 8) Utilize the cost effectiveness/utility analysis that is becoming common in foreign countries to create a rule for insurance benefit, and make an appropriate system for dialysis for elderly people. Additionally, integrate the medical system for the elderly and the nursing-care insurance system, for the sake of the elderly aged 75 or over whom it is difficult to distinguish the need for medical care and that of nursing care.



Note:

- is an item that can be realized immediately with the current system
- ◐ is an item left for individual effort of medical and nursing care institutions
- is an item that requires a system reform
- is an item that requires a system reform, which is related with pharmaceutical products