

## **Japan**

# Health Expenditure and Finance Data presented in *OECD Health Data 2013* are based on:

Joint OECD-Eurostat-WHO	SHA-consistent national	Locally produced national	National accounts estimates
SHA collection	health accounts	health accounts	
1995-2010			1960-1994

NOTE: Data are extracted from the 2013 Joint OECD-Eurostat-WHO Questionnaire and, at the time of publication, are not fully validated. Therefore, they should be considered as preliminary estimates and may be subject to refinement.

#### **SHA Implementation Weblink**

www.oecd.org/document/26/0,2340,en 2649 33929 33884378 1 1 1 1,00.html.

## Main Data Sources (most recent data year):

Public expenditure:

Expenditure on personal health

Expenditure on medical services

- National Medical Expenditure (MHLW: Ministry of Health, Labour and Welfare)
- Survey of Medical Care Institutions (MHLW)
- Hospital Report (MHLW)
- Survey on Social Medical Treatment by Type of Services (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)

Expenditure on medical goods

- Survey of Pharmaceutical Industry Production (MHLW)
- Statistical Report on Welfare Administration (MHLW)

Expenditure on collective health care

Prevention and public health

- Commentary on National Tax Revenues Allocated to Local Governments (Ministry of Public Management, Home Affairs, Posts and Telecommunications)
- General Survey on Wages and Working Hours System (MHLW)

Expenditure on health administration and insurance

- Annual Report on Long-Term Care Insurance (MHLW)

Total investment on medical facilities

- Annual Report on National Accounts (Cabinet office)

#### Private expenditure:

Expenditure on personal health

Expenditure on medical services

- National Medical Expenditure (MHLW: Ministry of Health Labour and Welfare)
- Survey of Medical Care Institutions (MHLW)
- Hospital Report (MHLW)
- Survey on Social Medical Treatment by Type of Services (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)
- Profit-and-Loss Statement (The Life Insurance Association of Japan)

Expenditure on medical goods

- Survey of Pharmaceutical Industry Production (MHLW)
- Statistical Report on Welfare Administration (MHLW)

For further information see www.mhlw.go.jp/english/index.html.

## **Notes on Data Comparability:**

Departures from OECD/SHA Boundary and Classifications

Most recent health expenditure estimates from Japan are missing a number of elements from the OECD/SHA framework:

- No data is available for the general government's management costs.
- Private investment is not available separately: Incomes are from the medical providers' perspective due to payments from insurance to medical service providers. Private medical providers allocate investment from the incomes. Thereby private investment is already included in other medical services from the payers' perspective.
- Some expenditure by central and local governments on administration of health care services.
- Private households' out-of-pocket expenditure: no calculation is made as to the medical treatments not covered by insurance (dental treatments not covered by insurance are only included since 2009, Judo-orthopaedy, massage, acupuncture), etc., because no data is available.
- Households' out-of-pocket payments: estimations were made by the National Accounts department based on Household survey Data from the budget reports.
- Corporations (other than health insurance): only includes medical check-up by corporations. Estimation of occupational health services: number of occupational health personnel multiplied by the fees paid by employers. Data from budget reports.
- No data available for cost-sharing.
- No data available for Rest of the world.
- Expenditure for out-of-pocket or by private insurance agents on medical services not covered by national medical insurance schemes.

#### These include:

- Advanced or experimental medical procedures including clinical trials
- Acupuncture and other forms of traditional healing
- Some medical check-ups
- Upgrade in hotel services for in-patient care
- Voluntary dental care
- Expenditure for private insurance companies to supplement co-payments on health services covered by the national medical insurance schemes.
- Expenditure on health insurance to cover medical expenses for residents of Japan while travelling abroad.
- Expenditures made by non-profit institutions to finance health care to disadvantaged citizens.
- Services of curative care: specified medical care services coverage and highly advanced medical technology are included only since 2009. A calculation is made since 2009 for fees for rooms equipped with the environment for specified medical care. Dental treatment not covered by insurance are included since 2009. Other medical treatments not covered by insurance (Judo-orthopaedy, massage, acupuncture), etc., are not considered because no data is available. "Day cases of curative care" exists as a concept but it is impossible to classify this category. Thus this is included either in In-patient curative care (HC1.1) or Out-patient curative care (HC1.3).
- In-patient rehabilitative care is included in In-patient curative care (HC1.1). Number of social personnel in Nursing and residential care facilities multiplied by the average salaries of social personnel categories and with the social insurance contributions.
- Days cases of rehabilitative care are covered by health care insurance and are included in either HC1.1 or HC 1.3.
- Out-patient rehabilitative care is included in Out-patient curative care (HC1.3).
- Home-visit rehabilitation covered by the health care insurance, which is part of Services of rehabilitative home care (HC2.4) is included in Services of curative home care (HC1.4).
- No data available for day-cases of long-term care.
- Expenditure on clinical laboratory and diagnostic imaging is included in services of curative care.
- Medical goods dispensed to out-patients: no estimation is made except for glasses, hearing aids, mercury thermometers, mercurial column-type blood pressure gauges and prosthetic appliances and wheelchairs in the Work Report for the Social Welfare Finance.
- Health administration and health insurance: no data is available for the government sector's management costs.
- Capital formation of health care provider institutions: no data is available for capital investments by the private sector and by local governments.
- No data available for Education and training of personnel, Research and development in health, Food, hygiene and drinking water control, Environmental health, All other services classified under Health-related expenditures and Administration and provision of health-related services.

- Nursing and residential care facilities: medical care services at long-term care welfare facilities for the elderly exist but no estimation is made for these services because no data is available.
- In-patient long-term nursing care: number of social personnel in nursing and residential care facilities multiplied by the average salaries of social personnel categories and by the social insurance contributions.
- Providers of ambulatory health care: no calculation is made for medical treatments not covered by insurance (dental treatments not covered by insurance, Judo-orthopaedy, massage, acupuncture), etc., because no data is available.
- Retail sale & other providers of medical goods: no estimation is made except for glasses, hearing aids, mercury thermometers and mercurial column blood pressure gauges.
- Wages and salaries and Social benefits: no data available.
- Self-employed income: no data available.

## Breaks in series:

Data for 1995 to 2010 are based on new Japanese national health accounts, estimated as pilot implementation of the OECD manual "A System of Health Accounts". Consequently, the comparability of data over time is limited and there are several breaks in series.

See also Note on general comparability of health expenditure and finance data.

## Variables with Specific Notes in Sources and Methods:

## 1) HEALTH EXPENDITURE

#### Total expenditure on health

Source: Ministry of Health, Labour and Welfare, National Medical Expenditure Estimates (and earlier issues) (in Japanese).

- Data from 1995 to 2010 are based on new Japanese national health accounts, estimated as pilot implementation of the OECD manual "A System of Health Accounts". Consequently, the comparability of data over time is limited and there are several breaks in series.
- 1960-1994 Economic Planning Agency, Annual Report on National Accounts, Part 1, Supporting Table 7, line 4 (in Japanese, though a partial translation in English is available).
- The data is based on the fiscal year (April 1 to March 31). All ratios using financial data (flows) and other data such as employment should preferably be calculated with data based on the mean at 1st April of two corresponding years.
- The estimating methodology of total expenditure, comprehensive of all delivery, differs from that of disaggregates, usually limited to programs monitored by the Ministry of Health.

#### **Current expenditure on health**

- Consumption of fixed capital is included for non-market providers.
- Source: Annual Report on National Accounts (Cabinet office).

#### Total investment on medical facilities

2003-2010: Annual Report on National Accounts (Cabinet office).

- No data is available as to capital investments by the private sector and by local governments.

#### Public investment on medical facilities

- 1995-2010: Amount of investment in medical facilities of government and public medical institutions and that of public health facilities for the elderly (excluding that of hospitals in affiliation with national universities and of specific functional hospitals).
- Until 1994 Economic Planning Agency, Annual Report on National Accounts, Part 1, Supporting Table 7, line 4 (in Japanese, though a partial translation in English is available).

#### Private investment on medical facilities

- Private investment is not available separately - Incomes from the medical providers' perspective due to payments from insurance to medical service providers, private medical providers allocate investment from the incomes. Therefore, private investment is already included in other medical services from the payers' perspective.

## **Expenditure on in-patient care (total, public, private)**

Source: Ministry of Health, Labour and Welfare, National Medical Expenditure Estimates (and earlier issues) (in Japanese).

- Includes public subsidies for hospitals and normal childbirth expenses.

## **Expenditure on out-patient care (total, public, private)**

- Includes share of expenditure by hospitals and clinics on medicines dispensed in their out-patient wards.
- Medical care expenditure for outpatients (including dental care expenditure and public subsidies for clinics) (excluding expenses of medicines prescribed by hospitals). Expenditure on clinical laboratory and diagnostic imaging services is also included.

## **Expenditure on day care**

- Although Japan is able to report expenditure on daycare separately, the majority of countries are not able to do so. Therefore, to make the expenditure data more comparable across countries, daycare expenditure for Japan has been included in total, public and private in-patient expenditure.
- For reference, Total expenditure on daycare in 2002 was 306 640 million Yen.

## **Expenditure on ancillary services**

- 2003-2010: The Life Insurance Business in Japan (The life insurance association of Japan). National Health Expenditure (MHLW).
- "Clinical laboratory" and "Diagnostic imaging" are included in curative care.
- Expenditure on clinical laboratory is included in the "Expenditure on outpatient care" item.
- Expenditure on diagnostic imaging services is included in the "Expenditure on outpatient care" item.
- Ancillary services includes the patient transport expenses covered by the public health insurance system and the expenses of emergency rescue services.

## Expenditure on curative and rehabilitative care

- 2003-2009: The Life Insurance Business in Japan (The life insurance association of Japan).

National Health Expenditure (MHLW).

Specified medical care services coverage and highly advanced medical technology.

A calculation is made for fees for rooms equipped with the environment for specified medical care since 2009, dental treatment not covered by insurance is included since 2009. Other medical treatments not covered by insurance (Judo-orthopaedy, massage, acupuncture), etc., are not considered because no data is available.

"Day cases of curative care" exists as a concept but it is impossible to classify this category. Thus this is included either in in-patient or out-patient care.

## **Expenditure on dental services (total and public)**

- Dental care expenditure (excluding expenses of medicines prescribed by the dental department of hospitals). Expenditure on clinical laboratory and diagnostic imaging in the dental department is also included expenses of dental care not covered by public health insurance system are included since 2009.

## **Expenditure on Prevention and public health services**

For 2003-2010:

Maternal and child health; family planning and counseling

- Maternal and Child Health in Japan.
- Note: Due to major changes in data source previously used for the estimation, there is no data for 2008. The value is substitute by that of previous years.

School health services

- School Health Examination Survey;
- Commentary on National Tax Revenues Allocated to Local Governments (Ministry of Public Management, Home Affairs, Posts and Telecommunications);

Prevention of communicable diseases

- Commentary on National Tax Revenues Allocated to Local Governments (Ministry of Public Management ,Home Affairs, Posts and Telecommunications).

Occupational health care

- Annual Report(Social Insurance Agency)

- Annual Report (National Federation of health insurance societies)
- Annual Report (Federation of National Public Service Personnel Mutual Aid Associations)
- Annual Report (Pension Fund Association for Local Government Officials)
- Annual Report of National Health Insurance (MHLW).

## Private expenditure on prevention and public health

- Part of medical expenses included in companies' health and welfare expenditure.

## Public expenditure on health administration and insurance

- This includes the expenses needed for the implementation of public funding system of medical care for intractable diseases, expenses of the management of health insurance system, health service system for the elderly and retired people's health care system (excluding the expenditure of the Ministry of Health, Labour and Welfare).
- For 2003-2010: No data is available as to the government sector's management costs.

## Private expenditure on health administration and insurance

- Private life insurers' administrative expenditure on health care benefits (excluding the administrative expenditure on health care benefits of non-life insurers).

## **Expenditure on long-term nursing care**

- 2003-2010: National Health Expenditure (MHLW). Survey of Long-term Care Benefit Expenditures (MHLW). The Life Insurance Business in Japan (The life insurance association of Japan).
- 2000-2002: Ministry of Health, Labour and Welfare, Annual Report of Medical Operation for the Elderly (in Japanese) All Japan Federation of National Health Insurance Organisations, Report on benefits of long-term care insurance (in Japanese).
- In Japan, public long-term care insurance was introduced from 2000.
- Until 1999: Ministry of Health, Labour and Welfare, Annual Report of Medical Operation for the Elderly (in Japanese) Expenditure on health care facilities for the elderly (medical care expense at health care facility for the elderly, fees for health care facilities for the elderly), medical care expenses and food expenses during hospitalisation related to beds (hospitals) for the elderly, and home health care expenses (excluding the part of medical care expenses and food expenses during hospitalisation related to medical rehabilitation-oriented beds).

#### Inpatient long-term nursing care

- National Health Expenditure (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)

## Long-term nursing care: home care

- National Health Expenditure (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)

#### Social services of long-term care

- Survey of Long-term Care Benefit Expenditures (MHLW)

#### **Expenditure on health research and development**

- For 2003-2010: No data is available.
- Until 2003: Report on the Survey of Research and Development, Management and Coordination Agency, Japan.
- Total=Research institute (owned by central government, local government, and private institutes) and Universities and Colleges (national+public+private). Does not include Pharmaceutical industry expenditure on R&D.
- Public=Research institute (owned by central government and local government) + Universities. These figures include expenditure on social science research.

## Current expenditure on nursing and residential care facilities

For 2003-2004: Medical care services at long-term care welfare facilities for the elderly exist but no estimation is made because no data for estimation is available.

## Current expenditure on providers of ambulatory health care

For 2003-2005 no calculation is made as to medical treatments not covered by insurance (dental treatments not covered by insurance, Judo-orthopaedy, massage, acupuncture), etc., because no data is available.

## Current expenditure on retail sale & other providers of medical goods

For 2003-2010 no estimation is made except for glasses, hearing aids, mercury thermometers and mercurial column blood pressure gauges.

## Current expenditure on general health administration and insurance

For 2003-2010 no data is available as to the government sector's management costs.

## Expenditure on health - Price index (2000=100) - (total, public)

- The number of items included in the price index is 4 for medical services, 11 for appliances, 11 for medicines, 28 for total medical care.
- Note: In September 1997, a huge increase in in-patient cost-sharing occurred, embodied in the consumer price index which considerably overstates the actual price index.

## 2) HEALTH FINANCING

## Private households out-of-pocket expenditure

2003-2005: No calculation is made as to medical treatments not covered by insurance (dental treatments not covered by insurance, Judo-orthopaedy, massage, acupuncture), etc., because no data is available.

## Households out-of-pocket expenditure excluding cost-sharing

Medical goods

- National Health Expenditure (MHLW) Survey of Pharmaceutical Industry Production (MHLW)
- Statistical Report on Welfare Administration (MHLW)

## Households out-of-pocket expenditure cost-sharing with general government

Services of curative and rehabilitative care and ancillary services

- National Health Expenditure (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)

Long-term nursing care

- National Health Expenditure (MHLW)
- Survey of Long-term Care Benefit Expenditures (MHLW)

Medical goods

- National Health Expenditure (MHLW)

Social services of Long-term care (LTC other than HC3)

- Survey of Long-term Care Benefit Expenditures (MHLW)

## Households out-of-pocket expenditure cost-sharing with private insurance

- The Life Insurance Business in Japan (The life insurance association of Japan)
- National Health Expenditure (MHLW)

## Non-profit institutions serving households

- No data available.

#### **Corporations (other than health insurance)**

- Only includes medical check-up by corporations.

## Rest of the world

- No data available.

© OECD, OECD Health Data 2013. June 2013. http://www.oecd.org/health/healthdata.