

# Japan's quest for reduction of LTC hospital beds

*Controversy over Japan's reform 2008*

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# Background of the Reform

- 2005: The cabinet economists advocated a “global budget” capping the total health care cost
- Ministry of Health, Labor & Welfare (MHLW) and Japan Medical Association (JMA) opposed that “health care shall not be capped”
- MHLW promised the cabinet that “health care cost can be controlled by keeping people healthier through prevention”
- September 2005, the general election---the overwhelming victory of the ruling party



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# Three pillars of Japan's reform 2008

- 25% Reduction of prevalence of “metabolic syndrome (HT, DM, Hyperlipidemia)” between 2008 & 2015 (age-adjusted)
- *200,000 Reduction of LTC (geriatric) hospital beds, from 350,000 to 150,000, by converting them into less costly nursing homes*
- Reduction of disability among elderly by promoting prevention



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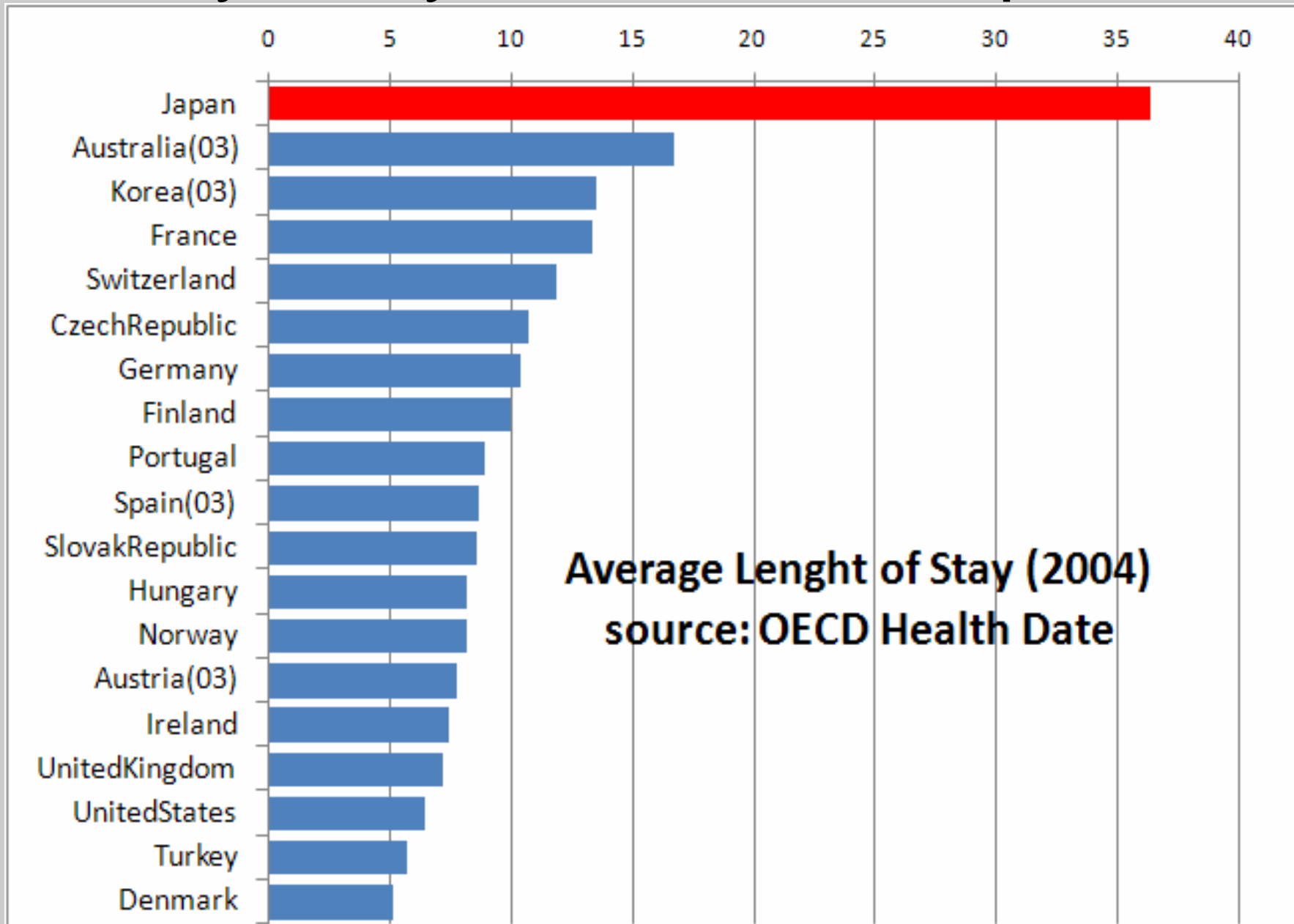
# Institutional care of LTC

- Elderly population: 25.6 million (20.1% of pop)
- LTC hospital beds: 380,000 (14.8 per 1000 elderly)
- Skilled nursing facilities: 311,000 (12.1)
- Nursing homes: 404,000 (15.8)
- A total of 1.1 million beds
- Cf) acute care beds: 0.9 million, psychi beds 350,000

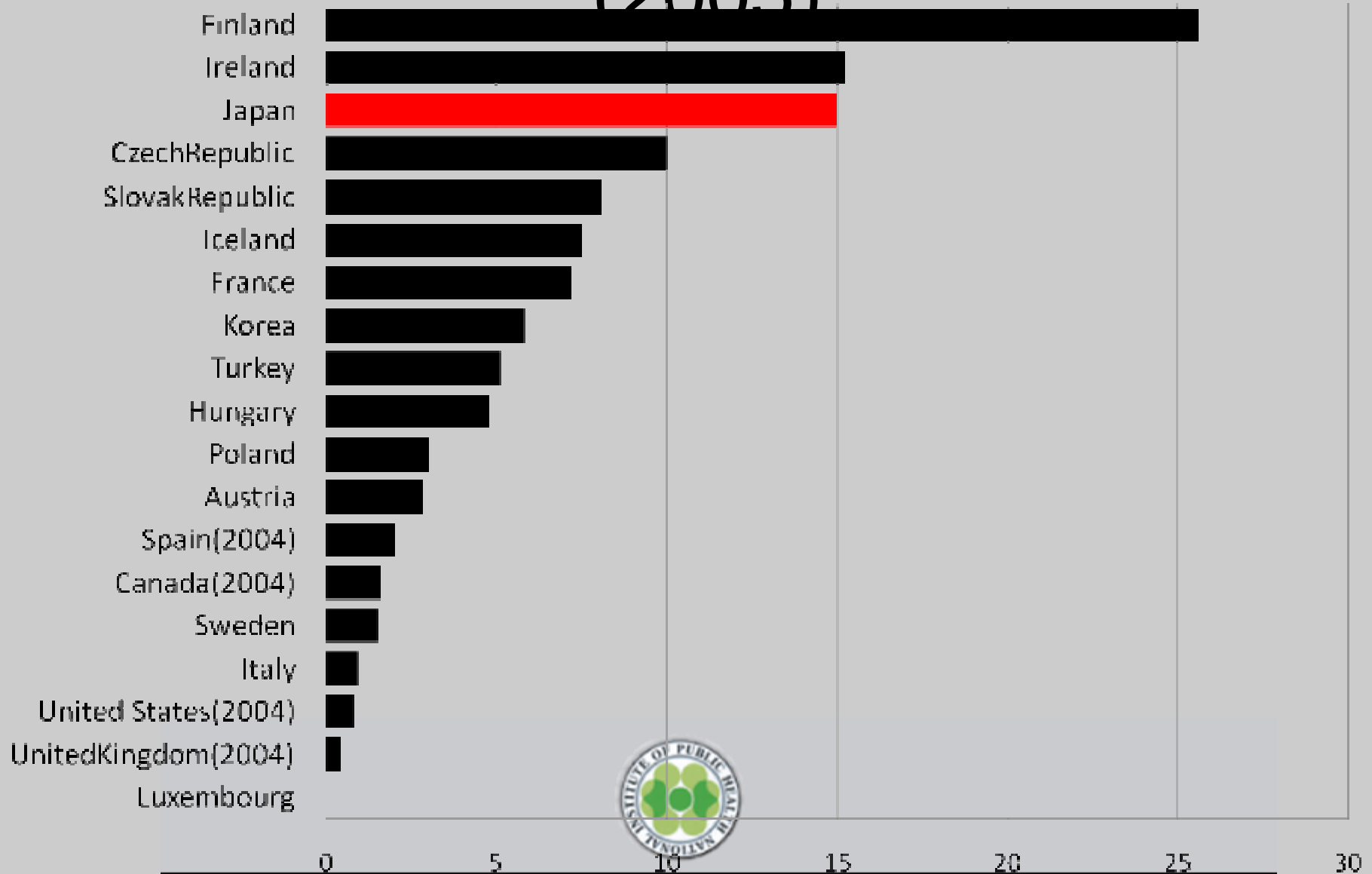


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# Do they really need to be hospitalized?

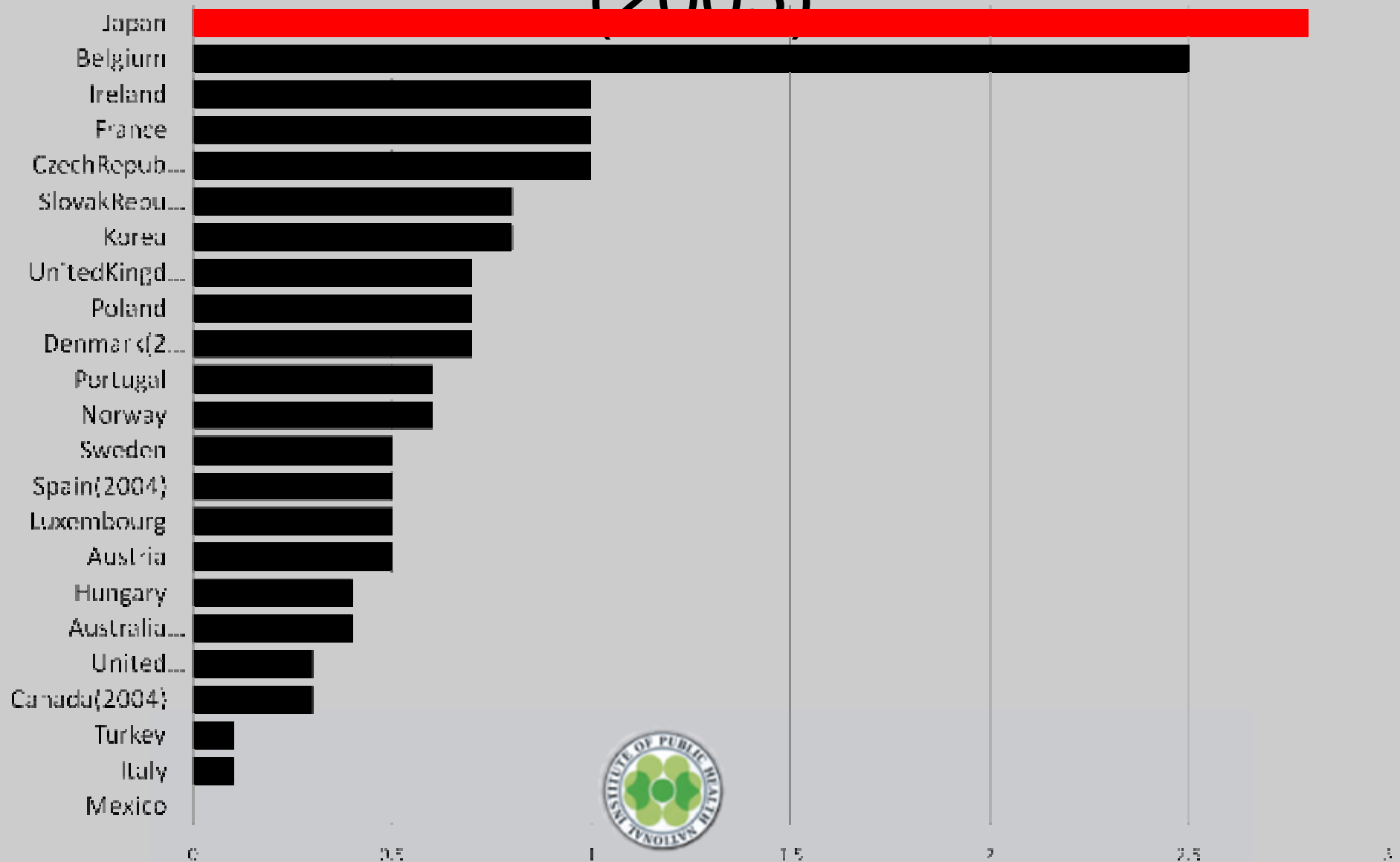


# LTC hospital beds per 1000 elderly (2005)



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# Psychiatric beds per 1000 population (2005)



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# Precarious situations of LTC hospitals

- In the implementation of the LTC insurance in 2000, LTC hospitals beds were classified as “hybrid” of the LTCI and health insurance
- Of 380,000 beds, 250,000 are health insurance beds and 130,000 are LTCI beds.
- Difference is that one must qualify as disabled by “need assessment” by care managers for LTCI beds, while health insurance beds need only doctors’ order



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# Patient status of the LTC beds

- Questionnaire survey as of October 2006
- Medical need of patients of the health insurance beds: most 17.5%, medium 45.8%, least 36.8%
- No difference between patients of health insurance beds and LTCI beds (half of them do not need constant care by doctors).



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# Price difference

(monthly, excluding meals)

- LTC beds of health insurance: ¥490,000
- LTC beds of LTCI: ¥410,000
- Skilled nursing facilities: ¥310,000
- Nursing homes: ¥290,000



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# Proposed solutions

- Converting ALL (130,000) beds of LTCL into SNFs or nursing homes **by 2012**
- Converting half of LTC beds of health insurance (250,000) into SNFs or nursing homes (Medical need of patients of the health insurance beds: most 17.5%, medium 45.8%, least 36.8%---beds for “most” + 70% of “medium” will be retained)
- Encouraging community care to accommodate more elderly to live at their homes



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