

# Recommendations for Japan's 3<sup>rd</sup> Healthcare Policy: A Global Perspective

JCIE Executive Committee on Global Health & Human Security

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## Summary

*The following recommendations were compiled by a working group comprised of the executive committee fellows and JCIE staff, who were organized under the direction of Chair Yasuhisa Shiozaki, based on the discussions of the Executive Committee and subsequent input from the committee members and other experts. Those committee members who have formally endorsed these recommendations are listed at the end of this report.*

Whether it is in politics, the economy, science and technology, or the global environment, new “mega-challenges” are emerging one after another that cannot be addressed under conventional frameworks. Japan's 3<sup>rd</sup> Healthcare Policy, which is being formulated in response to the demands of these turbulent times, requires a fundamental paradigm shift, unconstrained by traditional ways of thinking. It requires the concept of “human security,” with a view to coexisting with the Earth and centered on the need to ensure “health” for all. In particular, the experience of the COVID-19 pandemic has made it clear that building international solidarity and mutual trust are essential in order to protect the health of people in Japan, which is the essence of the Healthcare Policy, and to maintain national security.

This new Healthcare Policy must be based on a people-centered philosophy and must lay out a path that will help solve global health issues while fundamentally rebuilding the economy by promoting a strategy that is open to the world. In this document, we recommend perspectives and measures that should be included in the policy to enable the public and private sectors to work together and leverage Japan's strengths to boost the international expansion and competitiveness of Japan's health, medical, and caregiving industries from a global perspective. At the same time, we offer recommendations on how to achieve Universal Health Coverage (UHC) that “leaves no one behind” and to make concrete contributions to solving global health challenges, placing priority on the needs of the people.

## **Recommendations 1: Effective resource allocation and strategy optimization**

### **Action Plan 1: Establish concrete KPIs and build a system to manage progress**

Focusing on the Asia Health and Wellbeing Initiative (AHWIN) and the Africa Health and Wellbeing Initiative (AfHWIN), which are at the core of the Healthcare Policy, review existing key performance indicators (KPIs) and combine them with return-on-investment (ROI) measurements. Publish assessments by an external evaluation committee to improve strategies.

### **Action Plan 2: Strategically select target countries and optimize support activities**

Establish clear goals to be achieved by AHWIN/AfHWIN, and select target countries where effective support is feasible based on a comprehensive consideration of factors such as economic growth rates, the degree of fiscal spending for health, demographics, and so on. Based on the situation of the selected country, provide a package of technology, human resources, and systems-related expertise, including support for fiscal reform, and seek improvements in healthcare access and quality, as well as efficiency.

### **Action Plan 3: Innovate and strengthen the resilience of community healthcare**

While continuing to support the young population that is increasing for the time being, support the promotion of primary healthcare (PHC) that aims for a resilient community healthcare system that can also respond to rapid population aging. In doing so, connect innovative technologies across sectors and provide support for streamlining the healthcare provision system and correcting regional disparities in the quality of healthcare. Also, utilizing Japan's expertise in disaster prevention technologies, provide support for the construction of disaster-resilient regional healthcare infrastructure.

## **Recommendation 2: Strategic Integration of Outbound and Inbound Healthcare**

### **Action Plan 1: Bolster outbound healthcare through needs-based approaches**

The key to future international expansion in Japan's healthcare/medical sector is to promote the "outbound" aspect—expanding Japan's medical technology and services

overseas—and the "inbound"—accepting patients from overseas to receive healthcare services in Japan.

Based on a relationship of cooperation and trust with the governments, medical institutions, and nongovernmental organizations (NGOs) in each partner country, work with relevant organizations to adapt Japan's medical technology and knowhow locally, according to the needs on the ground, while also providing support for the Medical Excellence Concept (MExx) and other initiatives. Cooperate with venture capital as well to scale up Japanese and local start-ups in the health field.

### **Action Plan 2: Establish a system of public-private cooperation for international regulatory harmonization**

Further strengthen the Pharmaceuticals and Medical Devices Agency's activities to promote international regulatory harmonization and its educational training for regulatory agency staff in Asian countries. Moreover, support Japanese companies in their overseas expansion and entry into the international public procurement market through the development of a mechanism for information gathering and coordination among companies. In doing so, pursue international regulatory harmonization and overseas expansion simultaneously.

### **Action Plan 3: Promote inbound healthcare**

Expand medical tourism and disseminate Japan's medical technology to the world through "inbound healthcare," encouraging patients to receive medical services in Japan, which will lead to the growth of Japanese medical institutions. While designing incentives for medical institutions to actively collaborate, care should be taken not to adversely affect the normal health insurance system and the medical care provision for foreign residents in Japan.

### **Action Plan 4: Improve healthcare access for foreign residents in Japan and promote multicultural coexistence**

Work to design and operate a system to ensure that efforts to address language barriers, such as expanding medical interpretation or responding to cultural and religious diversity, will lead to the expansion of the system for healthcare provision. This should be not only for inbound visitors from abroad but also for foreign residents in Japan in order to prevent the growth of disparities in access to healthcare. Establish a system that guarantees access to services such as emergency healthcare for foreign residents seeking protection from conflicts and disasters.

### **Recommendation 3: Enhancement of the comprehensive strategy for deploying Japan's medical technology in low- and middle-income countries (LMICs)**

#### **Action Plan 1: Strengthen support for the development of products and services for the global market**

By linking the various advisory groups under the Healthcare Policy and taking international expansion into consideration from the early stages, the new policy should support the development of products and services compatible with local infrastructure and resources in LMICs. Collaborate with international organizations and others to support policies, processes, and capacity building related to the value chain for access and delivery in the target country from the early stages of the development of products and services. Expand support for research and development of products to address infectious diseases, maternal and child-related diseases, nutrition-related diseases, and so on that represent a large disease burden in LMICs.

#### **Action Plan 2: Establish a system to support the generation of evidence that meets international standards**

Support local empirical research to develop evidence in ways that meet the guidelines of international organizations. By maximizing the use and improvement of existing support systems beyond the framework of any single system or entity, provide seamless support from the discovery of promising seeds to the provision of products and services that are supported by scientific evidence. In doing so, a wide range of international funding should be sought, and a system should be created that allows for flexibility in collaboration with foreign research institutions.

#### **Action Plan 3: Build a strategic partnership with international organizations and stakeholders in partner countries**

Encourage Japanese companies seeking to enter LMIC markets to build strategic partnerships with the Japan International Cooperation Agency (JICA) and international organizations in addition to the governments of partner countries. Promote dialogue with the relevant individuals, consultative bodies, international organizations, etc., who determine which products to buy, and support research and development that considers their priorities and long-term strategies. Recognize complementarities with health systems strengthening and human resource development efforts that JICA and others are jointly working on with the partner governments, and promote collaboration. Cooperate with diverse local actors and

facilitate market shaping and the development of appropriate products that match the demand. Moreover, seek to improve the system for providing products and services by sharing information on the specific roles of each organization.

#### **Recommendation 4: Establishment of a system for drug discovery and medical technology development that combines emergency response capability and international competitiveness**

##### **Action 1: Establish a system for drug pricing that promotes innovation**

Establish multifaceted evaluation criteria that allow for the appropriate assessment of the innovativeness and social value of pharmaceuticals and medical technologies, and create a system that ensures transparency and sets prices based on these assessments. Expand the conditional priority review system regarding innovative treatments to address rare and intractable diseases. Continuously collect and analyze post-marketing real world data and utilize it to reevaluate drug prices, enabling flexible adjustment of drug prices based on the evidence.

##### **Action Plan 2: Establish a world-class system for clinical trial implementation and expand the global clinical trial network**

Promote the strengthening of collaboration among Japan Institute for Health Security (launching in April 2025 through a merger of the National Center for Global Health and Medicine and the National Institute of Infectious Diseases), the Africa Center for Disease Control and Prevention, the ASEAN Center for Public Health Emergencies, etc., and strengthen the system for basic research on diseases and the infectious disease intelligence functions in endemic regions. Based on these efforts, develop the existing international clinical trial network into a broad-based clinical trial platform, formulate shared clinical trial protocols and quality standards, and promote a world-class system for clinical trial implementation. In addition, in Japan, promote the standardization and digitization of medical information, form a clinical network that transcends prefectures and municipalities, build a “one-stop” system to facilitate participation in clinical trials conducted in English, and promote the implementation of remote clinical trials as well.

### **Action Plan 3: Expand the application of the regulatory sandbox system to healthcare and medical fields**

Actively apply the regulatory sandbox system to healthcare and medical fields in conjunction with inbound healthcare service provision. Designate “special zones for medical innovation,” led by the private sector, to set up an environment promoting proof of concept experiments for new technologies, products, and services. Based on the verified results, introduce a mechanism to support early commercialization. Furthermore, link Japan’s regulatory sandbox system with countries in Asia and Africa to build a framework that enables international verification.

### **Recommendation 5: Strengthening of the control tower function and implementation system of the Healthcare Policy**

#### **Action 1: Formulate an integrated strategy based on a global health perspective**

Foster linkages among the eight areas covered by the Healthcare Policy: drug discovery, medical device development, regenerative medicine, genomic medicine, data utilization, new industry development, and international expansion of the healthcare industry. Fully consider the substance of the Global Health Strategy and reflect a global health perspective in the other areas of the Healthcare Policy. Sort out the relationships between various strategies related to health, medical care, and caregiving and, taking a cross-sectoral overview, develop an integrated strategy that maximizes the synergy among them. Develop a public-private consultation system to promote a global ecosystem for private investment and innovation, and promote overseas expansion and the Global Health Strategy in an integrated manner.

#### **Action 2: Promote an integrated strategy through the establishment of a strong control tower function**

Set up specific KPIs across multiple consultative bodies and create a system to continuously monitor progress toward those KPIs, ensuring that it is one that facilitates suggestions from international organizations, civil society, academia, and industry. Under the leadership of the prime minister, who is the head of the Headquarters for Healthcare Policy, demand a stronger commitment to the 3<sup>rd</sup> Healthcare Policy from relevant ministers, and assign personnel to be responsible for coordination among advisory groups, policies, and ministries/agencies, and for collaboration with international organizations. Employ people with international work experience in managerial positions in the Headquarters, and improve the stability of leadership by extending their terms in office, etc.

### **Action Plan 3: Develop human resource strategies to realize the 3rd Healthcare Policy and set KPIs to assess progress**

In the Healthcare Policy, clearly identify the goals to be using AI and digital technology, and develop a comprehensive human resource strategy that aligns with those objectives. Promote the “revolving door system” among relevant sectors in and outside of the country to nurture and utilize human resources with high-level expertise, and create an environment in which human resources who use advanced technologies can move flexibly between Japan and other countries. Promote exchanges between experts on Japan’s domestic health policy and global health policy and pursue policy formulation that integrates both sides’ knowledge and expertise. Based on a clear human resource strategy, appoint more diverse human resources and set KPIs.

### **Action Plan 4: Develop a new corporate evaluation system emphasizing social impact, including sustainability**

Promote the inclusion of a broader definition of “sustainability”—including not only environmental factors, but social and economic aspects as well—in evaluation criteria, and support the creation of a system to properly evaluate the contributions of businesses to a sustainable development that promotes harmony among the environment, society, and economy. Moreover, evaluate the nonfinancial factors in corporate financial statements and introduce a mechanism that reflects their social impact, and introduce tax break measures for impact investments to increase incentives for investors. At the same time, utilize the Triple I network to actively disseminate best practices for impact investing and attract greater investment, thereby expanding the ecosystem.

## **Recommendations from the JCIE Executive Committee on Global Health and Human Security**

*These recommendations have been endorsed by the following committee members and other supporters.*

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