

## Kazuo Nakamura

Chairman and CEO, CMIC HOLDINGS, Co., Ltd.



## Takeshi Karasawa

Former Director-General for Regional Revitalization, Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan, Cabinet Secretariat  
 Project Professor, Graduate School of Media and Governance, Keio University  
 External Corporate Director, CMIC HOLDINGS Co., Ltd.

KAZUO NAKAMURA

Talk With

KARASAWA TAKESHI



# Establishing healthcare system for integrating healthcare and nursing care into daily life

As the novel coronavirus infection continues to spread with no end in sight, each country feels the necessity of reviewing and modifying the healthcare system. Japan has an excellent universal health insurance system but is facing a mountain of problems such as a declining birthrate and aging population and labor shortage, which will be important to the future operation of the healthcare system. Which healthcare system should we establish in a rapidly aging society? CEO Nakamura interviewed External Corporate Director Takeshi Karasawa, who has long devoted himself to improving the Japanese medical system as a bureaucrat in the Ministry of Health, Labour and Welfare, in order to find a path toward better healthcare system in Japan.



Challenges to the healthcare system highlighted by the novel coronavirus calamity

**Nakamura** Since the end of the Second World War, the average lifetime has increased rapidly in Japan and the Japanese have the longest life expectancy in the world. Establishment of world-class, excellent systems, such as a universal health insurance system and nursing-care insurance system, contributes to the longest life expectancy in Japan and you have played a key role in establishing these healthcare systems. The novel coronavirus disease pandemic highlights the issues of healthcare system in each country and I want to know your impressions about the Japanese healthcare system when compared with those of Europe and America.

**Karasawa** Not only the health

insurance and care insurance systems but also healthcare providers have played a very significant role in Japan. The number of beds per 1,000 people is about 13 in Japan and prominent among advanced countries: it is about 8 in Germany and about 3 in the US and UK, which is just about one-fourth of that in Japan (see Data [1]). Japan is often criticized for too many useless hospital beds but considering that European and American hospitals are facing bed shortage, I do not think that Japanese hospitals have too many beds at all.

**Nakamura** The situation is most dire in Europe and America. To begin with, a significant number of Americans do not buy any insurance. Especially in New York, young people do not afford to pay healthcare expenses and cannot undergo testing or treatment. With he prevalence of the novel coronavirus, such young people rush to their local hospitals at once and their hospital systems are on the verge

of collapse. At this moment, Japanese hospitals somehow manage to maintain their level of care. But the novel coronavirus epidemic will clarify the problems associated with the Japanese healthcare and provide an opportunity to create future policies. **Karasawa** A declining birthrate, aging population, explosion of elderly populations in large cities, overconcentration of population and industry in the Tokyo Metropolitan area, labor shortage, and utilization of ICT (information-communication technology) and AI (artificial intelligence) will definitely have a great impact on the Japanese healthcare and medical system. I admit that Japan has created a wonderful outcome, such as an increased average lifetime and the longest life expectancy in the world. However, I think the development of a socioeconomic system reflecting the outcome is the key to our success.

Integrating healthcare and nursing care into daily life

**Nakamura** I have been involved in new drug development in the pharmaceutical industry and succeeded in completing big projects in my own way. Japan is noted for its drug development in the world and I have self-confidence that I have contributed to society in terms of cure of disease. However, considering my age, I now strongly feel the importance of healthcare is not just simply treating disease but to live your life happily.

**Karasawa** As mentioned above, Japan has the longest life expectancy

and is making a shift from treatment to livelihood support. Now patients see a doctor for treatment or drug prescription at the hospital but in the future, by utilizing ICT or AI, one's home itself will be like a satellite hospital or an institution that enables to integrate healthcare and nursing care into daily lives.

**Nakamura** That is a very good keyword. I also believe that what is important to an individual for living out his/her life includes not only healing diseases but also feeling happiness including well-being and a reason for living. Our business activities are supported by “CMIC’S CREED” inspired by the above thought.

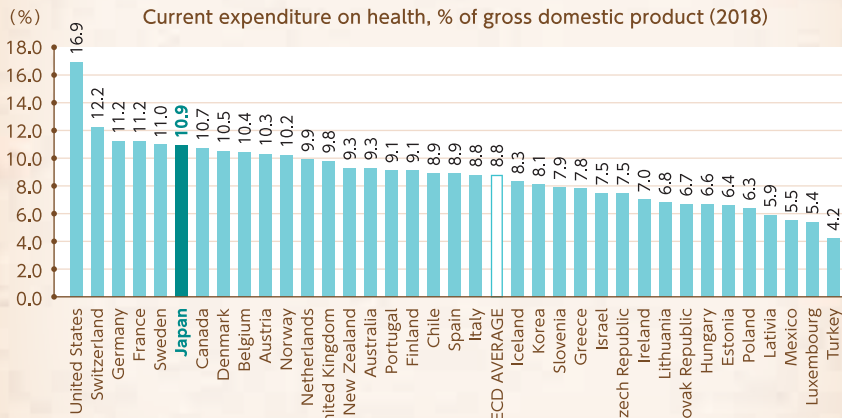
**Karasawa** The CMIC’S CREED is simple, insightful, and splendid. As you mentioned before, I think providing support for people who want to continue living one’s own life as oneself will also become important to the healthcare field.

**Nakamura** Apart from focusing on just being physically healthy, we also need to create some system to support both physical and mental well-being utilizing various technologies from a wide perspective (i.e., How should a person be and what can be done?). But at the same time, considering the current situation regarding Japan’s declining birthrate and aging population, fewer workers will have to support a growing number of elderly people and we must also address cost problems.

**Karasawa** To be honest, I do not think that we need to reduce healthcare expenses so much. I mean that the healthcare expense, including nursing care, as percentage of GDP is now about 11% in Japan and not so high (see Data [2]). The problem is that how

Healthcare environment in Japan Data (2) Health Expenditure as Percentage of GDP

In 2018, the health expenditure as percentage of GDP (predicted value) in Japan is 10.9%, ranks sixth among 36 OECD countries, and lower than those in the US, Germany, and France among the G7 countries.



\*Source: “OECD Health Statistics 2019” (predicted or estimated values)  
Reference: Yumiko Maeda. Japan Medical Association Research Institute Research Essay No. 77 (September 17, 2019)

to form the industry for supporting medical care.

The administration needs to cooperate with companies in developing a framework for connecting elderly people with the community

**Nakamura** Elderly people play a variety of roles in the community in the rural areas, whereas people working for a company have no place to go after retirement in the city and this is a big issue.

**Karasawa** In fact, many wives are exhausted because their husbands sit around inside the house after retirement. The municipal government of Nagakute City, Aichi, provides the retired with jobs, such as mowing, contributing to the community. They, making a connection with the community, can feel a sense of fulfillment even with

low payment expectations and this kind of activity is important.

**Nakamura** We will enter an era of 100-year lifespans. The important thing is to continue to work as long as possible after retirement to be in the part of the society. Despite little things, you should contribute to society and be paid in exchange for your services, which is also very important in terms of what makes life worth living. Please note that what I mean by saying being paid in exchange for your services is not a something managed by a unified standards, such as minimum wages, but based on the idea that you will be happy if you are paid in compensation for jobs you have done by fulfilling social functions. To satisfy social needs, companies need to create the environment required to hire elderly workers without seeking gain from that area. For example, I am planning to develop a framework for matching individual's personality with different

Healthcare environment in Japan Data (1) Number of beds per population in Japan

Japan has more hospital beds per 1,000 people than total hospital beds in advanced countries. However, the total hospital beds in Japan include psychiatric care beds (overlapping beds are also tabulated for Japan in the table given separately). The sum of beds for acute and rehabilitation care per 1,000 people in Japan is about the same level as that in Germany.

<https://www.jsicm.org/news/statement200401.html>

Per 1,000 people (bed/per 1,000 people)

	Year surveyed	Total hospital beds	Curative (acute) care beds	Rehabilitativ e care beds	Long-term care beds	Other hospital beds*	Psychiatric care beds
Canada	2018	2.5	2.0	0.1	0.4	0.0	0.3
France	2017	6.0	3.1	1.6	0.5	0.8	0.8
Germany	2017	8.0	6.0	2.0	0.0	0.0	1.3
Italy	2017	3.2	2.6	0.4	0.1	0.0	0.1
Japan	2017	13.1	7.8		2.6	2.6	2.6
United Kingdom	2017	2.5	2.1				0.4
United States	2016	2.8	2.4	0.1	0.2	0.1	0.2

\*Other hospital beds (others) and psychiatric care beds overlap with each other and overlapping figures are tabulated.  
\*Source: “OECD Health Statistics 2019” Some of the data are missing for the United Kingdom.  
Reference: Yumiko Maeda. Japan Medical Association Research Institute Research Essay No. 77 (September 17, 2019)





KAZUO NAKAMURA .....

activities without setting a retirement age by means such as setting up an agricultural corporation within the company.

Although it is unrealistic to leave the framework development task completely to the local administration in terms of cost, I hope companies with the intention of conducting such activities can receive support from the nation. Do you have any idea?

**Karasawa** As you suggest, I also recognize the vital importance for one to feel his or her presence in both the community and society, and also being paid in compensation for jobs. It is not easy to encourage people living on a pension to spend their pension income freely to boost

consumer spending. They receive a certain amount of pension every month, which will never increase, and they try to save money. However, they will use the money they have earned to buy their grandchildren something or go traveling even if it is just several tens of thousands yen.

This kind of activity will not make progress

if done only by the administration. The administration needs to work together with companies to develop a framework by utilizing their know-how and ideas.

### Making small-and-medium-sized hospitals act as a hub for regional revitalization

**Nakamura** When I told an American visitor that there are no hospitals around Kobuchizawa, the visitor stunned me by saying there are many good hospitals within 30 or 40 minutes ride by helicopter and I realized there was a huge gap between our consciousness. Of course, there are many doctorless districts, posing problems in Japan, but viewed from a wider perspective, there are a great deal of local central hospitals with extensive facilities. Since then, I have started to think hard about how we can establish a support system for patients by utilizing this situation. Given that technological innovation promotes home care and helps patients receive treatment at the hospital only when necessary, I want to know how the Japanese healthcare

changes in the midst of this trend.

**Karasawa** I am assuming that hospitals will be divided into two groups in the near future: Wide-area hospitals for high-level acute care and local multifunctional hospitals. Of these hospitals, local small-and-medium-sized hospitals having about 200 beds will play an increasingly important role as not only a base for comprehensive regional care but also a gathering hub for regional revitalization. For instance, Shimuraomiya Hospital located in Hitachiomiya City, Ibaraki, acts as a hub for various healthcare activities, such as secondary emergency care and nursing care, but also functions as a gathering place for local people through activities including a monthly morning market and community café. This kind of hospital is rarely seen in Europe and America. Our future challenge is to find a way to utilize not only the wide-area acute care hospitals but also help local people utilize wide-area acute hospitals and small-and-medium-sized hospitals offering wide range of healthcare services including secondary emergency care and nursing care.

**Nakamura** I do not think that we always need to separate healthcare and nursing care from daily life especially in elderly people either. I want to create a framework so that healthcare professionals can help elderly people enjoy life and live meaningfully by utilizing ICT, AI, and other technologies. In that case, utilization of their data will be very important. It will be an ideal framework if there is a way to successfully incorporate not only disease and drug records but also data such as a reason for living or

contribution to the community, and this should help to live a life naturally without thinking in cooperation with the community

**Karasawa** Utilization of ICT or AI will make substantial progress in leading a healthy and meaningful life and finding a sense of purpose in life. This is an area where CIMIC can make use of its broad findings and expertise, and it will become a world model, originating in Japan. CIMIC is a very unique company committed to clinical development and manufacturing of new drugs, clinical trials at the hospital, and healthcare activities for each family, involving upstream and downstream operations. I think the great advantage of CIMIC is that we focus on the family healthcare, and I hope that CIMIC, utilizing this advantage, will create a new lifestyle so that patients are able to receive support ranging from health supervision to anything they want to do without making an outpatient visit every week.

### For inheriting a local culture

**Nakamura** Japan indeed has a variety of local cultures. The preservation and inheritance of these cultures without destroying them will make Japanese people energetic. I find it meaningful for people, men or women of all ages with different occupations participate in events, such as the New Year holidays, the day before the calendrical beginning of spring (setsubun), summer festivals and such together

**Karasawa** Exactly. I think it is against the natural providence to gather

only small children in the nursery schools and kindergartens, or gather elderlies at the nursing home. Mingling with people from different generations and sharing the same place with children and elderly people are ultimate diversity. Although small in number, such institutions have been established. Mingling with others is fine.

**Nakamura** I have visited a nursing home known for mingling with others and everyone looked energetic. If elderly people who have plenty of time to look after children instead of their working mothers, the elderly people will find a sense of purpose in life and mothers will appreciate their help. However, no infrastructure has been constructed for that purpose and “festivals” may be the best place for different people to gather around. I propose providing services such as carrying festival tools on a trailer. It is a kind of “festival delivery” for holding a festival on demand everywhere (laugh).

**Karasawa** Local cultures will not survive unless you make such efforts. Promotion of local cultures is also important to stimulation of local economy.

### Spread of the novel coronavirus infection becomes an opportunity to raise individual awareness

**Nakamura** The outbreak of the novel coronavirus has become an opportunity to regard disease as a



..... TAKESHI KARASAWA

problem for ourselves, not for others, and made the Japanese realize the importance of health. We will learn a lesson from this experience.

Lastly, please give us advice on what we should consider for the future of Japan.

**Karasawa** As you mentioned before, Japan has a very excellent medical system characterized by a universal health insurance system but taking this opportunity, we, Japanese should first realize that this universal health insurance system is not common. We should also give a thought to what it takes to maintain this outstanding system.

This will also help find out what is important for life and is a good opportunity to reconsider one's lifestyle.

**Nakamura** I have heard that Japan is superior in diet and health and this appears to be largely dependent on its healthcare system. I hope that everyone will use this opportunity to gain and utilize knowledge about health and lead a life so that they can manage their health and enjoy life in their own way. Thank you for joining me today.

This conversation took place on March 31, 2020.

