

Core Components of Universal Health Coverage (UHC): Achieving “Healthcare Without Financial Hardship” in Asia-Pacific and Japan



Background and Purpose:

Achieving Universal Health Coverage (UHC) is a fundamental economic and social imperative for building resilient, sustainable, and inclusive societies. UHC ensures that all individuals receive the quality health services they need, when and where they need them, without suffering financial hardship. Asian Development Bank (ADB) highlights that investing \$1 in primary health care can yield up to \$10 in economic growth, reinforcing the feasibility of UHC¹.

Yet, over 1 billion people in the Asia-Pacific region still lack access to basic health services, and millions fall into poverty each year due to medical costs. The COVID-19 pandemic has shown that no economy is truly safe without resilient, inclusive, and sustainable health systems.

In response, ADB launched the UHC PEERS network—UHC Practitioners, Experts, and Resource Sharing Network—in 2025 to facilitate mutual learning on health financing reforms and sustainable financial frameworks². This initiative complements the Tokyo-based UHC Knowledge Hub by enabling countries to adapt successful case studies and avoid common challenges.

This roundtable served as a platform to connect international UHC efforts with Japan’s specific healthcare financing challenges. The global community commemorates the unanimous endorsement of UHC at the 2012 UN General Assembly by observing December 12 as UHC Day each year. The 2025 campaign theme—“Unaffordable health costs? We’re sick of it!”—amplifies lived experiences of medical cost burdens, which lead to poverty and impede the Sustainable Development Goals (SDGs). UHC’s target (SDG 3.8) explicitly includes financial risk protection.

As emphasized by co-hosts ADB, UHC2030, the Civil Society Engagement Mechanism for UHC2030 (CSEM), and the Global Health Civil Society Network (GH Network), achieving UHC requires protecting the most vulnerable from financial hardship due to out-of-pocket payments, grounded in the principle of equity. It also demands meaningful social participation by civil society and communities in policy decision-making. These align with global commitments such as the 2023 Political Declaration on UHC and the WHA77 resolution on social participation for UHC.

Meanwhile, Japan’s High-Cost Medical Expense Benefit System—a safety net under the universal health insurance scheme—is under review due to fiscal pressures (e.g., proposed increase in out-of-pocket caps). Health economics research indicates the system provides “narrow and deep” protection, particularly for younger working-age patients with severe illnesses such as cancer. However, reforms risk expanding existing “catastrophic health expenditure” among low-income

1 <https://www.adb.org/news/adb-launches-regional-network-accelerate-universal-health-coverage-asia-and-pacific>

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populations. For patients requiring long-term, continuous care, this system is “directly linked to living.” Yet, irregular monthly treatments prevent some patients from reaching the “multiple-use” threshold (which reduces caps), prompting strong calls for annual caps and similar measures. Patient groups voice serious concern that increased costs could lead to treatment abandonment or so-called “silent suicide.”

This roundtable serves as a platform to connect international UHC efforts with Japan's specific healthcare financing challenges. The event brought together expertise from various countries, including Australia, the United Kingdom, the United States, the Philippines, and Guinea-Bissau in Africa. This gathering was more than just a sharing of knowledge; it provided an opportunity to deepen mutual learning from both domestic and international discussions spurred by UHC Day and the UHC High-Level Forum.



[Event Overview]

Co-hosts:

- UHC2030
- Asian Development Bank (ADB)
- Health and Global Policy Institute (HGPI)
- Civil Society Engagement Mechanism for UHC2030 (CSEM)
- Global Health Civil Society Network (GH Network)

Format: Roundtable discussion

Date & Time: Friday, December 5, 2025, 14:30-16:30

Speakers: title omitted, in no specific order

- Pamela Cipriano (Co-chair, UHC2030, Steering Committee)
- Magda Robalo (Co-chair, UHC2030, Steering Committee)
- Eduardo Banzon (Director for Health, Human and Social Development, ADB)
- Akihito Watabe (Health Specialist, Human and Social Development, ADB)
- Justin Koonin (President, ACON / Former UHC Political Advisor / Distinguished Fellow, The George Institute for Global Health)
- Robert Yates (Visiting Professor in Practice, LSE Health)
- Waiswa Nkwanga (Management Sciences for Health (MSH) / CSEM Secretariat)
- Masaki Inaba (Co-Representative & Director of International Health Division, Africa Japan Forum (AJF) / Representative, Global Health Civil Society Network (GH Network) / Former CSEM Advisory Committee Member)
- Akiko Mera (Executive Director, Médecins du Monde Japan / Global Health Civil Society Network (GH Network) / Former CSEM Advisory Committee Member)
- Kyoko Ama (Founder, Children & Healthcare Initiative / Fellow, Health and Global Policy Institute (HGPI))
- Junichi Kawata (Vice President, The Association of CML patients & families 「IZUMI」 / Project Researcher, Public Policy Research, The Institute of Medical Science, The University of Tokyo)
- Masanori Okuse (Representative Director, Japanese Association for Psoriatic Disease)
- Satoshi Maemura (Senior Staff Writer, Nikkei Inc.)
- Joji Sugawara (Vice President, Health and Global Policy Institute (HGPI) / Advisory Committee Member, CSEM)

Venue: Global Business Hub Tokyo, 3F, Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo

Language: English & Japanese (Simultaneous interpretation provided via Notta AI-assisted real-time transcription)

Introduction: The Global Context and Significance of the Event

This roundtable served as a critical opportunity to bridge international efforts in UHC promotion with the specific health finance challenges facing Japan. The discussion was strategically timed just ahead of UHC Day (December 12) and aligned with the upcoming UHC High-Level Forum and the launch of the UHC Knowledge Hub by the Government of Japan, World Health Organization, and the World Bank.

A diverse group of participants, including health and finance officials from the Asia-Pacific region and Low- and Middle-Income Countries (LMICs), international development bank partners, policymakers, and civil society representatives from around the world, gathered to engage in a mutual learning exercise. The central theme was the shared challenge of financial hardship due to health costs, embodying the 2025 UHC Day campaign theme: "Unaffordable health costs? We're sick of it!"

The opening remarks confirmed the shared understanding that robust and resilient health systems are not merely a medical objective but a strategic, social, and economic imperative. High out-of-pocket expenditures remain the single greatest barrier to achieving UHC, making the commitment to financial protection central to meeting SDG Target 3.8.

1. Accelerating UHC in Asia-Pacific and Strategies for Financial Risk Protection

This section addressed the structural challenges to UHC attainment in the Asia-Pacific region and the strategic responses by international development partners.

- **Scaling Up Strategic Investment in Health:** In light of the COVID-19 pandemic, it was reported that the Asian Development Bank (ADB) has strategically shifted its investment portfolio away from traditional infrastructure dominance, with the share dedicated to the health sector now stabilizing between 6% and 10%, up from pre-pandemic levels of 3%. This signifies a growing global recognition of health investment as an essential contribution to human capital, productivity, and social stability.
- **Peer Learning and International Collaboration:** Despite progress, the Asia-Pacific region still faces a dire situation where over one billion people lack access to essential health services, and millions are pushed into poverty annually due to medical costs. Networks like UHC PEERS (Practitioners and Experts Exchange and Resource Sharing), established by ADB, were highlighted as crucial mechanisms for mutual learning. These platforms enable member countries to share successful models and avoid common pitfalls in health financing, digital health, and infrastructure development.
- **Addressing Non-Financial Barriers:** The discussion underscored that barrier to access extend beyond cost. Complex administrative procedures, low health literacy, and structural issues such as the difficulty faced by socially marginalized groups (e.g., those without a fixed address) in accessing public services were identified as significant non-financial barriers that must be comprehensively addressed to achieve truly universal coverage.

2. Japan's Health Finance Model and Critical Challenges within the High-Cost Medical Expense Benefit System

Japan's Universal Health Insurance System and its High-Cost Medical Expense Benefit System (Kōgaku Ryōyōhi Seido) have long been considered a benchmark for UHC. However, the discussion revealed serious concerns regarding the system's long-term sustainability and equity, particularly for long-term patients.

- **Macro-Structural Challenges and the Need for "Whole Optimization":** A macro-economic perspective was presented, highlighting Japan's position as "Medium Welfare, Low Burden" among OECD countries. Data underscored the severity of the fiscal challenge: due to rapid aging, the number of working-age individuals supporting one elderly person is projected to decrease to just 1.65 by 2030. To avert fiscal collapse, reforms involving both suppressing the growth of benefits and raising the national burden are inevitable. It was argued that policy discussions should move beyond tackling individual policies ("partial optimization") and focus on the "Overall Goal"—the desired balance of "Welfare and Burden". This requires a systemic debate that addresses the long-term trajectory toward a potential "High Welfare, High Burden" future.
- **Policy Alternatives to Avoid Burdening the Seriously Ill:** Concerns were raised that proposals to increase the maximum out-of-pocket cap under the High-Cost Medical Expense Benefit System pose a significant risk of increasing the burden on the seriously ill. To prevent this, alternative cost-saving measures focusing on "Whole Optimization" were presented. These include optimizing benefits for mild symptoms (e.g., reviewing insurance coverage for OTC-like drugs, expanding bundled payment for outpatient care) or reviewing drug costs for the elderly. These options allow for cost containment while preserving the financial lifeline for patients with severe and chronic conditions.
- **The Urgent Call from Patients: The "Annual Cap" Imperative:** Patient organizations emphasized that the Capped Medical Expense Benefit System is a literal "lifeline connected to living" for those facing lifelong, high-cost treatments, such as Chronic Myeloid Leukemia (CML) and psoriatic disease. Surveys show that financial burden is the single greatest concern (56%) for patients, often surpassing side effects³. It was strongly warned that increasing the out-of-pocket limit risks leading to "silent suicide," where patients are financially compelled to abandon or delay life-saving treatment. The core structural flaw identified was the monthly cap, which creates unintended financial gaps for long-term patients with irregular treatment cycles. Consequently, the introduction of an Annual Cap on out-of-pocket expenses was urgently proposed as a necessary measure to guarantee equity for chronic patients, citing international examples.

3 Source: Expert Committee on the Future of the High-Cost Medical Care Benefit System, Medical Insurance Subcommittee, Social Security Council, 2nd Meeting, Reference Material 1 (p. 8).

<https://www.mhlw.go.jp/content/12401000/001510790.pdf>

3. The Need for Social Participation in Policy Design to Ensure Equity

This session underscored the critical role of civil society and community participation (Social Participation) in designing equitable and effective UHC policies.

- **The Grave Threat Posed by Increasing Out-of-Pocket Costs:** A strong warning was issued that increasing patient co-payments in health safety nets is an "absolute major failure" that pushes populations away from UHC. It was stressed that health financing is fundamentally a political choice—a reflection of the kind of society a government wishes to establish—and not merely a technical issue.
- **The Importance of Substantive Input and Success Stories:** It was emphasized that policymakers must avoid making major decisions regarding safety nets without substantive input from patients and affected communities. Policies determined without this essential input risk severely compromising the principles of equity and UHC commitment. Past public health success stories, such as the effective HIV prevention campaigns in Australia, were cited as evidence of the critical value of active community participation in policy development and implementation.
- **Reflecting Lived Experience:** The discussion highlighted the profound human impact of financial toxicity, forcing patients and families to make impossible choices between continuing treatment and affording basic necessities. To prevent this, participants advocated for strengthening substantive participation of civil society in health policy formulation, in line with international commitments, ensuring that policies are informed by the lived experiences and voices of patients.

Conclusion

The roundtable concluded with a strong consensus on the following three key recommendations for achieving sustainable and equitable UHC:

1. **Establish Robust Financial Protection for Chronic Patients:** Urgently consider and implement an Annual Cap on out-of-pocket medical expenses in the Japanese High-Cost Medical Expense Benefit System. This is essential to remedy the inequity caused by the monthly cap for long-term patients and fulfill the commitment to financial risk protection.
2. **Transition to "Whole Optimization" in UHC Policy:** Move beyond isolated reforms to conduct a systematic debate focused on the Overall Goal—the ideal balance of "Welfare and Burden." Actively explore and implement policy alternatives, such as measures targeting mild symptoms, to avoid increasing the burden on seriously ill patients while ensuring the overall financial sustainability of the system.
3. **Strengthen International Collaboration and Civil Society Engagement:** Actively utilize international platforms like the ADB's UHC PEERS Network and the UHC Knowledge Hub to share Japan's experience, challenges, and civil society-led proposals on financial protection throughout the Asia-Pacific region. Furthermore, solidify the commitment to substantive social participation to ensure all policy outcomes are equitable and reflective of community needs.

The closing remarks reaffirmed the dedication to translating the substantive discussions of the roundtable into concrete domestic reforms and leveraging them to advance the global UHC agenda.



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