

Health Policy Summit 2015: Event Report

Super-Aging Japan's Turning Point: Leap ahead or linger behind?

February 21, 2015



Hosted by: Health and Global Policy Institute

Co-hosted by: Global Health Entrepreneurship Program at The University of Tokyo and Global Health Innovative Technology Fund

Supported by: Ministry of Education, Culture, Sports, Science and Technology,

Ministry of Foreign Affairs, and Ministry of Health, Labour and Welfare

With cooperation from: National Graduate Institute for Policy Studies, Global Health Innovation Policy Program

Greetings from the organizer

Last year, Health and Global Policy Institute marked its 10th anniversary since its founding in 2004 as a non-profit, non-partisan and independent think tank. We have developed and implemented various programs that bring together a wide variety of stakeholders to openly discuss policy options, a process that is essential to realizing the healthcare the public truly needs.

There is increasing interest in Japanese healthcare and healthcare policy. The current Abe Administration considers health and healthcare a critical pillar of its New Growth Strategy, under which the Health & Healthcare Strategy was endorsed by the Cabinet in July 2014. Also, as Japan is the fastest-aging country in the world, actions to ensure the sustainability of healthcare have become more urgent.

I hope the Health Policy Summit 2015 will provide an opportunity for a wide variety of stakeholders to discuss important health policy issues from domestic and global perspectives that result in action.



Kiyoshi Kurokawa
Chairman
Health and Global Policy Institute

Table of contents

About Health Policy Summit 2015	• • 2
Health Policy Summit 2015 Report	
• Session 1 Aging Society and the Sustainability of Medical Care	• • 3
• Session2 Open Medical Care, UHC, and Promotion of Advanced Medicine	• • 4
• Session3 Securing the Future through International Engagement	• • 5
• Summary	• • 6



HGPI appreciates The University of Tokyo's Enhancing Development of Global Entrepreneur Program, Global Health Innovative Technology Fund, and Miraca Holdings Inc's generous support for this conference.

About Health Policy Summit 2015

2015 Theme: Super-Aging Japan's Turning Point: Leap ahead or linger behind?

Date & Time: Saturday, February 21, 2014 10:00 - 18:30

Venue: Hotel New Otani Tokyo

Hosted by: Health and Global Policy Institute

Co-hosted by: Global Health Entrepreneurship Program at The University of Tokyo
Global Health Innovative Technology Fund

Supported by: Ministry of Education, Culture, Sports, Science and Technology
Ministry of Foreign Affairs
Ministry of Health, Labour and Welfare

With cooperation from: National Graduate Institute for Policy Studies, Global Health Innovation Policy Program

2015 Program

10:00-10:10	Opening Remarks <ul style="list-style-type: none"> Kiyoshi Kurokawa (Chairman, Health and Global Policy Institute)
10:10-12:00	Session 1 Aging Society and the Sustainability of Medical Care <ul style="list-style-type: none"> Motoshige Ito (Professor, Graduate School of Economics, University of Tokyo) Takeo Sekihara (Managing Director, Japan Cancer Society) Masafumi Nogimori (Chairman of the Board and Representative Director, Astellas Pharma Inc.) Toshio Miyata (Executive Director, Health and Global Policy Institute) (Moderator)
12:00-13:30	Lunch Session: Health and Global Policy Institute- Past and Present <ul style="list-style-type: none"> Kohei Onozaki (Board Member and President, Health and Global Policy Institute)
12:50-14:40	Session 2 Open Medical Care, UHC and Promotion of Advanced Medicine <ul style="list-style-type: none"> Makoto Suematsu (Dean, Keio University School of Medicine Department) Toshihiko Takeda (Deputy Director General, Japanese Ministry of Health, Labour and Welfare (Medical Insurance Director)) Yoshitake Yokokura (Chairman, Japan Medical Association) Hikaru Ishiguro (Board Member, Health and Global Policy Institute) (Moderator)
14:50-16:40	Session 3 Securing the Future through International Engagement <ul style="list-style-type: none"> Keizo Takemi (Member of the House of Councillors) Kenji Shibuya (Professor and Chair, Department of Global Health Policy, Graduate School of Medicine, The University of Tokyo; President, Japan Institute for Global Health (JIGH)) B.T. Slingsby (CEO and Executive Director, Global Health Innovative Technology Fund) Anne Smith (Senior Associate, Health and Global Policy Institute) (Moderator)
16:40-16:50	Closing Remarks <ul style="list-style-type: none"> Kiyoshi Kurokawa (Chairman, Health and Global Policy Institute)
17:00-18:30	Reception

* Affiliations and titles as of February 2015

Aging Society and the Sustainability of Medical Care

Ahead of most developed nations, Japan is facing a low birthrate, increased longevity, and a declining population. These factors combined spark grave concern over how medical care will be provided, improved upon, and modified to meet the needs of the changing demographic. Furthermore, in order to maintain the level of social services people have become accustomed to, new financial means of support must be developed. Desirable policy initiatives were discussed.

Motoshige Ito (Professor, Graduate School of Economics, University of Tokyo)
Takeo Sekihara (Managing Director, Japan Cancer Society)
Masafumi Nogimori (Chairman of the Board and Representative Director, Astellas Pharma Inc.)
Toshio Miyata (Executive Director, Health and Global Policy Institute) (Moderator)

Moderator's View

In evaluating the current government's monetary policy, the first arrow of the administration's growth strategy, "Abenomics," has successfully led to rises in stock prices and tax revenue, lowering the unemployment rate. To implement the third arrow of the growth strategy and achieve sustained growth and expansion of the entire Japanese economy, private investment must be aroused. In addition, the administration's goal of cutting half of the primary balance deficit in 2015 is feasible given the 10 trillion yen in increased tax revenue related to Abenomics. Yet, because social security costs have grown to exceed tax revenue, positive balance by 2020 may be unattainable. Given such circumstances, to reach its fiscal consolidation objectives, the government is likely to engage in a full-fledged review of social security measures.

On the other hand, monetary easing has led to a weakened yen; hospitals that rely on imported supplies are now finding it difficult to make ends meet. And, the 2014 postponement of the consumption tax increase resulted in the second biggest cut in the medical service remuneration rate in post-war history. Given these challenges, we are now faced with the need to develop a strategy to drive down the cost of medical care without sacrificing its quality. Thus, several important approaches help to shed light on the issue before us: To what extent should new medical breakthroughs be included in universal coverage? How regional comparisons be utilized to reveal best practices for reducing care costs in high-cost areas? To what extent do we guarantee universal access to services? Should the use of non-profit holding corporation systems be encouraged? Should dispensary pharmacies play a greater role as originally intended in the design of the regional comprehensive care systems?

With respect to drug pricing policy, there are those of the opinion that pharmaceutical firms are too profitable and that the ratio of generic drug provision should be increased substantially. On the other hand, there are those who believe that unmet medical needs within the population require continued pharmaceutical development-development that has potential to stimulate pharmaceutical firms. Cost concerns naturally point to suppressive measures. However, a brighter future can be nurtured through investment; it is, perhaps, wise to consider a balance between the promotion of a sustainable national health insurance system and advances in innovation.

When limited financial resources are the focus of discussion, potential approaches focus on rehabilitation for chronic conditions such as dementia and stroke, on end-of-life care systems that emphasize palliative care, and on the potential of developing systems to provide treatment and care at home, rather than in hospitals. It is often cited that demand for home-based care is increasing and that such systems should be much more accessible. As the regional comprehensive care system strategy attempts to shift services from hospitals to the home, the environment is complicated, first, by the real drop in earnings for care providers and, second, by the financial struggles of home care and end-of-life medical service providers. Clearly, home care providers remain undersupplied making provision of such care enormously challenging. We must actively seek resources to address this dire gap. Furthermore, it has been made clear that the concept of



"quality of death" in Japan not addressed as often as it is in other countries. In the future, we must address this issue as well when discussing regional comprehensive care systems.

Meanwhile, policies that encourage people to more actively pursue health and prevention are required. To some degree, government and corporate incentives succeed in encouraging prevention and social activities for health. Yet, behavior change based simply on rationale is insufficient. In addition to economic incentives, there should be a widespread public discussion on the values governing public health and wellness policy.

Finally, medical reform requires consideration of not only the role and responsibility of government policy, but the role of education, industry, as well as individual behavior must also be considered. Social structure reform must be accompanied by a transformation of education and public consciousness; all stakeholders must reflect upon their role and actions.

Panelist Main Comments

[Medical Costs]

Ito: In most industries regional cost comparisons are used to highlight and eliminate wide cost discrepancies. Applications from regions where high costs persist are just turned down. This should be applied aggressively in the health care industry as well.

Ito: The price of drugs is, ultimately, a public cost meaning that the public bears the cost of drugs. Thus, it is crucial that the drug pricing process is as transparent and accountable to the public as possible. Mechanisms for determining drug prices should be reasonable and clear.

Nogimori: It is important that new drugs continue to be developed and drug costs serve to encourage that continued development. As generic drugs become more common, the impression that drugs are too expensive may gradually fade.

[Priorities in Medical Services]

Nogimori: There is certainly a very large demand for care services, but workplace issues associated with caregiving present additional issues. Moving forward, it will be important to not simply consider cost. This is an issue that can serve to support economic growth.

Sekihara: If we dare to prioritize medical care, the desire to have the treatments for life-threatening diseases and diseases that are costly to treat covered by universal health insurance will increase. Adjusting coverage by condition can reduce costs incurred by the healthcare system. This may, in fact, protect universal health insurance.

Sekihara: Concerning end-of-life care, most people wish for palliative care that reduces pain and suffering rather than the extensive life support offered by hospitalization. In addition, priority should be given to rehabilitation for dementia and strokes. Policy should support this shift.

Open Medical Care, UHC, and Promotion of Advanced Medicine

The current administration, with economic growth as its core objective, is promoting state-of-the-art medicine and its societal benefits as a key pillar. Yet, how is Japan's universal health insurance system to be sustained while concurrently encouraging advanced medicine in an open medical care environment?

Makoto Suematsu (Dean, Keio University School of Medicine Department)
Toshihiko Takeda (Deputy Director General, Japanese Ministry of Health, Labour and Welfare (Medical Insurance Director))
Yoshitake Yokokura (Chairman, Japan Medical Association)
Hikaru Ishiguro (Board Member, Health and Global Policy Institute) (Moderator)

Moderator's View

"Open medical care" is about the smooth and flexible global exchange of such things as new approaches, technology, and knowledge. Constraints should be kept at a minimum to promote the flow of appropriate information across organizations so that medical services can be administered seamlessly. The Abe administration's health care strategy seeks to create a society that achieves healthy longevity through state-of-the-art medical technology. The strategy also aims to catalyze economic growth through the creation of new medical treatments and industries, to promote overseas development, and to maximize Japan's global position as an advanced model for medical support and technology.

Deregulation through TPP is intended to stimulate the medical industry and the public could potentially benefit from increased medical treatment options and decreased prices that follow enhanced competition. However, there is concern that expanding mixed billing could threaten Japan's universal health insurance system. Even without TPP, price deregulation and the introduction of mixed billing may still occur. However, demand in this area is limited making it difficult to oppose TPP on this assumption.

Recently, a mechanism tentatively called "patient-requested treatment" was implemented that enables patients to access drugs prior to domestic approval in an effort to support patient freedom of treatment choice. In response to the demand of patients who seek the most advanced medical care, it is expected that this system will be utilized making it critical to avoid avenues that compromise safety and effectiveness. Evidence-based evaluation and cost-effectiveness analysis structures must be established. On the other hand, the fiscal impact of this class of treatment on the healthcare system will be relatively small; we should avoid focusing efforts on preventing reduction of patients' out-of-pocket payment associated with medical care originally designated for coverage by national health insurance.

In the long run, a society that is able to take advantage of advanced medical technologies to address chronic disease could bring medical and nursing care-related costs down. Yet, in the short-term, pressure from rising medical expenses will be unavoidable. The national health insurance system is already in a crisis, with 3.72 million uninsured households (NHI delinquent) and 7 million users of free and low-cost clinic visits per year. An increased household burden may well lead to a further increase of uninsured households and social aid recipients.

If tax revenue increases are unachievable, then relief can only be found through cuts in spending. Strategies to reduce healthcare costs include expanding the family physician system; restricting free access through the promotion of functional diversification between hospitals eliminating, for example, outpatient care at university hospitals; eliminating wasteful drugs and testing; reducing prices of "me too" drugs and drugs for which there is a generic; utilizing IT; and introducing HTA (health technology assessment). Instead of uniform spending cuts across medical service providers, through efficient allocation of resources, it is possible to balance the provision of advanced medicine and universal coverage. Models developed in Japan could make strong international contributions.



Panelist Main Comments

[AMED]

Suematsu: The government should support the development of a research database of patient treatment and interventions. This would be a tremendous asset for the development of advanced medicine.

Suematsu: The National Clinical Database (NCD) has evolved as a result of improvements made to on-site data entry with a focus on the needs of physicians in the field. AMED would like to help state-driven database development that addresses unmet needs in innovative drug development taking advantage of accurate timely data collection in the field.

Takeda: The NCD is extremely attractive. The Ministry of Health, Labour and Welfare is working hard to maintain the integrity of the data, as well as to work together with the medical service providers on-site to alleviate unnecessary hassles and collect data as automatically as possible.

Yokokura: If AMED begins to proceed smoothly, it should be very useful in the field. The Japan Medical Association would like to voice support from the clinical field for the development of AMED.

[Measures of Control for Rising Financial Burden]

Takeda: If primary balance is to be achieved by 2020, the gap between revenues and expenditures must be further narrowed by 9.4 trillion yen. In the current debate, the only way forward seems to be cutting medical expenditures. This argument should be balanced with information on how much money is required for medical care and the necessity of household payment increase. In this year's budget, a hike in the upper limit of insurance premiums is included, but unless we also consider an increase in consumption tax, the argument for a 9.4 trillion yen cut in expenditures is unavoidable. Unless we in the medical community raise our voices, our budget will be unilaterally cut.

Takeda: As a nation, how much should we invest in advanced research? Given limited resources, we should balance the need for advanced research with the provision of insured medical treatment. Investment in advanced research should be pursued through efforts consistent across ministries after setting shared target areas.

Takeda: Shouldn't medical structural issues in Japan be resolved to advance the allocation of medical resources? Put simply, regional differences in the number of beds are at issue. In addition, there is increasing pressure to lower costs, but the issue should really be one of both price and quantity. A forced drop in costs distorts quantity. Actually, it should be much more a question of the quantity of service. Really, there are a plethora of issues, including clinical visits volume, amount of prescriptions, number of hospital beds, and the over-prescribing of medicine to the elderly. However, even with cuts to this type of waste, 9.4 trillion yen in spending cuts will be difficult to achieve.

Yokokura: Looking toward 2025, region-based functions should be developed. Yet, excessive haste will lead to tension and confusion. This process should unfold over a ten-year period.

Aging Society and the Sustainability of Medical Care

Recent economic growth strategies and the practical application of R&D has led to active global market development and increased direct investments. How, in fact, is economic growth affecting developing health systems? And, why, in the midst of domestic sustainability and innovation challenges, is it critical for Japan to be concerned about global health?

Keizo Takemi (Member of the House of Councillors)
Kenji Shibuya (Professor and Chair, Department of Global Health Policy, Graduate School of Medicine, the University of Tokyo; President, Japan Institute for Global Health (JIGH))
B.T. Slingsby (CEO and Executive Director, Global Health Innovative Technology Fund)
Anne Smith (Senior Associate, Health and Global Policy Institute) (Moderator)



Moderator's View

In the global health field, some countries are leaping forward while health systems struggle to catch up. Growth without proper investments in the health sector invites rapid spread of infectious diseases as we see with Ebola in West Africa and polio in Pakistan. The increase in NCDs in low-income countries is another result of such unbalanced growth.

Direct investments in health only made up 5% of 2012 Japanese ODA, a figure that is up from 2.5% in 2011. Instead, ODA is largely structured to support economic growth in developing countries, with the belief that health outcomes will improve as a result. However, events in 2014 showed that health does not automatically trail development. Direct investments in health system infrastructure, R&D, and innovation that address structural challenges must be increased if health is truly a goal. Ignoring these elements will ultimately lead these economies to take significant steps back undercutting the investments Japan has made. In fact, the World Economic Forum estimates that failure to address NCDs alone will lead to \$21.3 trillion in economic losses in low-middle income countries between now and 2035.

The UHC dialogue has gained momentum with Prime Minister Abe publicly committing to UHC as a pillar of Japan's global health diplomacy in a September 2013 Lancet article as well as at the 2013 UN General Assembly. In the build up to the 2016 G7 Summit in Japan, specific targets and methods for disseminating UHC are being researched and created. While many have criticized the UHC theme as vague, the challenge that Japan is taking on should be welcomed—especially if it builds upon health systems strengthening. Affordable access to comprehensive health care services will require a comprehensive approach—exactly what global development has been unable to achieve through past disease focused initiatives. Promising UHC to the world is an enormous commitment requiring deliberate, informed actions. Good intentions alone will not suffice.

While Japan's own road to UHC has much to offer the world, it will likely be the case that on-going international engagement will yield greater returns by presenting novel solutions for Japanese health care challenges and driving health innovation. And increased engagement on the international health stage will keep Japanese actors abreast of world-class standards while challenging them to overcome long-standing health system challenges in Japan. International engagement will certainly secure the future of Japan's health care system.

Panelist Main Comments

[Global Influence on Domestic Health Policy]

Takemi: By making a new model, we have the potential to contribute to other countries. And through initiatives, such as employing healthy older persons, we can find policy solutions which will sustain the health care system.

Takemi: The current shortage of care workers could be addressed by having people from other Asian countries come to Japan. The globalization of healthcare will become an important issue.

[Global Influence on Domestic Health Policy]

Shibuya: Other countries are working to overcome challenges that Japan has addressed. For example, Cambodia is talking about long-term care and looking at Japan's model. There are also many things and policy options we can learn from other countries because the pace is extremely fast and diverse. It is not only for Japan to teach developing countries but it is also for us to learn from them.

[Emerging Global Health Trends]

Takemi: Outbreaks like Ebola require a national security viewpoint. There is a possibility another infectious diseases outbreak will emerge, so the international community must reach consensus on how to prepare and then move forward with those preparations. This response must not only include governments, but must involve NGOs and other stakeholders. A long-term, stable mechanism is required.

Shibuya: Interest in the global health field is growing. Students in the best universities are increasingly choosing to study global health. This shows that students are interested in changing the world. These students are looking at how Japan will transform society. We must set an example.

Slingsby: Innovation has no value unless it is accessible to patients. Increased usage leads to lower costs, and the greater volume that you have, the greater margins you have. Therein lies the growth—with volume there's growth. Growth is coming from emerging markets so it's essential to engage by addressing issues that really plague these countries.

[Universal Health Coverage]

Takemi: As we discuss UHC, the extension of healthy life expectancy has emerged as an issue of equal importance. The goal then becomes policies that decrease the difference between average life expectancy and healthy life expectancy.

Shibuya: The Lancet came to us requesting us to write about Japan's experience with UHC. And you can see that within the emerging Sustainable Development Goals (SDGs), that there are a variety of integrated elements that are likely to emerge. Expectations are being placed on Japan to share what it is already taking place.

[Value of International Engagement]

Takemi: We need leaders who are capable to act from a more international standpoint. Global health is an entry point from where new inputs can be received and consensus can be gauged. Additionally, international perspective needs to be included in the policy making process.

Slingsby: The global shift in the Japanese pharmaceutical industry is critical. The success of the pharmaceutical industry cannot be dependent on Japan, the US, and Europe because we are not seeing market growth in these regions. This why supporting growth in new markets is important. Through international partnerships, Japanese organizations learn through communication, experience, and executing. It is about becoming global not just talking globally.

Summary

The 2015 Health Policy Summit saw various health policy issues of critical importance emerge from amongst a wide variety of stakeholders and focused not only on domestic issues, but expanded to include a global perspective.

Session 1 Aging Society and the Sustainability of Medical Care

Discussions focused on preferred policies to secure medical services that will adequately address the needs of Japan's changing demographic while supporting and sustaining the service level of the national health system.

- We should not see medical care merely as an expense, but also as investment. Growth spurred by private investment should be pursued.
- We should create opportunities for discussion about preventative health measures.
- A strategy and vision for the future should be built through a collaboration of all stakeholders and should address not only social structure reforms, but education and the role of industry as well.

Session 2 Open Medical Care, UHC, and Promotion of Advanced Medicine

Discussions focused on policies to maintain Japan's universal health insurance system while promoting advanced medicine in an open medical care environment.

- Strengthening of overall health promotion capabilities through drug development, accumulation and dissemination of good practice information from municipalities and private sectors, high-quality data set development and utilization and entrepreneur nurturing.
- Database for R&D to be developed for promotion of advanced medical treatment, with consistency with data related to medical service remuneration.
- Investment in advanced research to be handled with efforts consistent among ministries after setting shared target areas.

Session 3 Securing the Future through International Engagement

Discussions focused on medical strategy, global trends, the 2016 G7/8 Summit, UHC and the value of international.

- Global health is a gateway for Japan to expand its reach and reflect upon areas that are in need of improvement.
- As the birthrate decreases and the aging population continues to grow, a new system is required within Japan. At the same time, other countries are learning from Japan as they work to overcome challenges that Japan has overcome.
- Through international partnerships in global health, Japanese organizations learn through communication and experience while making a positive contribution.

Building on major points that emerged at the Summit and in recognition that health policy requires long-term vision, HGPI will continue in its efforts to catalyze health policy discussions and support stakeholders to take concrete steps toward effective health policy in Japan.



HGPI

Health and Global Policy Institute

Health and Global Policy Institute
1-11-28 Nagatacho, Chiyoda-ku, Tokyo, 100-0014, Japan
Tel: +81-3-5511-8521 Fax: +81-3-5511-8523
info@hgpi.org www.hgpi.org/en

