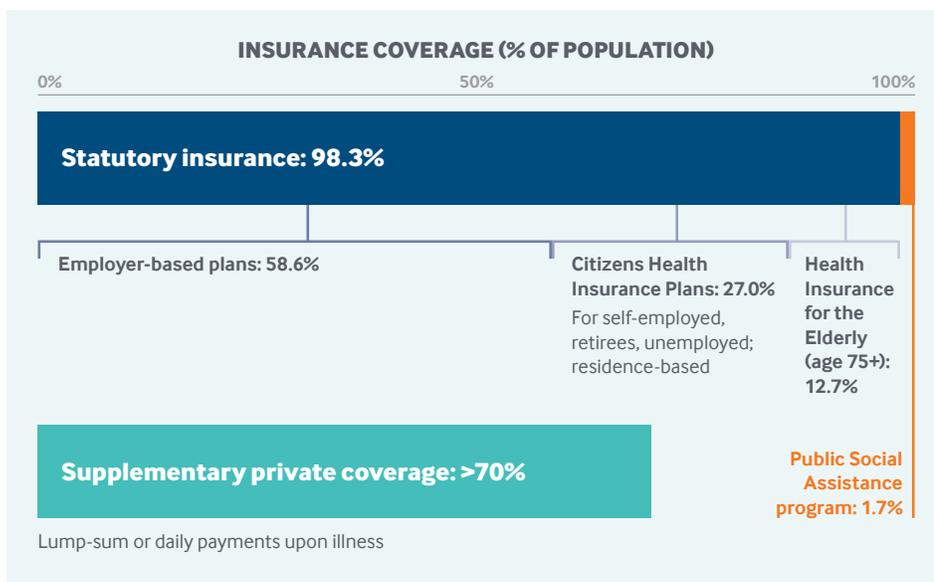


## HEALTH SYSTEM OVERVIEW

# Japan



Japan's statutory health insurance system provides universal coverage. It is funded primarily by taxes and individual contributions. Enrollment in either an employment-based or a residence-based health insurance plan is required. Benefits include hospital, primary, specialty, and mental health care, as well as prescription drugs. In addition to premiums, citizens pay 30 percent coinsurance for most services, and some copayments. Young children and low-income older adults have lower coinsurance rates, and there is an annual household out-of-pocket maximum for health care and long-term services based on age and income. There are also monthly out-of-pocket maximums. The national government sets the fee schedule. Japan's prefectures develop regional delivery systems. Most residents have private health insurance, but it is used primarily as a supplement to life insurance, providing additional income in case of illness.



### DEMOGRAPHICS

**126.7M**

Total population

**28.2%**

Population age 65+

### HEALTH SYSTEM CAPACITY & UTILIZATION

**2.4**

Practicing physicians per 1,000 population

**12.6**

Average physician visits per person

**11.3**

Nurses per 1,000 population

**13.1**

Hospital beds per 1,000 population

**128**

Hospital discharges per 1,000 population

## HEALTH CARE DELIVERY AND PAYMENT

**General practitioners (GPs)** are mostly self-employed and work in clinics and hospital outpatient departments. No patient registration required. GPs are paid according to a complex fee-for-service schedule set by the national government. *Patient cost-sharing:* Usually 30 percent coinsurance.

**Specialists** typically work in hospital outpatient departments and some clinics. No referral is needed at clinics. *Patient cost-sharing:* Usually 30 percent coinsurance.

**Hospitals** are a mix of private and public. They are paid using a case-mix classification system, similar to diagnosis-related groups, or on a fee-for-service basis. In 2016, 15 percent of hospitals were owned by national or local governments or closely related agencies; the rest were private and nonprofit, although they may have received subsidies. Some companies, such as Toyota, have established their own hospitals for employees. *Patient cost-sharing:* Usually 30 percent coinsurance.

All costs are in U.S. dollars, adjusted for cost-of-living differences.  
Conversion rate: USD 1 = JPY 100.



**Prescription drugs** are covered based on clinical effectiveness but not costs. *Patient cost-sharing:* Usually 30% coinsurance.

**Mental health care** is provided in outpatient, inpatient, and home care settings. Coverage includes psychological tests and therapies, pharmaceuticals, and rehabilitative activities. *Patient cost-sharing:* Standard 30% coinsurance.

**Long-term care** is covered by national compulsory long-term care insurance administered by municipalities. Covered services, delivered mostly by private providers, include home care, respite care, and domiciliary care. *Patient cost-sharing:* 10–20 percent coinsurance for covered services, depending on age and income, up to an income-related ceiling. Depending on income, patients may have an additional copayment for bed and board in institutional care.

**Care coordination** for patients with cancer, stroke, and cardiac disease is incentivized through additional provider payments. Community comprehensive support centers coordinate services for those with long-term conditions.

## TOTAL HEALTH EXPENDITURES

In 2015, total health expenditures represented 11 percent of Japan's GDP; 84 percent of these were publicly financed, mainly through the statutory health insurance system.

## RECENT REFORMS

The Social Security Council set four objectives for its 2018 fee schedule revision:

- developing efficient and comprehensive care in the community
- developing safe, reliable, high-quality care and creating services tailored to emerging needs
- reducing the workload of health care workers
- making the health care system more efficient and sustainable.

In addition to the launch of the Continuous Care Fees program, which makes monthly payments to physicians for providing ongoing care to outpatients with chronic disease, hospital payments are now more differentiated according to staffing density than they were under the previous fee schedule.

*This overview was prepared by Ryozo Matsuda.*

## SPENDING

**\$4,766**

Health care spending per capita

**\$608**

Out-of-pocket health spending per capita

**\$838**

Spending on pharmaceuticals (prescription and OTC) per capita

## HEALTH STATUS & DISEASE BURDEN

**84.2**

Life expectancy at birth (years)

**4.4%**

Obesity prevalence

**5.7%**

Diabetes prevalence

**Data:** 2019 OECD Health Data except diabetes prevalence from *Health at a Glance 2019* (IDF Atlas 2017 data).