# Comments Panel on healthcare system in Japan and China

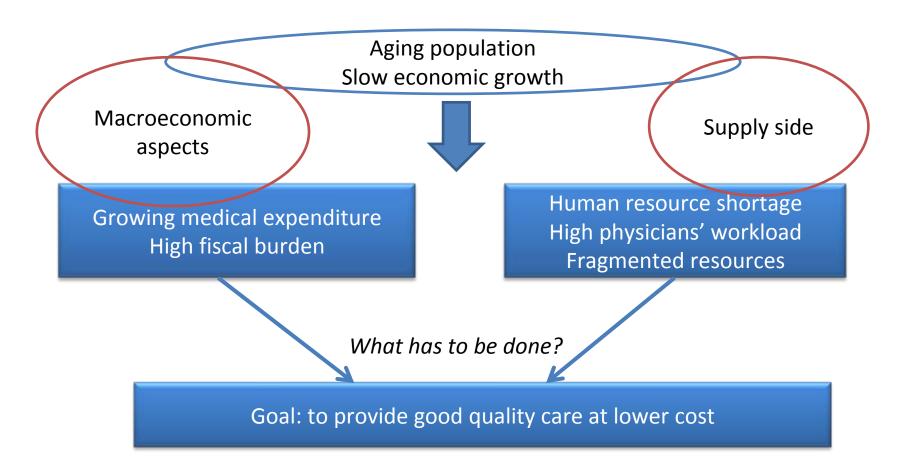
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## Japanese healthcare system is characterized by:

- Health insurance
  - Mandatory and universal healthcare insurance
- Patients
  - Unlimited access to and free choice of providers
  - Moderate length of waiting time to receive service
- Providers
  - Large number of hospital beds and long average hospital stay
  - High prevalence of CT and MRI
- Government
  - Control on insurance coverage range and price list
  - Subsidy for health plans

#### Issues on Japanese healthcare system



#### What has to be done?

#### **Enhancing efficiency**

- Statistics and technology
  - Accurate and internationally standardized estimate of heath-care expenditure; reorganization of medical/health statistics by positioning OECD's SHA
  - Introduction of IT standard, and electronic health/medical record system across healthcare industry
  - Adoption of innovative technology
- Allocation of resources
  - More investment on human resources
  - Introduction of efficient primary care system
  - Promoting managed care

#### Healthcare reform in China

- Along with economic reform reorganization of healthcare system was implemented
- Currently three insurance schemes
   for urban employees; for urban non-employees, and for rural residents
- Relatively high insurance coverage rate for rural area 94.3% in 2009; for urban area 72.4% in 2008
- Large disparities in benefits between insurance schemes
- Health system reform (2009-2011)

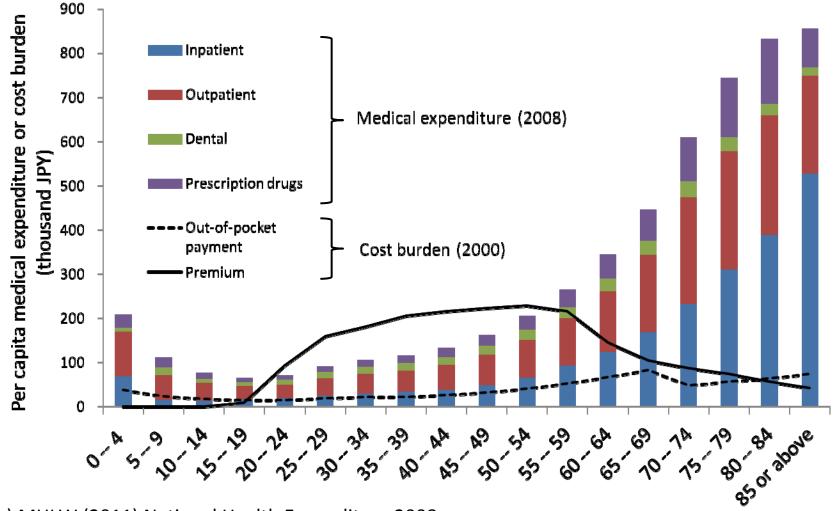
#### China's direction

2009-2011 Health System Reform Improve physical facility Strengthen fiscal capacity at local level Reduce the disparity between localities/heath insurance schemes Further challenge: Aging population Securing fiscal space •Re-prioritize fiscal expenditure Potential to increase tax revenues Sustainable Reform of insurance schemes healthcare system Future

## Potential common issues on healthcare in Japan and China

- Aging
  - Japan is an aging country
  - In China, the proportion of the elderly is increasing while the population size for working adults starts decreasing in the near future
- Recognition of patients' heterogeneity for wellfocused health policy
  - Improving access to care is the first step
  - Equality in access may not necessarily bring equal outcome
  - Example: Health and income disparity

### Annual per capita medical expenditure and cost burden by age group, Japan



(Source) MHLW (2011) National Health Expenditure 2008

MHLW (2004) 7<sup>th</sup> meeting of the Panel on Social Security Policy, Division of Medical care

#### Recognizing health and income disparity

 Negative association between household income and Geriatric Depression Scale for those aged 65 or above (Kondo 2010)

 Negative association between socioeconomic status and cancer mortality (Fujino et al. 2005)