

[Japan]

Japan's Healthcare System to Protect the Public from the Global Financial Crisis

Satoshi IMAMURA*¹

Abstract

The global financial crisis triggered by the collapse of major American securities company "Lehman Brothers" in September 2008, has exerted a huge impact on the Japanese economy, so much so that our prime minister at the time called it a "once-in-a-hundred-years financial crisis."

However, despite the tremendous economic blow the country has received, Japan has not witnessed the social anxiety rooted in healthcare that the United States and other countries have experienced.

A major reason why Japan has not experienced this social anxiety stemming from healthcare is the existence in Japan of a "Japan's Healthcare System" based on public "universal health insurance" established in 1961 that "enables all citizens to receive the healthcare they need for a uniform co-payment."

The "Japan's Healthcare System" based on this "universal health insurance" was prepared in the 1960s era of high economic growth under the leadership of President of the Japan Medical Association (JMA) at that time, Dr. Taro Takemi. Based on this, the JMA is currently urging the Japanese Government to further improve and expand the "Japan's Healthcare System" as a "measure to guarantee security in peacetime."

The Huge Impact of the Global Financial Crisis on the Japanese Economy

The global financial crisis triggered by the collapsed of major American securities company Lehman Brothers on September 15, 2008 has exerted a huge impact on the Japanese economy, so much so that our prime minister at the time called it a "once-in-a-hundred-years financial crisis."

That is to say, around the time of the crisis, Japan's real GDP fell about 5%, from 6.1 trillion dollars to 5.8 trillion dollars; exports fell about 25%, from 72.8 billion dollars/month to 54.0 billion dollars/month; and capital expenditure over the previous year fell from 5.0% to -28.0%. Moreover, the number of unemployed people increased from 2.7 million to 3.6 million.

In order to counteract the impact on healthcare as well as on the economy, the Japanese Government established four pillars as a framework for economic crisis countermeasures and allocated 0.6 trillion dollars in operating expenditure for implementing these measures. With

regard to the healthcare field, operating expenditure of 22.1 billion dollars was allocated for measures such as community healthcare revitalization funds, strengthening the earthquake resistance of health facilities, measures against new influenza, and enhancing the functionality of institutions providing advanced medical technology.

Japan Has Not Experienced the Healthcare-rooted Social Anxiety Which Was Experienced by the United States and Other Countries

However, despite the tremendous economic blow the country has received, Japan has not witnessed the social anxiety rooted in healthcare that the United States and other countries have experienced.

In the United States, amidst escalating healthcare costs due to prioritization of business, under the impact of the financial crisis the Medicare fund is losing investment profits and social security tax revenue, and forecasts indicate that

*1 Executive Board Member, Japan Medical Association, Tokyo, Japan (jmaintl@po.med.or.jp).

The article is based on a presentation made at the Symposium themed "Impact of Global Financial Crisis to the Health System" held at the 26th Congress of the Confederation of Medical Associations in Asia and Oceania (CMAAO), Bali, Indonesia, November 7, 2009.

Medicare will collapse in 2017 if the current situation continues. Moreover, I have heard that in the southern suburbs of Los Angeles, several thousand uninsured people who are unable to receive healthcare insurance due to unemployment are lining up in front of mobile medical facilities provided by NGOs to receive free dental, eye, and general medical treatment.

I understand that, in countries where the healthcare system is inadequate, the fact that people must dig into their savings for healthcare is a huge constraint and a major factor impeding the expansion of consumption. I have also heard that because the financial crisis has caused a reduction in the quality of public healthcare services, there are now cases of cheap counterfeit drugs being used.

The Japanese Healthcare System: Based on a universal health insurance system which was established in an era of high economic growth

A major reason why Japan has not experienced this social anxiety rooted in healthcare is the existence in Japan of a “Japanese Healthcare System” based on public “universal health insurance coverage” established in 1961 that “enables all citizens to receive healthcare they need for a certain amount of co-payment.”

The basic characteristics of the Japanese healthcare system are that it is a “universal health

insurance system,” a “benefits-in-kind system that provides a sense of stability,” a “free-access system,” and a “community healthcare system.”

Being a “benefits-in-kind system that provides a sense of stability,” the system enables people to receive quality healthcare at a low cost with medical expenses paid to physicians by health insurance societies.

“Free access” basically enables people to freely undergo medical examinations and treatment from any healthcare facility or physicians.

In community units known as “medical districts,” “community healthcare systems” comprising networks of medical facilities ranging from clinics to large hospitals provides patients with appropriate and efficient health care in accordance with their condition.

The “Japanese Healthcare System” based on this “universal health insurance” was prepared in the 1960s era of high economic growth under the leadership of the Japan Medical Association President at that time, Dr. Taro Takemi. Based on this, the JMA is currently lobbying the Japanese Government to further improve and expand the “Japanese Healthcare System” as a “measure for guaranteeing security in peacetime.”

Main issues in Japan which we need to resolve in the future will be the low percentage of GDP of health expenditures from an international perspective, insufficient number and uneven distribution of physicians, problems with emergency medical care, and patient safety related issues.

26th CMAAO Congress Symposium

“Impact of the Global Financial Crisis on the Health System”

Japanese Healthcare System to Protect the Public from the Global Financial Crisis

Satoshi Imamura, MD
Executive Board Member
Japan Medical Association

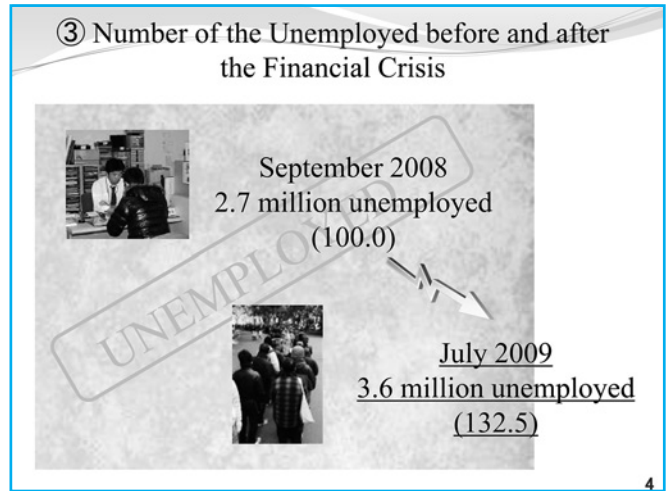
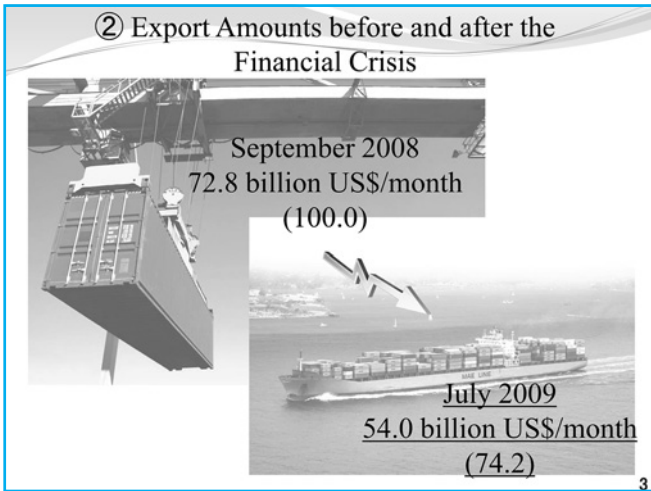
1

1. The Huge Impact of the Global Financial Crisis on the Japanese Economy

① Real GDP before and after the Financial Crisis

Period	Real GDP (trillion US\$)	Index (%)
July-September 2008	6.1	100.0
April-June 2009	5.8	94.0

2



④ Japanese Government's Measures against the Financial Crisis and Administrative Costs in the Medical Field

Government measures against the financial crisis: 0.6 trillion US\$

Administrative Costs in the Medical Field
22.1 billion US\$

- Community Healthcare Revitalization Fund
- Measures against new influenza
- Strengthened earthquake resistance of medical facilities
- Enhanced functions of institutions providing advanced healthcare

5

2. Japan has not experienced social anxiety rooted in healthcare that the United States and other countries have.

① Social anxiety rooted in healthcare has not developed.

Financial crisis → **Japanese Healthcare System**

Healthcare crisis → Social anxiety

Safe/secure Japanese society

6

② Collapse of the Public Medical Insurance Program for the Elderly in the United States

Financial crisis → **Collapse in 2017?**

Public Medical Insurance for the Elderly (Medicare)

7

③ Increase in the Number of the Uninsured in the United States

Increase due to the financial crisis

Uninsured people

8

3. Establishment of Universal Health Insurance Program Prepared in the Past Era of High Economic Growth

① Universal Health Insurance Coverage established in 1961

1961
Establishment of
Universal Health
Insurance Program

All citizens can receive healthcare they need for a uniform out-of-pocket payment

9

② Characteristics of the Japanese Healthcare System

Japanese Healthcare System

- Universal Health Insurance
- Benefits-in-kind system provides a stable care.
- Free-access
- Community healthcare system

10

③ Currently Lobbying the Japanese Government to Further Improve and Expand the “Japanese Healthcare System” as a “Measure for Guaranteeing National Security in Peacetime”

Japanese Healthcare System

Insufficient numbers and uneven distribution of physicians

Problems of patient safety

Measure for Guaranteeing Security in Peacetime

Improve & Expand

Problems with emergency medical care

Lower ratio of healthcare expenditures in GDP

11

Thank you for your attention.

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12