Executive summary

Japan, the world’s third-largest economy, with a corresponding high standard of living, level of development, safety and stability, has made a large number of noticeable successes in health since its universal health insurance system was founded in 1961. This includes the full implementation of universal insurance coverage, achieving the world’s highest life expectancy and control and eradication of common infectious diseases. In addition, transport accident deaths has decreased substantially in the past 50 years.

Despite these achievements, the country faces many challenges including a negative population growth with low fertility rate, an ageing population, shrinking economy and increasing unemployment rate. Increasing NCD-related disease burden and degenerative diseases especially in recent decades along with population ageing places a strain on the national health system in many aspects especially in terms of service delivery and financing.

Japan’s health system is characterized by universal insurance scheme, where participants are free to choose health care facilities and good quality of care with comparably low price. However, Japan’s policy of tight control of health-care cost and a laissez-faire approach to service delivery, with inadequate governance of provider organisations, created a mismatch between need and supply of health-care resources and impeded accountability for care quality. Japan’s economic slowdown, high life expectancy, and growing use of expensive technologies have led to an ever-increasing rate of health-care expenditure (THE of % GDP: 6.3% in 1995 to 10.9% in 2015, by OECD). This demographic dilemma requires a drastic reform in health-care and long-term care systems.

Building on the robust implementation of universal health insurance system, several reforms have been adopted in the past two decades in order to meet the challenges posed by demographic changes.

Long-term care insurance system (2000): social insurance scheme for elderly aged 65 years and above who require long-term care or social
services. This is reviewed and revised every three years to maintain sustainability.

*Integrated Community Care system (2006):* a comprehensive system at the community level that integrates prevention, medical services, and long-term care and also provides living arrangements and social care.

*The Comprehensive Reform of Social Security and tax (2010):* a joint reform for the social security system and taxation system that should improve fiscal sustainability for the Japanese social security system in Japan. In seven years since its start, several related laws have successfully been enacted or amended under this reform plan and this plays the central policy for healthcare and long-term care. Priority areas are: measures for the support of children and child-raising, employment of young people, 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.

Japan needs a paradigm shift to the new system as proposed in *Japan Vision: Health Care 2035*, a report for the Health Minister by young Japanese health leaders in June 2015 under the former Health Minister, Yasuhisa Shiozaki’s leadership. The goal of *Japan Vision: Health Care 2035* is to build a sustainable health-care system that delivers better health outcomes through care that is responsive and equitable to each member of the society and that contributes to prosperity in Japan and the world. This report proposes that Japan’s health system move from inputs to outcomes, from quantity to quality and efficiency, from cure to care, and from specialization to integrated approaches across all sectors.