Advanced Medical Technology and Health Insurance in Japan

JMAJ 49(1): 41–43, 2006

Hideya Sakurai*1

Key words  Advanced medical technology, Health insurance system, Medical fee, Central Social Insurance Medical Council

Introduction

Medical technology is constantly evolving with more and more advanced technologies being developed all the time. In Japan, “medical care” is considered “the social application of medical science”, and how these advanced medical technologies are covered by the Japanese Health Insurance System is indeed a crucial issue for the social application of medical science. This article outlines the process by which newly developed advanced medical technologies become available through the Japanese Health Insurance System.

Japanese Health Insurance System

The health insurance system in Japan dates back more than 80 years. It was first established in the form of welfare for employees of factories, etc. In 1961, legislation was passed to ensure that all Japanese citizens be covered by some kind of regulated public health insurance program. This was the start of universal coverage by a health insurance system in Japan.

Citizens become “insured” by paying a “premium”, which is predetermined according to their income or age, to the “health insurance societies (insurers)” so that they can receive health care services at any medical institution of their choice when they are sick. Equal provision of necessary care as required is guaranteed to all Japanese citizens.

Medical institutions claim the cost of medical care provided to patients (insured persons) as a “medical fee” from “insurers”. The types of “medical fee” that can be claimed are detailed according to each specific medical practice, all of which are listed in the “Medical Fee Schedule” created by a public body called the “Central Social Insurance Medical Council”. When a medical institution provides medical services not listed in this Schedule, such medical services must be paid by the persons who receive the services as they are not covered by insurance.

A Special Interim System for Advanced Medical Technology

Newly developed medical technologies are not covered by insurance until they become listed in the “Medical Fee Schedule”. Therefore, a special system of medical care exists until they become permanently covered by insurance and available for provision generally. In this special system, patients are requested for payment which is not covered by insurance. The procedures to approve an advanced medical technology for cover by insurance are described below.

How the Newly Developed Advanced Medical Technologies Become Covered by Insurance

The special interim system stipulates that “if
the highly advanced medical technology to be approved has been provided privately at a ‘designated authorized insurance medical institution’, a minimum level of safety and efficacy of the technology is considered to have been established. But since the technology has still not been widely implemented, it shall be subject to an interim system of provision before being commonly provided and covered by insurance’. “Authorized institutions” are “Medical institutions with a high level medical infrastructure both qualitatively and quantitatively” that have been approved by the Ministry of Health, Labor, and Welfare in accordance with a separately prescribed set of regulations.

Designated authorized institutions themselves apply for approval to include new medical technology in the special system mentioned above. Each application is individually assessed to determine whether or not it should be approved. When a designated institution applies for approval related to an advanced medical technology, the Minister of Health, Labor, and Welfare reviews the technical particulars during a meeting of the “Council for Highly Advanced Medical Technology”. This council is comprised of experts in medical technology and experts in healthcare services. When this council decides it appropriate to recommend the approval of an application, it reports to the Central Social Insurance Medical Council.

Based on this recommendation, the Central Social Insurance Medical Council then makes a decision as to whether or not to enter the technology, provisionally, in the special system. Once provisional approval has been given, the technology can be provided under the special interim system, one month following the Council’s decision. However, availability of treatment using the New Advanced Technology is limited to the institution making the respective application. Such institutions must display, in their hospital, information about what kind of advanced medical technologies are available at their hospital and the cost burden to a patient who wants to have such treatment using such technologies.

Handling of Provisionally Approved Advanced Medical Technologies

The Minister of Health, Labor, and Welfare requires the designated institutions to submit an annual report on the New Advanced Technology. Based on this report, the Council for Highly Advanced Medical Technology assesses its efficacy and safety, and periodically reports to the Medical Council.

Based on these reports, the Medical Council has the authority to make one of three decisions: 1) It may decide to continue to include the New Advanced Technology as a provisional listing in the interim system, with treatment limited to the respective designated institution.

2) If the Council finds the technology concerned
to be safe and effective, it issues approval for it to be available as a “general medical service,” in which case the Medical Fee Schedule listing will become possible and the technology can be offered at other institutions. At this stage the cost of the technology can be covered by insurance.

3) If, based on the Council for Highly Advanced Medical Technology’s assessment of the effectiveness of the technology, it is deemed inappropriate to continue to list it in the interim system, the technology will be reviewed by the Medical Council and will be revoked from the interim system. In this case, the Medical Council will notify the corresponding designated authorized insurance medical institution with the reasons for revocation.

The following are some of the examples of the advanced technologies which have been once approved and then introduced into insurance or have been revoked.

1. Examples of “highly advanced medical technology” which have been approved and then included in “health insurance” cover
   1) Artificial pancreas,
   2) Diagnosis of hematopoietic tumors,
   3) Leukocyte removal by centrifugal method for ulcerative colitis

2. Examples of “highly advanced medical technology” which have been approved and then the approval revoked
   1) Electric coagulation for cerebrovascular lesions with micro copper wires,
   2) Bone electrotherapy by d.c. current,
   3) Intracranial pressure measurement by completely implanted cephalohemometer

**Some Problems with the Current System**

I have discussed the process by which advanced technologies are covered by insurance under the Japanese Health Insurance System. Finally, I would like to comment on some problems with the current system. Even though the special interim system was established so that new medical technologies could be covered promptly by the Japanese Health Insurance System, and so that every citizen could receive the most advanced medical care possible, it still takes significant time to secure the necessary approval, even for a provisional listing in the interim system. To ensure the safety and efficacy of medical technology, careful steps need to be taken. However, efforts are being made to address the length of time necessary for advanced medical technologies to become covered by insurance, without compromising the integrity of the process. These measures include:

1) Simplifying administrative procedures required in the approval application process.
2) Easing the approval conditions by which an institution becomes a designated authorized insurance medical institution.
3) Increase the number of members in the Council for Highly Advanced Medical Technology, so that reviews can be carried out more promptly.

Together with other improvements implemented in 2004, these measures will serve to simplify the procedures for approval.

A second problem relates to financial issues. Some people believe that financial resources related to the provision of newly developed technologies should be capped. There are two groups of people who support this opinion. One group is connected to the Ministry of Finance. Under the Japanese Health Insurance System, funds come partly from taxes. If use of advanced medical technologies is covered by health insurance, costs will increase, resulting in an inflated burden on the Nation’s finances. The other group is made up of people from the corporate sector. This sector is trying to reduce the scope of Japan’s public health insurance in order to expand areas of self-paid medical care, to promote private insurance, and to stimulate a general business orientation in the health care sector.

The Japan Medical Association is strongly opposed to such movements. As I have already mentioned, making advanced medical technologies available under the Japanese Health Insurance System so that all citizens can receive medical services is advantageous to the people. Moreover, Japan’s national medical expenses amount to only 7% of the country’s GDP which, compared to other advanced countries, makes the Japanese Health Insurance System one of the most cost effective systems in the world. To protect the health and lives of the people, the Japan Medical Association maintains that the Japanese Health Insurance System should continue to develop and expand. We strongly believe that this is in the best interests of the people of this country.