PRI-IMF-ADBI Tokyo Fiscal Forum on “Fiscal Policy for Long-term Growth and Sustainability in Aging Societies”

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June 10, 2015
Two Key Words for Health Policy in the Aging Society

1. Cost- effectiveness

2. Primary (health) care and preventive care
   Payment system
   Speciality training for primary care
Dr. Sanjeev Gupta

• Benefit packages should be restricted to most essential services and focus on cost-effective clinical interventions

Q: How would you define “most essential services”? Which entity is responsible for “cost-effective clinical interventions”?
• Public spending has a bigger effect in reducing inequality
• dedicating the last dollar to a new rural clinic rather than to the latest medical marvel for the urban rich

Q: There are the poor in the urban area as well.
Dr. Chen Chaw Min

- Good example of strong primary health care system: cost-effective and equitable.

- Top 3 diseases using health expenditures in Japan are Hypertension, Diabetes and Hypercholesterolemia. The majority of such patients are at working age

Q: What kind of Health Policies can manage these diseases?
Countries with strong primary care system
▪ Cost-effective, equitable
▪ Good coordination and public management
▪ Gate-keeping (gate-opener)
▪ Speciality Training for primary care
▪ Payment system (fee-for-service, capitation, p4p)

Countries with hospital centralism
▪ Disproportionate focus on hospitals and sub-specialization
▪ Health care system remains highly fragmented.
▪ A major source of inefficiency and inequality.
▪ No/weak formal training required for primary care
▪ Fee-for-service
Japanese health care system

Often considered to be an efficient system
the world’s highest life expectancies
&
relatively low health care expenditures

However,
Caution to interpret the “health expenditure”

OECD GUIDELINES FOR ESTIMATING LONG-TERM CARE EXPENDITURE IN THE JOINT 2006 SHA DATA QUESTIONNAIR

“Different estimation methods of long-term nursing care expenditure may affect total health expenditure by up to 10% or more”

In Japan, out of 9 trillion yen spent on long-term nursing care, about 5 trillion yen spent on home care, which are not reflected in health care expenditure.
Recommendations for the Japanese government

• Construct standardized (cost effective) primary care system
  => Formal training for primary care doctors will start in 2017

• Fee-for-service -> combination of fee-for-service, capitation, P4P => ???

Responding to the recommendations by OECD Reviews in Nov. 2014
http://www.oecd.org/els/health-systems/ReviewofHealthCareQualityJAPAN_ExecutiveSummary.pdf