

Statement by Senior Vice-Minister Osamu Fujimura of Japan at the OECD Health Minister Meeting

Next year, Japan will mark the 50th anniversary of its achievement of universal health coverage. Under the principles of universal coverage and free access, we have enjoyed the world's highest life expectancy and high quality healthcare by establishing and maintaining a health system that provides equal access for all citizens.

However, there is still progress to be made. Despite entering a phase of economic recovery, the people of Japan are not feeling the benefit from this due to enduring deflation, and the economy has not yet entered the phase of self-sustaining recovery led by private demand. Furthermore, insurers have been experiencing financial difficulties, a reflection of the drop in income amongst the insured during the economic downturn, as well as the increase in health expenditure that accompanies progressive population ageing etc.

In this context, Japan believes that establishing sustainable systems that are capable of addressing changes in the demographic structure, and reinforcing the social security system would effectively dispel concerns about the future and lay the foundation for economic growth in Japan. People often regard social security expenditure, including healthcare and long-term care, as a “cost”; however, we think it is important to view such expenditure as an “investment for the future”. Enhancing the social security system increases the population's disposable income, which would, in turn, lead the economy to autonomous recovery by means of increased consumer activity. The increasing demand for health and long-term care could also nurture growth through job creation. On this basis, the government has announced plans to integrate the implementation of the three major reforms of “Economic growth”, “Sound finance”, and “Social security”. In taking these steps, we hope to enhance the social security system, and provide greater support for the population.

The situation of medical care is constantly shifting due to a rapidly aging population and progress in medical technology. The healthcare system in Japan has also faced numerous problems. These issues have accumulated over a long period of time, with the addition of complicating, contextual factors. We need a reform that takes a long-term perspective in order to address these challenges.

One of the defining features of a health care system is that it is not a form of income support through cash benefits, like pensions, but rather a service which provides security through in-kind benefits. This means the efficiency of service provision has a significant impact on the sustainability of the system in the long-term. Japan is implementing measures to improve efficiency, including the establishment of a regional care coordination structure, the promotion of generic drugs, and the prevention of life-style related diseases such as ischemic cardiac disease, cerebro-vascular diseases, diabetes and so on.

However, even as we move to improve efficiency, as the guardian of the health system the government is duty-bound to provide necessary health care to the Japanese people, even when money is tight. It is vital to build a solid framework of essential services and to ensure equal access, high quality and efficiency by making bold gestures to improve efficiency in areas that warrant such action, while at the same time having the courage to increase funding in areas that are in need of more intensive resource input.

For example, Japan is facing a severe shortage of doctors, and aims to reach the OECD average. Having examined contextual factors, such as the lack of balance between specialities and the uneven geographical distribution of doctors, we have increased the intake of medical students and increased the fees for emergency, obstetric, paediatric, and surgical services, whose workers are subject to particularly difficult working conditions.

The issue of securing funding is critical when considering the sustainability of the social security system, and is currently an important policy challenge in Japan. While the means of addressing this issue may differ by country, the need to build a consensus amongst the population via strong political leadership is universal.

Evidence provided by the OECD is useful in bolstering internal policy measures such as these, and Japan has drawn from it on numerous occasions. We anticipate many more projects which utilize the comparative advantage of the OECD in this way.

I would like to conclude by expressing my sincere gratitude to the OECD Secretariat for all the work they have done to successfully convene this conference.