

# Topic 3: Long-Term Reform

Two visions emerged...

- Create the “Toyota of Healthcare Systems” – efficiency driven by managed consolidation and specialization, data collection and data sharing
  - Japan *should* be poised to develop the world’s most advanced data-driven healthcare system
- “Delivering the right therapy to the right patient at the right time” – current regulatory and incentive structures may or may not support this concept

# Key Areas for Consideration

## **Payment/Funding**

- Total funding (expenditures) should increase, though efficiencies needed throughout before allocations should change
- PPS/DRGs (DPCs thought not to create enough incentive, only “partial risk” assumed)
- NHI – allow differentiated premium structures, or, “penalties for bad behavior” such as smoking
- Private insurance as a supplement or alternative
  - “Opt-Out”, let patients pay non-covered portion of procedure
  - Maintain universal coverage, provide a basic standard of care to all citizens while relieving budgetary pressures via mixed care to provide privately funded premium care
- Health savings accounts or similar (with contributions from government) to help address over-utilization
- US to address un-insured and under-insured – a more equalized funding mechanism through public funds

## **Quality/Outcomes**

- Both systems could benefit from rigorous, well-defined quality tracking and monitoring systems
  - Physician-driven
  - Risk-Adjusted
  - System for reporting and interpreting
- Develop payment metrics based on outcomes, reduce practice variation for both systems

## **Delivery System**

- Improved alignment in the provider channel
  - Referral process alignment in Japan
  - Alignment of clinical guidelines and standards
  - Consider integrated delivery model
  - Develop improved incentives to promote outcome reporting and payments based on risk-adjusted outcomes
- Centers of Excellence; move to Outpatient setting, etc.

## **Others**

- Streamlined regulatory process; implementation of GHTF rec's
- Allow DTC advertising, to help patients make more informed care decisions
- Create more Healthcare/Hospital Administration and continuing medical education (CME) programs
- License reciprocity – exchanges improve physician training and level of care