Thank you very, very much. Good morning, everyone. It is truly a pleasure to be here with you and to participate in the International Symposium on Universal Coverage in the 21st Century, with a special focus on redefining Japan’s health system. I would like to offer my congratulations to the organizers—to JCIE and to the Lancet—and to those who have joined with them in making this possible, as co-sponsors and supporting foundations, for bringing together such a distinguished group of speakers.

As I began to reflect on this meeting, I realized that one has to begin with a recognition that Japan has accomplished so much in its health system in such a short period of time. Japan’s performance in health ranks at the very top in the world—it has the world’s best and longest longevity and among the world’s lowest infant mortality. All this has been achieved at an overall cost that is relatively modest compared with many other countries. In fact, Japan spends less than half the fraction of its gross domestic product on health as compared with the United States. When it comes to health, the United States might be thought of as that sumo wrestler who may not be strong, but he is also slow! In other words, it has the worst of both properties: relatively mediocre performance on such basic measures as longevity and infant mortality coupled with the highest cost in the world.

So, being an American invited to Japan to reflect on health reform is like a very obese person being asked to speak about dieting on the assumption that he must have spent a lot of time trying different ways to lose weight over the years. I come to you today with a deep sense of humility and a desire to learn, as we progress through the day, from those who have experienced greater success. Nevertheless, I hope my comments will provide a useful context for the discussion throughout the day.

As others have noted, next year marks the 50th anniversary of the introduction of universal insurance in Japan. With this achievement, and with world-leading advances in health, it may lead us to wonder, what is the impetus for change in Japan’s health system? The answer lies, in good measure, in the intrinsic, dynamic nature of health: a changing picture of health needs, of opportunities for intervention, and of the social forces that affect change in health. Even if it were possible at a moment in time for any country to achieve an optimal organization of its health services, undoubtedly these dynamic features would require that country to periodically revisit and make adjustments to its policy and practices.
In my brief remarks, I want to highlight a few of the key drivers for change in health, describe some of the core goals for health system reform, discuss a number of common challenges for reform in many different countries, and comment briefly on the ingredients for success in achieving desired reform.

When I think back to when I began my medical training, it was a time in the United States when, if you were to undergo general surgery, you had a risk of about one in ten thousand of dying from the anaesthesia alone. Today, that risk has been reduced to one in two hundred thousand or less. The reason for that change is a series of new technologies that more accurately and easily measure oxygen intake, and carbon dioxide production; better medications; better monitoring equipment; and better training. All of these are reflective of changes in science and technology, which are strong drivers of health across the board; in prevention; and in diagnosis. When you think ahead to the promise and possibility of such emerging areas as genomics and epigenetics, of proteomes, of nanotechnology, of robotics and of new applications of electronics, you can see that there is, as far as one can anticipate, a continuing drive in science and technology to produce change.

Second, others have noted the demographic and epidemiologic transitions that are so evident in Japan’s experience, even exemplified, one could say, in Japan. It has been a transition first to an aging population and then a transition from a predominance of acute infectious diseases as the causes of death to the burden of illness being much more prevalently reflected in chronic disease and particularly conditions of the elderly.

A third driver of change is economic. Forces of the economy—the degree of wealth in a country, the distribution of that wealth across the population, and the rate of change and growth or lack of growth in economic capacity—all influence the pressures on health and the possibilities to invest in health.

Environmental change—in the biological environment, in the microbial sea in which we swim, in the chemical and physical environment, in the social environment, in the long-term changes in climate—all of these affect the demands on health and the requirements on a healthcare system.

And finally, globalization and its forces of movement—of people, of ideas, of vectors of disease, and of goods—create both new opportunities and new challenges for health.

The existence of all of these drivers—scientific and technological, demographic and epidemiological, economic, environmental, and global—means that health is never a static system. It is always subject to change. But as it changes, there are certain continuing goals that reflect the objectives of efforts around health reform.

Universality is a very fundamental goal and one that is often achieved only by degree. Even at a time of universal adoption, one finds often, over time, that the requirements of the moment have led to conditions that later leave some out of the health system. A system should continually strive for greater fairness and equity. Who is paying, and who is benefiting? What is the continuing common goal for health?
Questions of effectiveness and efficiency in health range from increasing emphasis on effective preventive technologies, use of appropriate diagnostic and treatment interventions, and making all of this available in a way that avoids waste and that is affordable. These are parts of achieving a higher value in health—a higher performing system—that are part of effective and efficient healthcare.

A health system is constantly striving to better attend to the needs of individual patients and their families, and so the degree to which a health system is coordinated and integrated around the needs of a patient rather than those of the health providers or institutions, the degree to which the family and the community are integrated with the care of the individual, and the degree to which the stretch is made all the way from individual to population interventions in a comprehensive way, all of these are part of the common goals for health reform.

We would like our health systems to be based on evidence of what works and what does not work, driven by science and not by habit. We want a health system that is continuously innovative, that takes advantage of the newest science and the newest technology, and that works for people. And we want a system that is acceptable—acceptable socially, acceptable professionally, and acceptable politically. All of these are part of the common objectives of health reform, making it more universal and equitable, more effective and efficient, more centered on the needs of patients and communities, more driven by evidence and science, more innovative, and more acceptable.

Now, there are number of common challenges for countries striving to achieve these health reform goals. I want to just mention a few.

The first fundamental challenge is establishing a financial mechanism that achieves the goals of universality, fairness, and efficiency. This is much easier said than done, especially given the reality of historical approaches on which every system must build. Every insurance system is based on a pooling of risk. But how should that risk pooling be accomplished? Is it by employer group? Is it by age group? Is it by geographic group? What is the rule for pooling? How can you balance the approach of competition in a free market and the need for regulation to make the system fair? Is it a free market model or a utility model that defines the core financial mechanism? How much is public, and how much is private? It is a constant cycle of balance. And more generally, how do you make the financial system fair, affordable, sustainable, and practical? How do you create the incentives that flow from where the money originates, through the intermediaries and all the way to the providers? How do you make those incentives align with the goals for health? These are all part of the common financial challenge in health reform.

Second, what exactly is covered? What are the benefits? What constitutes the package of services? How do you deal, especially in a wealthy society, with marginally effective, very expensive interventions? And what value do you place just on giving patients hope, even if the evidence is wanting? Today, for example, in the United States, we are dealing with this problem around the drug Avastin when used for breast cancer, for which the evidence is lacking. But, many patients are basing their hope on this particular drug.
Third, how do you align and reconsider professional roles in practice and in education to make a health system perform in the way you want? What is the balance of generalists and specialists? What is the relationship of physicians and nurses and other providers, such as pharmacists? What is the role of education in reshaping the capacity of the professions, and how do you deal with conflict of interest on the part of health professionals as caregivers, as researchers, and as teachers? All of this is a part of dealing with professionals.

Fourth, how do you organize institutions optimally to deliver the care that you desire? What are you able to do with existing institutions and where are new institutions called for? What is the role of the future hospital? Are there different organizations of delivery that would more effectively and efficiently provide the care that people need?

Fifth, how do you maintain a system at the highest level of quality and safety so that care is delivered in a way that people deserve? And how do you contain the costs? This is a very fundamental problem. How do you make a system sustainably affordable? If you think this is a seismic problem, you are correct. But if it is a tremor in Japan, a minor movement, I can tell you it is a looming tsunami in the United States. It threatens to overwhelm everything else that might be achieved in health if health care is not made sustainably affordable.

How do you deal with the maldistributions in health, and the disparities in care between rural and urban centers, between the rich and the poor? This is a continuing challenge for health reform. How do you balance the desire for the latest innovative technology, with the need for regulation to protect against unsafe and ineffective interventions? How do you arrange a regulatory structure that does not only stop things from going forward, but encourages the good things while keeping out the bad? How do you achieve the right balance between personal care and public health? How do you bridge and reconcile the completeness of a health system’s responsibility for individual care, for a community, and for a population?

And finally, the point that was emphasized in Professor Takemi’s remarks, how do you achieve the integration of domestic and global health? This is based on the understanding that the two are no longer thought optimally as separate, but indeed are integrated, one and the same.

So, if we have a health system that is at once dynamic, interconnected with other parts of society—with education, with the economy, with the environment—very big and complicated, filled with deeply entrenched interests and politically very difficult to deal with, how do you penetrate through this complexity to achieve reform? One very critical element, I would submit, is the reliance on the best scientific evidence that one can bring to bear on the questions of policy and the choices that any society has to make. But how do you achieve that evidence in a way that is trustworthy in a society, in a way that is credible, and in a way that can have influence on policymakers? The difficulty is that many of those involved in health have a vested interest in the results of any study. So the doctors alone cannot honestly separate their professional roles and interests from what they will say should be done, nor can hospitals, nor can nursing organizations, nor can anyone directly involved in health care delivery who stands to benefit or to lose from the decisions that are made.

In the United States, one of the ways we are trying to deal with this problem is through a reliance
on independent, credible assessment in organizations such as the Institute of Medicine. This is by no means a determinant of what happens; it may not make reform more likely. But, the goal is that, when reform is made, there is available to the decision makers the most thoughtful, the most objective, the most balanced, and the most useful information about the available choices and possible action.

I would like to give you some quick examples among the topics that the US Institute of Medicine was asked to deal with, or undertook on its own, in the US efforts at health reform and before. For example, we examined the question of whether it really matters if people lack health insurance. Is their health actually worse? After all, they could always go to an emergency room. What are the priorities for comparative effectiveness research to study what works and what does not work and the related costs? What are the key health indicators by which a society can judge how well it is doing, internally and in comparison with others? What should the core benefits package for obligatory health insurance consist of? How should we make adjustments in payment according to geography, which in the United States is a very contentious issue because care costs more in some areas than it does in other areas? How can our Food and Drug Administration do its job better in assessing new drugs and devices? How can physicians avoid conflict of interest in their research, in their clinical care, and in their teaching? What are some of the requirements for information technology as applied to health? How can we assure higher quality and safer healthcare? And more generally, how can we encourage a learning health system that takes advantage of its ability to adapt over time to new technology and new pressures, which are inevitably and permanently a part of the landscape of health?

I believe that every country has to come to grips with this array of choices in health. Japan, by virtue of your success and your demographic reality, you are in a position to set the standard for what can be done in 21st century health reform. I look forward to being a discussant with you today and a witness to the choices and actions you will take in the future. Thank you very much.