Japan
Health System Review

Written by:
Haruka Sakamoto, The University of Tokyo
Mizanur Rahman, The University of Tokyo
Shuhei Nomura, The University of Tokyo
Etsuji Okamoto, University of Fukuchiyama
Soichi Koike, Jichi Medical University
Hideo Yasunaga, The University of Tokyo
Norito Kawakami, The University of Tokyo
Hideki Hashimoto, The University of Tokyo
Naoki Kondo, The University of Tokyo
Sarah Krull Abe, The University of Tokyo
Matthew Palmer, The University of Tokyo
Cyrus Ghaznavi, The University of Tokyo

Edited by:
Kenji Shibuya, The University of Tokyo
Stuart Gilmour, The University of Tokyo
Kozo Tatara, Japan Public Health Association

Book Launch at PMAC 2018
2 February, 2018 (FRI) 12:15–12:30 hrs.
Special Event Area (Foyer)

Download from:
www.healthobservatory.asia
http://www.searo.who.int/asia_pacific_observatory/en/
What is Japan’s current health status?

Japan boasts the world's third-largest economy with a correspondingly high standard of living, development, safety, and social stability. In addition to these socioeconomic accomplishments, Japan has made numerous healthcare successes since the founding of its universal health insurance system in 1961: control and eradication of common infectious diseases and deaths due to road traffic accidents, and most famously, achieving the world's highest life expectancy at birth.

But despite these achievements, Japan continues to face many health-related challenges, such as an ageing population, low fertility rates, negative population growth, a stagnating economy, and increasing unemployment. In particular, the increasing burden from non-communicable diseases (NCDs) associated with the ageing population has placed a significant strain on the national health system in recent decades, especially with respect to service delivery and financing.

Japan's healthcare system is characterized by its universal insurance scheme, which confers enrollees the freedom to choose and purchase any facility's high-quality healthcare services at a relative low cost. However, Japan's economic slowdown, high life expectancy, and growing use of expensive technologies have led to an ever-increasing rate of healthcare expenditures (total health expenditure as % GDP: 6.3% in 1995 to 10.9% in 2015, OECD). Tackling these rising costs in the face of a growing elderly population will require drastic reforms in Japan's healthcare and long-term care systems.

How have Japanese health systems and policymakers responded?

Building on its robust universal health coverage, Japan has adopted several reforms over the past two decades in order to address looming demographic challenges.

**Long-term Care Insurance System (LTCI) (2000):** Social insurance scheme for those aged 65 years and over who require long-term care and/or social services. LTCI is reviewed and revised every three years in order to maintain sustainability.

**Integrated Community Care System (ICCS) (2006):** A comprehensive system at the community-level that integrates prevention, medical services, and long-term care for the elderly while also providing living arrangements and social care.

**The Comprehensive Reform of Social Security and Tax (2010):** A joint reform of the social security and taxation systems that aims to improve the fiscal sustainability of Japan's social security system. In the seven years since its inception, several related laws have successfully been enacted or amended under this reform plan, which has played a pivotal role in the construction of healthcare and long-term care policy. Priority areas include measures for the support of children and child-raising, the employment of young people, the reform of medical and long-term care services, pension reform, measures against poverty and income inequality, and measures for low-income earners as a cross-system issue.

**Regional Healthcare Vision (2014):** The Ministry of Health, Labour and Welfare has asked each prefectural government to create a region-specific vision, specifically requesting that prefectures estimate the future supply and demand for healthcare and create region-specific healthcare systems by 2025. Together with ICCS, this vision aims to provide seamless support for the elderly (from disease prevention to long-term care) in their respective communities.

---

**Financial Flow in the Four Tiers of Insurance Plans**

- **First tier:** Society-managed health insurance for large companies
- **Second tier:** JHIA (Japan Health Insurance Association Managed health insurance) for medium to small companies
- **Third tier:** National Health Insurance for municipalities
- **Forth tier:** Late elders’ health insurance for prefectures

What direction is the Japanese healthcare system headed?

Healthcare reforms targeting financial protection, equity of access, better health outcomes, quality of care, system efficiency, transparency, and accountability have been ongoing. Though the overall performance of the healthcare system has been improving, many challenges remain: sustainability of healthcare financing, increasing inequity within the population, and all the problems that come along with an ageing society.

Fundamentally, what Japan needs is a paradigm shift. Such a shift in Japan’s approach to healthcare has already been proposed in *Japan Vision: Health Care 2035*, a 2015 report drafted by young Japanese health leaders. This new vision seeks to build a sustainable healthcare system that delivers better health outcomes through responsive, equitable care, contributing to Japanese prosperity and ultimately, to that of the world. In essence, this report proposes that Japan’s health system shift from a focus on inputs to outcomes, from quantity to quality, from cure to care, and from specialization to integrated approaches across all sectors.

### Overview of Health Care 2035

#### Goal
To deliver unmatched health outcomes through secure and responsive care that is sustainable and actively contributes to prosperity in Japan and around the world

#### Principles
- Fairness
- Solidarity built on autonomy
- Shared prosperity for Japan and the world

#### Vision for 2035

1. **Lean health care**
   - Implement value-based health care

2. **Life design**
   - Empower society and support personal choice

3. **Global health leader**
   - Lead and contribute to global health

#### Infrastructure
- Innovation
- Information
- Sustainable financing
- Health-care professionals
- A world-class Ministry of Health, Labour and welfare


---

**Table of contents**

**Executive Summary**
- Chapter 1 Introduction
- Chapter 2 Organization and Governance
- Chapter 3 Financing
- Chapter 4 Physical and human resources
- Chapter 5 Provision of services
- Chapter 6 Principal health reforms
- Chapter 7 Assessment of the health system
- Chapter 8 Conclusion
- Chapter 9 Appendices

Health System in Transition (HiT) Review is a comprehensive assessment of health systems and country policies. Descriptive assessment is conducted by country author teams and editors and documented based on the HiT template. APO published this signature review series for 15 countries in the Asia and Pacific Region.


Development of this profile was supported by Ministry of Health, Labour and Welfare, Japan (H26-chikyukibo-ippan-001)
The Asia Pacific Observatory on Health Systems and Policies (the APO) is a collaborative partnership of interested governments, international agencies, foundations, and researchers that promotes evidence-informed health systems policy regionally and in all countries in the Asia Pacific region. The APO collaboratively identifies priority health system issues across the Asia Pacific region; develops and synthesizes relevant research to support and inform countries’ evidence-based policy development; and builds country and regional health systems research and evidence-informed policy capacity.