

Report on Healthy Policy Summit 2014

On the Frontier of the Future for Japan and the World

January 18th 2014 (Saturday)



Hosted by : Health and global policy Institute

Supported by: Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare, Reconstruction agency,
Ministry of Education, culture, Sports and Technology

Cooperated by : National Graduate Institute for Policy Studies, Global Health Innovation Policy Program

About the report on Health Policy Summit 2014

Health and Global Policy Institute (HGPI) is an independent think tank non-profitable, independent and non-partisan activities, and it celebrates 11th year since the establishment this year. In order to reflect the medical needs of public, it is inevitable to engage with various stakeholders that appropriate for democracy and enhance open discussion for political policy choice to construct the process that enables exaction of responsive action. HGPI hosts summit every year gathering leaders from diverse sectors to discuss the profound issue of health and medical policy of the year. On January 18th 2014, HGPI hosted "Health Policy Summit 2014 Frontier for Japan and the world".

With the 2013 House of Councillors election putting an end to the so-called "twisted Diet" and a period of stable government under the Liberal Democratic Party and its allies now set for the foreseeable future, health and healthcare policy in Japan once again stands at a major turning point. The Abe administration released its Healthcare and Medical Strategy in June 2013. However, neither the case for prioritizing these issues nor the practical details of any specific measures have been made clear to the public. Moreover, importance has been attached to the globalization of healthcare, and development of a new model of international cooperation is anticipated, but how Japan will position itself in the global context remains unclear.

At this year's Summit, in addition to a comprehensive discussion about the health and healthcare policy of the current administration, we attempted to define Japan's standing in the international community in the field of health and healthcare in order to clarify the frontier toward which stakeholder can advance in order to build a strong future for Japan.

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On The Frontier of Japan's Future

Date & Time Saturday, January 18, 2014 10:00 - 18:30

Venue : Hotel New Otani Tokyo,

Hosted by : Health and Global Policy Institute

Supported by: Ministry of Foreign Affairs; Ministry of Health, Labour and Welfare;

Reconstruction Agency; Ministry of Education, Culture, Sports, Science and Technology

Cooperated by: National Graduate Institute for Policy Studies, Global Health Innovation Policy Program

10:00-10:20	Opening Remarks <ul style="list-style-type: none"> Kiyoshi Kurokawa (Chairman, Health and Global Policy Institute)
10:20-11:50	Session 1 Key Points of the Abe Administration's Health Policy <ul style="list-style-type: none"> Yuji Kanda (Councilor for Minister's Secretariat, Ministry of Health, Labour and Welfare) Koji Shinkawa (Budget Examiner for Health, Labour and Welfare, Budget Bureau, Ministry of Finance) Takeo Sekihara (Board Member and Managing Director, Japan Cancer Society / Director, Rakuten Bank, Ltd.) Ryozo Nagai (President, Jichi Medical University; Member of the National Council on Social Security System Reform) Toshio Miyata (Executive Director, Health and Global Policy Institute) (Moderator)
12:10-13:30	Session 2 Healthcare as a Driver of Economic Growth <ul style="list-style-type: none"> Mitsuru Izumo (President, euglena Co., Ltd) Yuji Kuroiwa (Governor of Kanagawa Prefecture) Rami Suzuki (Corporate Officer, Eisai Co., Ltd.) Yutaka Hishiyama (Councillor, Cabinet Secretariat) Kohei Onozaki (Former Vice President, Health and Global Policy Institute) (Moderator)
13:45-15:05	Session 3 Healthcare Innovation & Global Contribution: Japan's Role in the International Community <ul style="list-style-type: none"> Eriko Asai (Managing Director, Government Affairs and Policy, GE Japan) Shiro Konuma (Director, Global Health Policy Division, International Cooperation Bureau, Ministry of Foreign Affairs) BT Slingsby (CEO, Global Health Innovative Technology Fund) Steve Morrison (Senior Vice President and Director, Global Health Policy Center, CSIS) Alex Ross (Director, WHO Centre for Health Development) (Moderator)
15:20-16:40	Session 4 On The Frontier of Japan's Future <ul style="list-style-type: none"> Hiromitsu Tazawa (Senior Executive officer, Miraca Holdings Inc.) Yasuchika Hasegawa (President & CEO, Takeda Pharmaceutical Company Limited) Hirofumi Hirano (Chief Executive Officer-Japan, KKR Japan Limited) Atsuko Muraki (Vice Minister, Ministry of Health, Labour and Welfare) Tadayuki Tamai (Assistant managing editor & Editorial Writer, Yomiuri Shimbun) (Moderator)
16:40-16:50	Closing Remarks <ul style="list-style-type: none"> Kiyoshi Kurokawa (Chairman, Health and Global Policy Institute)
17:00-18:30	Reception

* affiliations and titles as of January 2014

Session 1

Key Points of the Abe Administration's Health Policy

Given the potential long-term stability of the present administration, does its health policy represent the best available options for the country and the optimal allocation of limited financial resources? This session will involve a comprehensive discussion of the key points for success or failure, and the major challenges in promoting these measures.

Yuuji Kanda

(Councilor for Minister's Secretariat, Ministry of Health, Labour and Welfare)

Koji Shinkawa

(Budget Examiner for Health, Labour and Welfare, Budget Bureau, Ministry of Finance)

Ryozo Nagai

(President, Jichi Medical University; Member of the National Council on Social Security System Reform)

Takeo Sekihara

(Board Member and Managing Director, Japan Cancer Society)

Toshio Miyata

(Executive Director, Health and Global Policy Institute)
(Moderator)

Key Points of the Abe Administration's Health Policy

Miyata: The universal health insurance system has continued in our country for over fifty years, and is highly acclaimed by other countries. However, it has also been pointed out that there are several financial problems. In this session, we would like to discuss the essence of the Abe Administration's health policies in light of our finite financial resources.

Strategies for reforming the healthcare delivery system and for creating a society that helps extend people's healthy life years

Kanda: I think that the current administration is focusing on two important points: how to reform the system that provides healthcare, and how to execute strategies to create a society that helps extend people's healthy life years. To reform the system that provides healthcare, it is first necessary to promote the differentiation and linkage of healthcare functions. The aim of the National Council on Social Security Reform and a recent legislative bill on social security system reforms is to create a hospital bed function reporting system under the Medical Care Law. Under this system, medical institutions and healthcare facilities report the healthcare functions of each of their hospital beds to prefectural governments. Research is being conducted for the possible development of a financial assistance program that will utilize hospital bed data to differentiate and link hospital beds functions to enhance home healthcare and long-term care and to secure healthcare personnel. Research is also underway to evaluate the function of primary care physicians and to promote home healthcare by evaluating the functions of primary care physicians who continuously treat patients with multiple diseases. The third point of this research is to emphasize the evaluation of home healthcare. Track records of home healthcare equipped facilities capable of both 24 hour care and routine home visits will be evaluated on items such as making emergency home visits and providing end-of-life care, for example. We are also considering evaluating home health nursing stations and other home healthcare institutions that have revised their systems.

To create a society that helps extend people's healthy life

years, based on the Japan Revitalization Strategy and the Health and Medical Strategy, it is necessary to create industries that extend healthy life years and to dramatically industrialize health management and prevention services. That will lead not only to the promotion of industry, but also to the reform of the system that delivers healthcare. It is also important to lead the world in developing pharmaceuticals, medical equipment, and regenerative medical products, etc. With the assistance of the Japan Council for Medical Research and Development, which serves as the headquarters for R&D in the medical sector, the Ministry of Health, Labour and Welfare (MHLW) hopes to provide support to clinical studies aimed at realizing their practical applications.

Medical reforms utilizing big data

Nagai: The objective of the report released by the National Council on Social Security Reform, of which I am a member, is to recommend discussing various issues with stakeholders before the start of full-scale policy implementation. This may appear as if people themselves, and not the government, could create a medical system. There are, in fact, some remote areas where, after a healthcare system collapse, an ideal collaboration has emerged. The problem is how to bring such regional alliance systems to urban areas. Differentiating, linking hospital functions and the system of reporting are merely the result; the process by which they were created is important. Utilization of data, especially big data, is essential for controlling a healthcare system in which the persons concerned, and not the government, play the central role. The persons concerned, such as patients living in the area, must create a process by themselves while there still is time to spare. Problems cannot be solved unless all other factors are studied together, such as the number of hospital visits; prevention seen from short-term, medium-term and long-term perspectives; revitalization of communities; and individual views on life and death. In terms of innovations, while it is important to create new technologies and products, we must also keep in mind that the likelihood of creating new technology is not high. It is necessary to evaluate the effectiveness of existing technologies and products. In this respect, big data can be used as "seeds" to evaluate clinical studies and existing medical technologies and products.

Securing of budgets with a good tax-patient burden balance

Shinkawa: The goals of the Abe Administration's healthcare policy are to pass on Japan's world class universal health insurance system to the next generation and to secure its sustainability. To make Japan's universal health insurance system sustainable, systems that provide healthcare in various regions need to change in order to support the area's long-term medical needs. In terms of insurance finances, moreover, premiums and taxes must continue to be invested in a sustainable form. In addition to securing financial resources, the growth of healthcare expenses that are covered by the universal health insurance system must be kept under control.

Other issues that arose during the development of the FY2014 budget include increasing the consumption tax to 8% and how to incorporate the increased tax revenue into the budget. FY2014 will see an increased revenue of ¥5 trillion. It is crucial, however, to implement economic policies to prevent the economy, which is finally recovering from deflation, from stalling and to make absolutely sure



Yūji KANDA



Hirotugu SHINKAWA



Takeo SEKIHARA



Ryozi NAGAI



Toshio MIYATA

that it will not lead to additional burdens on the people. The revision of medical service payments on this occasion entails an addition of 0.1% of the current level. Some may think that since the tax was increased to generate 5 trillion, an equivalent amount of medical service payments should be sharply increased. However, unless a considerable part of this increased revenue is spent to stabilize the current social security system, the sustainability of the universal health insurance system will be put at risk. If viewed from a short-term perspective, we can never make revisions that may lead to an even greater burden on the public in the form of increased premiums and patient burdens, on top of tax hikes. In creating this budget, we used the increased revenue from the consumption tax hike to strengthen and stabilize social security in ways that would prevent an increased public burden as much as possible. Specifically, in addition to enhancing and stabilizing the existing social security system, we made sure that the excess revenue would be spent to assist with medical expenses and to bolster long-term care by reinforcing childcare services to reduce wait times for childcare facilities, establishing a new financial assistance setup for supporting community healthcare and long-term care, and addressing patients' self-payment burdens and insurance premiums to include intractable diseases.

Healthcare reforms, and industrialization and internationalization of healthcare to enable sustainable medical finances

Sekihara: It has been thirty years since I underwent cancer surgery in New York for the first time. It is thanks to Japan's outstanding healthcare, the high quality of the doctors, and the wonderful insurance system that I have been able to live this long. I also find that Japan's medical system has improved tremendously during these thirty years. Facilities and equipment have become better, medical information has increased, the way physicians interact with patients has changed, and medical technologies have advanced. Japan is the only country in the world where all the people can receive such high-level medical treatment with such low medical expense payment burdens. However, the people and the patients do not understand this fact. The Japanese people need to understand this reality. Politicians and the administration should say out loud that Japan has excellent healthcare.

Two things are currently needed to reform Japan's healthcare system. The first point is to push forward healthcare system reform and to make medical finances sustainable. It is crucial to provide explanations to the public about medical expenses and to deal with the diverse problems of the insurers. The second point is industrialization and internationalization of medical care that includes innovation. Unless the reasons that prevent innovation in Japan can be identified, there is no point in setting up a variety of measures. Innovation can only come about in an environment where people with different views come together to compete with each other and learn together as rivals at a high intellectual level and where a certain degree of risk can be permitted.

Securing of financial resources to maintain the universal health insurance system

Shinkawa: Discussions on what health insurance should cover and to what extent it should be carried out when including new areas and eliminating existing areas must continue to be carried out boldly. Consensus must be achieved among everyone concerned that sustainability cannot be guaranteed if we try to cover everything with insurance.

Nagai: We need data not only on drugs but also on advanced medicine to investigate if they are truly necessary or not, in light of cost efficiency. However, these data have not been fully established. Japan's system of providing healthcare has an accelerator to introduce new things but lacks a brake to reexamine existing things. It is inevitable, therefore, that healthcare expenses expand. We must step on the accelerator while considering making integrated evaluations at all times.

Kanda: If seen from the viewpoint of sustainability, taxes cover 37-38% of medical costs, insurance premiums cover less than 50%, and patient burdens cover 13-14%. Since financing had to be carried out with any one of these resources, after the collapse of the bubble economy, all burdens have been placed on the patients. Methods such as revising medical service payments downward several times, and making the entire load lighter, were also taken. I therefore think it is necessary to discuss the essence of cost combinations, focusing on whether or not to increase user burden to avoid the burden of tax and insurance premium payments.

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Miyata: To ensure sustainability amid financial limitations, we need to deepen discussions on the extent of insurance coverage by involving the public and the insurers alike. At the same time, we need to continue to promote industries by enhancing medical innovations. It is important to build a society that can allow a certain degree of risk. It is also extremely important to reexamine existing medical care and to shift to providing cost-effective healthcare services. To do these things, we must create a system for gathering data that can be used for making evaluations.

Session 2

Healthcare as a Driver of Economic Growth

According to the government's Health & Healthcare Strategy, the healthcare field is to be promoted as a strategic industry, and in addition to contributing to economic growth, the aim is for the solutions Japan has pioneered to be disseminated worldwide to provide a new model for coping with a super-aging society. In what specific ways, either directly or indirectly, can the health and healthcare field contribute to economic growth? This session will focus on discussion of the ideal approaches to implementing and promoting these measures.

Mitsuru Izumo

(President, euglena Co., Ltd)

Yuji Kuroiwa

(Governor of Kanagawa Prefecture)

Rami Suzuki

(Corporate Officer, Eisai Co., Ltd.)

Yutaka Hishiyama

(Councillor, Cabinet Secretariat)

Kohei Onozaki

(Former Vice President, Health and Global Policy Institute) (Moderator)

Healthcare as a Driver of Economic Growth

Onozaki: There are many different perspectives on economic growth in the medical field. We have to consider whether growth here means growth in industries related to the medical field or growth in medical services, and whether they actually lead to economic growth. Today, we would like to discuss in more depth how healthcare fields contribute to economic growth.

Enhancing Japan's overall industrial strength through growth of the medical device and drug industry

Hishiyama: The Office of Healthcare Policy is seeking to develop a new medical system via establishment of Headquarters for Healthcare and Medical Strategy Promotion, as well as the Japan Agency for Medical Research and Development. Industrial growth is necessary in industries, such as those for medical devices and drugs, rather than in healthcare itself. Considering the current situation of the Japanese pharmaceutical industry, some people may have the opinion that Japan should not strengthen healthcare, but focus on fields that it is already strong in. Drug development, however, tests the capabilities of the overall academic field and product development, as well as the overall capability of manufacturers in distributing and manufacturing. It requires, for example, capability not only in chemistry and biology, but also in information science and bioinformatics. Therefore, enhancing the overall capability of drug development is thought to consequently enhance the industrial development of Japan.



Approaches to supporting the Abe administration starting with local government

Kuroiwa: We are aware that, under the Abe administration's policies, we should act quickly and even think in a drastically new way if we need to. While a local government of Kanagawa aims to lead the changes and the actions needed in Japan

Efforts should be made to stare changes in Kanagawa Prefecture, a prefecture with a population of 9,080,000. Here in Kanagawa, with a budget close to that of Denmark, a population close to that of Sweden, and two Special Zones (the Keihin Coastal Area Life Innovation Comprehensive Special Zone for International Competitiveness Development, and the Sagami Robot Industry Special Zone), we are planning to promote approaches that other regions in Japan cannot take. Aging of the population in Kanagawa is advancing at the highest speed in Japan, and fundamental reforms are needed because super-aging is not an issue to be addressed by healthcare alone. For these reforms, we need to go back to the fundamental concept of what healthcare is in the first place. I personally do not think of healthcare as the curing of a disease, but would like for healthcare to prevent the onset of diseases. The key to this is to change our lifestyles, considering things such as diet and exercise. These approaches should not be designed based on assumption, but by utilizing big data.

Sharing information via a health information trust

Suzuki: "Health Information System Counsel" a group of approx. 30 companies, including pharmaceuticals, biotech ventures, IT, and consulting firms has been exploring the idea of Health Information Trust which allows the sharing and utilisation of health information under a set of common regulations and boundaries. The Health Information Trust is envisaged to obtain health information on behalf of individuals from medical institutions and health insurances and make them accessible through a personal, online health information account. Individuals are then able to refer to their own health information at any time and choose which information to share with whom and when. The Trust will also make the collected information anonymous for big data analyses. It is important that such health information is high in quality and quantity. Also by combining such longitudinal health information with so called lifestyle information like global positioning system (GPS) data, sleep and exercises and "omics data" including genetic information, we can unveil insights that lead to proactive preventions of major diseases as well as rare diseases and effective medical and social support services. The establishment of Health Information Trust requires considerable resources, and hence we will need empowered task forces and sufficient funds. Unlike conventional cohort and epidemiological studies, I would like to see data being fed back to individuals while ensuring both privacy and process transparency. For instance in the foreseeable future, when the data quality and quantify become sufficient, we may be able to utilise the big data of Health Information Trust as a "control arm" of clinical studies.



Mitsuru IZUMO



Yūji KUROIWA



Rami SUZUKI



Yutaka HISHIYAMA



Kohei ONOZAKI

Fostering young entrepreneurs

Izumo: Although the current administration proposes strategies on healthcare policies, reform of economic growth would be impossible if there were no entrepreneurs to realize it, meaning no players from younger generations. Euglena is an algae (plant), but moves like an animal. In other words, it carries the genes of both plants and animals. In terms of nutritional value, it can produce plant carotenoids, as well as the amino acids that animals are capable of producing. Regarding lipids, it has the capacity to produce both the lipids that plants produce and the highly unsaturated lipids that animals produce. Japan is highly capable in the field of euglena cultivation, and that is why Japan was able to take the initiative to start mass cultivation of euglena. Although you can see that Japan has superior technology, there are not as many researchers and entrepreneurs that are in business compared to the United States, where the environment and their social status are completely different. If we are to promote the industry, it is important to not just set government policies, but to foster entrepreneurs.

Would international development of healthcare lead to company profits and economic growth?

Hishiyama: If we regard healthcare as things, the exported tangibles will become useless overtime. There are several ongoing negotiations in regards to the export of intangibles, such as human resources along with the tangibles. Although these will not be reflected in the economy or GDP immediately after being exported, this change of mindset may change the flow, leading to economic growth.

Kuroiwa: The Global Collaboration Center (GCC) for Life Innovation established in Kanagawa Prefecture is working to allow more global development of food drugs, devices and healthcare products that are slow to be approved in Japan. Promoting exports to overseas may cause further drug lags and device lags, but by doing this, Japanese citizens will be able to see the gap between the world and Japan. Such companies as Hitachi, Konica Minolta, and Sony, which may seem to be irrelevant to both life science and healthcare, gather at GCC. Large companies seeking new stages for in-house ventures are partnering with overseas entities and enhancing the industrial capability and potentials of Japan in healthcare.

Izumo: For the first two years after euglena went on the market in 2006, we submitted proposals to about 500

companies, but were not able to sign any contracts because we had no performance records with any company. After a contract was signed for the first time with Itochu in 2008, various companies started to invest in us. In order for venture companies to be successfully established, senior people must support young entrepreneurs to make the most of their abilities by giving them advice to take up challenges, instead of saying that something without any precedent will fail.

Suzuki: I am confident that medicine will continue to advance. Next few years are very important from this perspective. We are now in the era of studying “why a person is healthy and why a person does not develop a disease”. I believe this approach will lead to the generation of truly innovative medicines.

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Onozaki: Needless to say in regards to healthcare and medical science, the pharmaceutical industry is already becoming extremely globalized. For instance, half of the sales of the five major domestic pharmaceutical companies are from overseas. The classification of foreign companies and domestic companies in itself has no meaning. Just because a company is Japanese does not necessarily mean its headquarters will remain in Japan forever. Foreign countries, on the other hand, are being attracted to Japan not only because our healthcare policies and markets are extremely stable when compared globally, but also because the Abe administration has brought about “a decisive government.” However, a decisive government will not mean anything if the resulting policies have no significance. Private companies should state their opinions more if they have any suggestions. They should not leave everything up to the authorities, but should make demands on policy makers and the government for bills and proposals if they have ideas.

Based on today's discussion, we should cooperate together in developing a scenario to realize economic growth in the healthcare field and to increase tax revenues for the people's well-being.



Session 3

Healthcare Innovation & Global Contribution: Japan's Role in the International Community

The global expansion of healthcare is a priority in the government's Health & Healthcare Strategy. By building mutually beneficial relations in this field, Japan can not only acquire a broader diversity of economic and diplomatic means for international cooperation, but also bring about positive outcomes for partner countries. In what areas can Japan best contribute, and what represents the ideal model for international cooperation? In this session, we will seek to clarify Japan's position in the global context.

Eriko ASAI

(Managing Director, Government Affairs & Policy, GE Japan)

Shiro KONUMA

(Director, Global Health Policy Division, the Ministry of Foreign Affairs of Japan / Member, The Global Health Innovative Technology Fund (GHIT Fund))

BT SLINGSBY

(CEO, Global Health Innovative Technology Fund)

J. Stephen MORRISON

(Senior Vice President and Director, Global Health Policy Center, CSIS)

Alex ROSS

(CEO, Director of the WHO Centre for Health Development in Kobe, Japan)(Moderator)

In what way Japan can contribute to global

Ross: In this session, we will discuss how innovations originating in Japan can be used to address healthcare challenges in developing and middle income countries, as well as across the world, by making use of Japan's technologies and know-how, and taking into consideration global healthcare trends. It is often said that we should "think globally, act locally." It may be possible to apply local examples to other regions of the world as well, and vice versa. In this session, we will consider how to make the most of Japan's knowledge in global healthcare, while introducing concrete examples of how to meet Japan's own health and medical challenges.

Improve existing medical technologies and cope with the challenges of an aging society

Asai: GE's "Healthymagination" initiative is a \$6 billion strategy to revolutionize the world's health by improving the quality, access and affordability of care through innovation by the year 2015.

Based on this "Healthymagination" initiative, GE aims to create a healthcare model in Japan, which is the fastest aging society in the world, and to apply that model globally to regions that face aging challenges. We call this the "Silver to Gold" strategy. As part of this strategy, we have developed a Health Promotion Car in Aomori Prefecture, in collaboration with the public, private and academic sector. This is a compact, multi-purpose vehicle equipped with portable medical devices, which enables healthcare providers to reach out to citizens who may have difficulty accessing hospitals and clinics. This could be a new model for the aging society. We believe that not merely pursuing new technology innovation but also improving existing technologies and utilizing them to meet the local needs important in building the regional healthcare system.

Global health policy upheld by the Abe Administration: The need for a universal health system

Konuma: The global health policy advocated by the Abe Administration includes measures to introduce universal health coverage (UHC) to various countries, as well as strategies to address maternal and child health and infection countermeasures. As shown in the Millennium Development Goals (MDGs), maternal and child health, and the three major infections—AIDS, tuberculosis and malaria—still remain a major challenge in developing countries. On the other hand, increased incidence of non-communicable diseases (NCDs) have become a major problem not only in developed countries but also in emergent countries, where there is an increase in the number of wealthy people, and healthcare services catering to the wealthy are thriving as a private-sector business. UHC provides healthcare services, as a public responsibility, to people in middle income groups and below who cannot be saved by private businesses. This is for the sake of people's health and for creating a market as well. It is important for emergent countries to set goals using their own resources while carrying out NCD countermeasures. With the world's disease structure becoming diversified, UHC offers medical and healthcare services to as many people as possible while successfully using a country's own funds to address local health challenges. Therefore, including UHC on Post-2015 development agenda is an important task of global health and it should move forward. I am convinced that UHC can have a positive influence on the economy as well as encouraging developing nations to take initiative to create a health and medical market, which enhances the health of their people and encourages the participation of healthy people in economic activities.

Partnership to develop drugs and vaccines for developing nations

Slingsby: The Global Health Innovative Technology Fund (GHIT) is the world's leading product development fund specializing in global health R&D, established by the joint contributions of three key partners: the Japanese Government, a group of Japan's leading pharmaceutical companies, and the Bill & Melinda Gates Foundation. Of the world's population of seven billion, approximately three billion people are still exposed to infectious diseases, such as tuberculosis and malaria. The spread of these infectious diseases hampers the economic expansion of developing countries, prevents the functioning of market principles, and delays development of the necessary drugs and vaccines. To address this problem, the GHIT facilitates global R&D between Japanese and non-Japanese entities, making use of Japan's expertise, technology and innovation. Because drug development requires significant investments, GHIT is paving the way for public-private partnerships (PPPs) between Japan and the world to promote R&D of therapeutic drugs and vaccines, and diagnostics that are expected to improve health and save lives in developing countries. Currently, 22 projects are already under way. We plan to conduct further activities and bring medical products initiated in Japan to market as promptly as possible to solve global health issues.



Eriko ASAI



Shiro KONUMA



BT SLINGSBY



J. Stephen MORRISON



Alex ROSS

Japan's universal healthcare system and commitments

Morrison: As the Sustainable Development Goals (SDGs) has been developed, Japan's focus on UHC leveraged against its considerable experience in several areas of health development, including its role in the launch of the Global Fund, has resulted in UHC being put forward as a central concept. Questions have emerged as a result of the Japanese Government's focus on UHC because the specific details of how Japan plans to implement its stated goals remain unclear. The key components of UHC as recently stated by the World Bank and WHO include ensuring equity and financial protection, affordable access to a comprehensive set of quality services, and providing tools to measure progress. Implementing UHC calls for updates to multiple systems that drive health care requiring technically equipped actors engaged in a systems approach that have not yet been displayed. While there are various opportunities to collaborate in terms of global health, the US will remain hesitant to consider UHC domestically due to politics and internationally due to the focus of US development aid on lower income countries, where UHC is not yet a feasible option. I am optimistic about US-Japan partnership, yet caution both the US and Japan to question their levels of expertise in driving UHC in other countries to avoid raising expectations that are not sustainable.

Effective approaches for Japan to contribute to global health through medical innovations

Asai: The key is to build capacity of human resources that can leverage the skill sets born in Japan and take leadership globally. On the other hand, to secure access, cost and quality of healthcare services in the face of the aging demographic challenges, it is important for Japan to learn and collaborate with other countries in solving these issues.

Konuma: In Japan, the setup of universal health insurance coverage played a major role in enhancing the health of the Japanese people. Constructing a healthcare system that around UHC while attaining economic growth is important to protect the health of the people and to make a

country grow and develop. Japan, with its own experiences, can contribute to global health through promoting UHC through discussions across various ministries and agencies.

Slingsby: In the area of drug development, Japanese companies have a broad compound library. PPPs are the key for making use of Japan's knowledge and technologies and to facilitate partnerships to develop drugs for developing countries in an effective and efficient manner.

Morrison: The entire world is watching closely as Japan forms partnerships between multiple stakeholders transcending national borders and is waiting to see what concrete commitments Japan will make to increase its contributions to the field of global health.

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Ross: The world is witnessing a demographic shift in terms of an aging society with fewer children, as well as major changes in the disease epidemiology with an increased incidence and prevalence of NCDs and other diseases. Therefore, there is an urgent need to introduce and establish innovative medical and healthcare products, approaches, and strategies that are accessible, available, affordable, acceptable, and of good quality. When considering ways to resolve global health issues, it is important not only to apply Japan's technologies and know-how in various other countries, but also to explore ideas from health and medical systems of other countries that could be applied in Japan. Ensuring equity of access is now a universal idea. Innovations for solving global health issues may be created not only by advanced economies, but also through adaptive and "reverse" innovation. The latter make use of simple technologies, and/or of products and approaches that are developed in low income settings and exported to higher income. Discussions on UHC that are currently the focus of attention can lead to stronger health and medical systems, and ensuring financial protection, in middle income and developing countries. Noteworthy is the need to support and learn from Japan's management and balancing of health and social support services for, and impact of, ageing populations with UHC and long term care insurance. It is also important that all of us in development and health carefully consider the cultural contexts of each country as we move forward. We need to continuously promote the building of partnerships among multiple stakeholders across national borders as we work towards solving global health issues. The World Health Organization (WHO), including the WHO Kobe Centre, will support countries technically, by providing guidance, fostering and promoting innovation, and partnership building where needed.



Session 4

On The Frontier of Japan's Future

In this session, in summing up the day's discussions, we will ask where the frontier lies that each stakeholder can advance towards right now in order to open up a new future for Japan. Through discussion with panelists active in various fields, we hope to clarify where these frontiers lie.

Hiromitsu TAZAWA

(Senior executive Vice President, Miraca Holdings, Inc.)

Yasuchika HASEGAWA

(President & CEO, Takeda Pharmaceutical Company Limited)

Hirofumi HIRANO

(Chief Executive Officer – KKR Japan)

Atsuko MURAKI

(Vice Minister, Ministry of Health, Labour and Welfare)

Tadayuki TAMAI

(Deputy Managing Editor and Editorial Board Member, The Yomiuri Shimbun Newscaster, "Shinsou News", BS Nippon Television Network) (Moderator)

Healthcare Innovation & Global Contribution: Japan's Role in the International Community

Tamai: We would like to share ideas and knowledge and discuss how we can create new innovations in the healthcare field for the future of Japan and about how this field can be utilized as an engine of growth, placing it as one of the country's core growth industries.

New development through the entry and cooperation of other fields

Muraki: When something new is created or expands rapidly, there is always something unexpected that comes in, which serves as a trigger for new developments in other fields, such as a demand that people from different fields have to work together.

The frontier in the medical field, first of all, is the power of women and young people in companies and medical institutions. As a national policy, childcare is likely to be expanded from 2014 using consumption tax revenue. Companies and medical institutions should then consider making use of women's power. Second is the cooperation of healthcare and long-term nursing care. Care should not end in hospitals or nursing facilities, but instead, regional service providers should be taken into consideration from the perspective of beneficiaries when we think about the impacts of service on people's lives. Third is the idea of management in the medical and welfare fields. We can improve the quality of management, utilize ICT technology, introduce mechanization, analyze operation processes, and consider the potentiality of introducing the benefit from economies of scale into the medical and welfare fields. Fourth is how to utilize the influences we receive from overseas and how to make our experiences utilize to overseas. From an administrative standpoint, I am interested in the possibility of exporting the public health insurance system, the source of revenue, along with the healthcare of Japan.

Provision of medical information to contribute to medical care and health

Tazawa: Information on medical care and health have been subordinate topics when discussing medical policy and growth strategy, but there will come a time when drugs and medical devices will come together to contribute to medical care and health. Developing information about cost-effective medical treatments and prevention techniques is especially important. Standards and rules on IT infrastructure are necessary regarding information that enables the gathering of data related to medical expenses and efficient healthcare in order to develop cost-effective medicines. There are, however, neither current standards for medical information nor guidelines for personal information, ethics, the web environment, and the cloud environment. We will need to develop standards and rules for IT infrastructure.

For early detection and prevention, it is important for information to be provided on how to avoid diseases as well as on early diagnosis and treatment. Laws in this area, however, are limited because it is not an area of medical treatment, and standards for ethics of medical information and for anonymization and encryption of personal information vary among ministries and agencies. Therefore, the development of rules and standards for non-treatment examinations along with their quality standards is an urgent issue. In order to be able to provide rational and valuable information in terms of cost-effectiveness and prevention, rules must be developed at an international level.

New challenges in a global environment

Hasegawa: We must first think about what approaches to take when the growth engine of the pharmaceutical industry is currently shifting towards emergent countries. Seventy percent of the global growth in the pharmaceutical market can be seen in emergent countries, including BRICS. Globalized companies in Japan must contribute to improving the quality of healthcare services in emergent countries, while at the same time contribute to Japan via tax payment. Next we must think of how to make breakthroughs in the current situation where the entire pharmaceutical industry is facing difficulties in technological innovation. In the past 10 years, major pharmaceutical companies in Japan have invested a few trillion yen to acquire biotech venture companies in the United States and Europe, but have been unable to achieve good results.

Instead of repeating the same approaches that were made in the past, we need the courage for new challenges. As a member of the Industrial Competitiveness Council, I would like to promote approaches to have foreign companies





Hiromitsu TAZAWA



Yasuchika HASEGAWA



Hirofumi HIRANO



Atsuko MURAKI



Tadayuki TAMAI

establish businesses in Japan by developing an environment in the National Strategic Special Zones where they can take advantage of easy procurement of visas, development of infrastructure, and a privileged tax system. It is important for us to develop an environment where people from various countries can influence each other. Lastly, we must think about how to maintain and strengthen the position of Japan, where innovative drugs are continuously being developed. Takeda Pharmaceutical Company Limited sets targets to reform its operations from various angles in order to become globally competitive, and the company is doing everything it can to achieve those targets. For example, Takeda appointed personnel who are at a global standard as the heads of its major departments. This plan was achieved with the appointment of a 47-year-old French person as my successor. Takeda executed this plan because it lacked sufficient internal human resources with the experience, knowledge, and leadership to enable the company to compete in a global environment.

Combination of global reach and local depth

Hirano : KKR invests eight trillion yen in about 80 companies using a long-term investment strategy called private equity. Private equity fund is a common fundraising strategy in the United States and Europe, but it is not yet well known in Japan. KKR has recently invested in Panasonic Healthcare because it concentrates on investments in healthcare businesses, and Panasonic intended to sell their healthcare business to revise their portfolio so that they can concentrate on such areas as automobiles and housing. Most of KKR's medical-related global investments are not only in manufacturers of drugs and medical devices but also in companies related to healthcare services. KKR is working to achieve satisfactory results for all stakeholders, including patients, healthcare professionals, citizens, the country, and investors. Based on KKR's concept of combining global reach and local depth, it is planning to cooperate with Panasonic Healthcare to create business opportunities in Japan and to enhance marketing, which becomes a common issue for Japanese corporations when they expand their businesses overseas.

Actions for frontiers

Muraki : In terms of cooperation between healthcare and care for the elderly, we are aiming to establish a local comprehensive care plan to create a system that people



can stay in the region they live as possible as they can with visiting care and medical treatment, and enter hospitals or nursing facilities if they have any problems, and then return home again. The most important thing is creating combination of healthcare and long-term nursing care to establish plans and systems that suit each region with financial support from social security.

Hasegawa : Executives are people who create innovations. Their job is to constantly look for anything that should be innovated and to implement those innovations. Since neither organizations nor people are perfect, nothing will ever satisfy them. With Japan having the chance to go back to the path of economic growth, people should work as hard as they can according to their position.

Tazawa : Considering the situation where needs are increasing due to a decreasing birthrate and aging population with insufficient sources of revenue, we cannot expect the Japanese market to expand without going into foreign markets. However, since the market for information industries overseas is far larger than that of Japan, rules must be developed so that we can be sufficiently competitive. To avoid unnecessary risks, rules must be developed first to serve as the basis to help us prepare to fight both domestically and internationally.

Hirano : The environment surrounding investment funds is slow, but it is gradually changing. These changes shall hopefully continue. There are still many challenges to overcome, but it is important for us to steadily achieve fund results. By doing this, the significance of what we are doing will probably be better understood.

* * * *

Tamai : A decreasing birthrate and aging population tend to be regarded as difficulties from a financial perspective, but in order to view them in a positive light and to regard them as prolonged life and extended healthy life expectancy, it would be best to take actions starting from what we can do right now.

Closing Remarks

With globalization, developed countries are increasingly facing the same social issues, such as the aging of society, financial difficulties, unsatisfactory economic growth, and countries' substantial debt. Healthcare and pension problems are the most important political issues in these countries. People are aware of issues faced in a democratic country, including whether it is appropriate for every vote to have an equal value in an environment in which the proportion of elderly is rising and what will happen in the future to the young people who are supporting the elderly.

When working to solve these problems, it is important to look at not only the strengths of the country but to be aware of the weaknesses. Japan's weakness is that, in response to personal issues, people immediately consult a government office before trying to first address them on their own. They lack accountability. The original meaning of accountability is the obligation to accept personal responsibility, but the word is translated as "the responsibility to explain" (*setsumei sekinin*) in Japanese. Explaining is something necessary only to determine whether you are fulfilling your responsibilities. What is important is not to give an explanation, but to fulfill your own responsibilities.

Another weakness of Japan is that people are criticized if they do something different. The Japanese tend to point out the problems of others, but before they do that, they should look at themselves to see whether they have done what they are supposed to do. Anyone can say what they think is right.

We must consider the fact that confrontations within an area will impact the world, and we must think of ways to manage the aging society and to address the risk of expanding income gaps. As a forerunner of emergent country issues, Japan must show the world how to approach them. As "Japan" from an international perspective, each one of us must think about how to fulfill our own responsibilities and must put them into action.

As we have been discussing, there are many issues that we must consider, but at the same time, interesting approaches, such as those that were introduced today, are also being initiated giving us some hope for the future. It is important now for each of us to think of what messages we should send to the next generation and what we should leave for them.

Many opinions have been expressed at this summit, but we have not yet reached any clear solutions. As the biggest turning point since the industrial revolution will definitely occur, we shall continue to hold discussions at opportunities like the one we had today.



Summary

Comprehensively the issues of health and health policy of the current administration was discussed at Health Policy Summit 2014. The symposium manifested where the frontier for each stakeholders to take a step for tomorrow through discussion on how to open the way to the future of Japan in order to determine its standing position in the field of medicine.

Session 1 Key Points of the Abe Administration's Health Policy

Following areas of discussion was developed after challenges and promotion of health policy of the current administration:

■ **Key points of the current administration's health policy**

- Promoting the differentiation and linkage of healthcare functions, creating industries that extend healthy life years, such as health management and prevention services, and promoting R&D in the medical sector

■ **Securing of financial resources to maintain the universal health insurance system**

- Continued discussions on the extent of insurance coverage, review of the cost effectiveness of existing drugs and advanced medicine, and medical reforms utilizing big data

Session 2 Healthcare as a Driver of Economic Growth

On the basis of the health care strategy, the process of medical contribution in enhancing economic growth was discussed.

■ **What is required for the medical field to contribute to economic growth**

- Enhancing the overall capacity of the healthcare field through drug development, collecting and communicating good examples of local government and private sector enterprises, creating and utilizing high-quality datasets, and fostering young entrepreneurs

Session 3

Healthcare Innovation & Global Contribution: Japan's Role in the International Community

The discussion about how Japan should contribute to health issues around the world was organized as follows:

■ **What Japan can do to contribute to the global health field**

- Improving existing medical technologies, supporting the development of the universal health coverage (UHC) scheme, and promoting R&D of therapeutic drugs and vaccines through the global public-private partnerships (PPP).

Session 4 On The Frontier of Japan's Future

For Japan to open up its future, following actions were proposed through discussion of the frontier for each stakeholder to take a step for tomorrow.

■ **Actions at the policy level**

- Enhancing the medical and healthcare system with regard to current conditions of communities, and developing policies as a basis for competing on equal terms with overseas markets

■ **Actions at the private level**

- Always searching for and making changes, and achieving solid results from what has been carried out

As discussed in this session, effective strategies require a broad, long-term vision and HGPI will continue to be a platform for the sharing of the most effective strategies while supporting and encouraging stakeholders to take the necessary steps toward real progress.

About HGPI

Since its establishment in 2004, the Health and Global Policy Institute (HGPI) has been working to help interested citizens shape health policies by generating policy options and bringing stakeholders together as a nonpartisan think tank. HGPI's mission is to improve civic and individual well-being and to foster a sustainable healthy community by shaping ideas and values, reaching out to global needs, and catalyzing society for impact. HGPI commits to activities that bring together relevant players in different fields to provide innovative and practical solutions and help interested citizens understand choices and benefits in a global, long-term perspective. HGPI promotes a Global Citizen Nation by building a society for people with various backgrounds and different values.

It aims to achieve a sustainable, healthy, and more prosperous world. The Institute has been ranked in the top 19 think tanks worldwide in the field of health policy, according to the "2012 Global Go-To Think Tank Rankings" announced by the University of Pennsylvania in January 2013. The Institute has been in ranking for four consecutive years.

Supporting Organizations

(as of Jan, 2014)

AstraZeneca K.K. Eisai Co., Ltd. SRL, Inc. MSD K.K. Office of Naval Research Kyowa Hakko Kirin Co., Ltd. GlaxoSmithKline K.K. Global Health Innovative Technology Fund (GHIT Fund) * Sanofi K.K. GE Healthcare Japan Corporation Japan Tissue Engineering Co., Ltd. ZENROSAI Takeda Pharmaceutical Company Limited World Health Organization (WHO) Cheerio Corporation CHUGAI PHARMACEUTICAL CO., LTD. NIPRO CORPORATION Eli Lilly Japan K.K. Nippon Becton Dickinson Company, Ltd. Medtronic Japan Co., Ltd. Novartis Pharma K.K. Novo Nordisk Pharma Ltd. Baxter Limited Panasonic Healthcare Co., Ltd. BILL & MELINDA GATES Foundation Pfizer Inc. Philips Electronics Japan, Ltd. Project HOPE Mitsubishi Chemical Holdings Corporation Miraca Holdings Inc. * MEDICEO CORPORATION Medtronic Foundation Yakuju Corporation Janssen Pharmaceuticals KK LIVESTRONG Foundation Lundbeck Japan K. K. Individual Members

HGPI's Activity



Health Policy

A Driving Force for the Transformation of Health Policy

To develop a health policy fit for purpose in meeting Japan's challenges in the medium to long term, our aim is to be a driving force to promote change at both the domestic and global level by incorporating new ideas and values drawn from broad perspectives to formulate feasible solutions and present policy options to society.



Commission on Citizens and Health

Fostering Patient Advocates throughout Japan

With a mission to achieve the best medical care for society by promoting the direct involvement of patients and citizens in the health policy-making process, and through the activity of patient advocates working as part of a unified six-stakeholder approach, we aim to realize the adoption and implementation of more effective health policy and to overcome regional disparities through the provision and standardization of the highest quality medical and nursing care across the country.



Global Health Policy Center

Addressing Global Health Challenges

The Global Health Policy Center conducts research and works to raise awareness of policymaking in the field of global health. We also aim to increase both the number and capability of human resources working in the international community by enhancing the means and stimulating motivation to address global health challenges.

Cancer Survivor Forum (Dec 7, 2013)

A Cancer Survivor Forum was held on the occasion of the "Over Cancer Together" Campaign of November 2012. This forum enabled cancer survivors to express their unique stories of living with cancer, to share challenges of practicing "survivorship (living with cancer)" in real-life context, and to raise awareness to reduce the stigma often attached cancer. A total of 1000 people at the venue and online participants through USTREAM learned about cancer and gave their thoughts on a society without stigmatization which would empower each individual to live a full life albeit with cancer.



NCD Japan Forum 2013 – The Role of Japan in International NCD control (Nov 30, 2013)

NCD Alliance Japan aims to contribute to the promotion of comprehensive and cross-sectional disease control through discussion with multiple stakeholders involved in each respective disease. This forum aimed to clarify the strength of Japan in NCD control, and discussed how Japan can contribute to International NCD control.



COPD health and its social impact – the report of the study meeting of the non-partisan Diet members (Nov 28, 2013)

Health and Global Policy Institute conducted the research on the negative socio-economic impacts of Chronic Obstructive Pulmonary Disease (COPD). To reflect the results of the research, the present Diet members and related associations undertook discussions of the following points: 1) a system needs to be developed/implemented to allow early detection and treatment of COPD; 2) a program is required to increase the number of medical specialists to provide appropriate treatment and care; 3) a strategy is required to promote partnerships among multi-stakeholders; 4) a non-smoking campaign is needed with specific targets; and 5) steps should be taken to implement an awareness raising campaign at a national levels.



New Program: Patient Advocacy College (Nov 18, 2013)

A learning curriculum for patient advocates, compiled by Health and Global Policy Institute's Commission on Citizens and Health. It was drawn upon the accumulated knowledge and insight gained through the Cancer Policy Information Center program (2009-), learning from disease areas where advocacy activity is already established. This college is utilizing information gathered from overseas and other sources. The contents are provided in booklet and video form through its website.



Series "Solution for Global Health Issues" (Co-organized by GHIT Fund) (From Oct, 2013)

While many developing countries enjoy rapid economic growth as a consequence of open markets and new business opportunities, many still suffer from limited access to medical resources for three major infectious diseases such as HIV/AIDS, Tuberculosis, Malaria, and NTD (Neglected Tropical Diseases).

As public funding is limited, an innovative business model known as Public-Private-Partnership (PPP) plays an important role in solving global health issues in developing countries. PPP refers to utilization of government services or private business ventures, which are funded and operated through a partnership of government and one or more private sector companies.

[1st] "Solution for Global Health Issues -Public Private Partnership-" (Oct 23, 2013)
[2nd] "Key players of Global Health Research and Development (R&D)" (Dec 3, 2013)



Organizing "Hamarassen Kitchen" to promote good health through food (As of October 2013)

As a measure to prevent those in temporary housings from becoming socially withdrawn or housebound, "Hamarassen Kitchen" was organized as activity to combine cooking classed and dinner parties using local ingredients with guidance on health. As well as encouraging participation in community activities among those at risk of becoming socially withdrawn, the activity also contributes to promoting good health in the community overall.

* In the local dialect of Kesennuma, "Hamarassenn" means "Welcome" or "come on in".



Japan Business Press Online - Series of "Consideration for Public Health" (From Aug, 2013)

This article series started in order to explain in plain language what the Japanese medical system should be from the perspective of patients and their families. The current universal health insurance coverage system of Japan will continue to bring an increased financial burden. Additionally, the system does not meet today's patients' needs, the age of information technology or take account of advances in medicine. Faced with these realities, the current series of articles aim to promote a discussion of what should be changed and what we can do in end users' lives in order to improve the situation.

HGPI continues to provide information on domestic and international health topics in a timely manner for the public, so that people consider their health issues with greater awareness.



"Global Health Summer Program 2013" (July 27-Aug 3, 2013)

Health and Global Policy Institute organized a "Forth Global Health Summer Program", co-sponsored with the Department of Global Health Policy at the University of Tokyo's Graduate School of Medicine. The aim of the program was to discover and develop young talent capable of becoming next-generation leaders in the global health field, through the program that enabled them to interact with leaders from diverse backgrounds who were active at the front line and to devise an action plan.



International Symposium 2013 Investments in Health: The Key to Economic Development in Africa (May 31, 2013)

The challenges of sustaining healthy workforces and consumer markets are becoming more and more critical to businesses around the world as a rapidly developing African market attracts international audiences. What can corporations do to promote health in Africa? What is the impact of a healthier population, and how can it be leveraged for increased economic growth? This symposium looked at health as a key to achieving sustainable development in Africa by inviting business leaders from Africa and Japan and representatives of several international organizations to talk about their own experience with public-private partnerships for health and offered some suggestions for how corporations of all industries and all sizes can approach to health issues in Africa.



Cancer Policy Summit 2013 (May 17-19, 2013)

Total 180 people gathered for Cancer Policy Summit 2013 who were Patient advocates, Diet members, Governmental Officials, Medical Providers, Media and Industry. People have shared best practices of action plan to meet expected outcomes of The 2nd Prefectural Cancer Control Plan.

Attendees have carried out the ideas which came from the discussion of the Summit to adopt to own prefecture's action plan for coming 5 years.





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