

# Disease Management Reporter in Japan

March 2004 **No.1**

## Greetings from the Publisher

Sompo Japan Research Institute Inc.

People's awareness of disease management has rapidly increased in our country. In November, 2003, Sompo Japan Foundation held a symposium with the theme "Possibilities of Disease Management Development in Japan". There were over 200 attendees from various fields.

The "Study Group of Healthcare Business and Disease Management in Europe and the U.S." has conducted research on disease management since 2001 under the sponsorship of Sompo Japan Foundation. Sompo Japan Research Institute Inc. is secretariat of the study group and organized this first symposium. Now, the institute will issue a newsletter called "Disease Management Reporter in Japan" targeted at an audience interested in the development of disease management in Japan.

"Disease Management Reporter in Japan" will give readers case studies of disease management in every issue. By having our study group members also serve as editorial board members, this newsletter will provide practical information on the development of various types of disease management in Japan for those involved in the field. Also, part of the content will be translated into English and introduced overseas.

We would be grateful if interested parties would make use of "Disease Management Reporter in Japan" as a source of information and information exchange at home and abroad.

## On the Occasion of the first issue of Disease Management Reporter in Japan

Shigeru Tanaka, Professor and Associate Dean, Graduate School of Business Administration, Keio University (Chief Editorial Board Member of Disease Management Reporter)

I have been serving as chair of the "Study Group of Healthcare Business and Disease Management in Europe and the US", underwritten by the Sompo Japan Foundation. Since April 2001, the study group has been conducting research on numerous aspects of disease management practices abroad. Activities have included publication of a report entitled "Development of Disease Management in the US" (June 2003), a symposium on "Possibilities and Problems of Disease Management Development in Japan" (November 2003), and publication of the lectures and minutes of discussions of this symposium (January 2004). Through these activities, we have realized that Japanese people are becoming more aware of not only the concept but also the practical aspects of disease management.

At this time, Sompo Japan Research Institute, the secretariat of the study group, begins publication of "Disease Management Reporter in Japan". This regular newsletter will play a role as a medium to connect discussions of the study group with the real world, by introducing various case studies in a timely manner. Moreover, we hope that providing information on the practice of disease management in Japan to other countries will promote mutually beneficial international information exchange.

For reviewing and supervising the direction and content of this report, five people of the study group have been chosen as editorial board members. Our editorial board will endeavor to meet the demands of readers and contribute to the development of disease management in our country.

### Editorial Board Members of Disease Management Reporter in Japan:

#### Shigeru Tanaka

Professor and Associate Dean, Graduate School of Business Administration, Keio University (Chief Editorial Board Member)

#### Hiroyuki Sakamaki

Research Department Director and Chief Researcher, Institute for Health Economics and Policy

#### Shinya Matsuda

Professor, Department of Medicine and Community Health, School of Medicine, University of Occupational and Environmental Health

#### Gregg L. Mayer

President, Gregg L. Mayer & Company, Inc.

#### Michiko Moriyama

Professor, Clinical Nursing, Division of Nursing, Institute of Health Science, Faculty of Medicine, Hiroshima University

### Contents

Greetings from the publisher .....	1
Sompo Japan Research Institute Inc.	
On the occasion of the first issue of Disease Management Reporter .....	1
Tanaka, Shigeru	
Professor and Associate Dean, Graduate School of Business Administration, Keio University	

Symposium on "Possibilities and Problems of Disease Management Development in Japan" .....	2
Outline of the symposium .....	2
Profile of participants .....	4
Comment from participants .....	4

## Symposium on "Possibilities and Problems of Disease Management Development in Japan"

Sompo Japan Foundation underwrites the "Study Group of Healthcare Businesses and Disease Management in Europe and the U.S." and on November 3, 2003 hosted a symposium titled "Possibilities and Problems of Disease Management Development in Japan".

The symposium was held under the sponsorship of organizations from three areas of stakeholders: healthcare providers, insurers and the government. Lively discussion took place regarding the future development of Japan's disease management.

( This newsletter will report the issues, summaries of lectures, outline of panel discussions, and comments from the participants. )

### Outline of symposium

#### Date and venue

November 20, 2003, 14:30-17:30  
(Main conference room, Sompo Japan 2F)

#### Organizers

Host: Sompo Japan Foundation  
Sponsors: Ministry of Health, Labor and Welfare, Japan Medical Association and National Federation of Health Insurance Unions  
Secretariat: Sompo Japan Research Institute

#### Participants

150 participants from healthcare providers, insurers, academics, governmental bodies, the media, etc.

#### Objectives

To provide a forum where researchers, healthcare providers, insurers and governmental bodies could present and discuss the possibilities and potential problems of disease management focusing on new systems to manage the quality and cost of healthcare.

#### Format

In the first half, members of the study group raised various issues through their presentations. and guest speakers shared their views on disease management.. In the second half, on the basis of these presentations and comments, a panel discussion was held to exchange views on the issues involved in introducing and developing disease management systems in Japan.

#### Chairman

Professor Shigeru Tanaka, Keio University Graduate School of Business Administration.

#### Presentations

With the following themes, members of the study group and guest speakers presented for about 10 minutes each.

#### 1. Issues raised by the members of the study group

- (1)Dr. Gregg L. Mayer, Gregg L. Mayer & Company, Inc.,  
"Disease Management in the U.S. Today: Helping the Chronically Ill Live Better through Empowerment and Support"
- (2)Hiroyuki Sakamaki, Research Department Director and Chief Researcher, Institute for Health Economics and Policy  
"Tools and Practical Models of Disease Management"
- (3)Shinya Matsuda, Professor, Department of Medicine and Community Health, School of Medicine, University of Occupational and Environmental Health  
"Feasibility of Disease Management in Japan – a Workplace Example"
- (4)Michiko Moriyama, Professor, Clinical Nursing, Division of Nursing, Institute of Health Science, Faculty of Medicine,

Hiroshima University

"Reality of the Disease Management Process and the Role of Nurses"

#### 2. Lectures and presentations of comments by guest speakers

- (1)Hideya Sakurai, Executive Member, Board of Trustees, Japan Medical Association  
"Discretion of Doctors"
- (2)Takeshi Shimomura, Vice President, National Federation of Health Insurance Societies (Kemporen)  
"Insurers' Expectation of Disease Management"
- (3)Suga Sakamoto, Nursing Director, Nursing Department, Kanto Medical Center NTT EC  
"Patient Education and Disease Management"
- (4)Manabu Yoshida, Director, Office of Health Services for the Aged, General Affairs Division, Health Insurance Bureau, Ministry of Health, Labor and Welfare  
"Health, Disease Prevention and Medical Insurance Plan – Focusing on Lifestyle-Related Diseases"

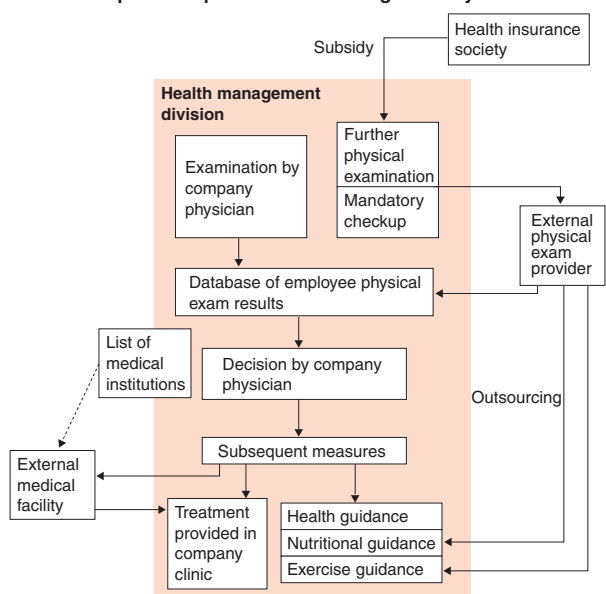
### Current Situation Of Disease Management in Japan

The following are excerpts from the presentation given by study group member Professor Matsuda on Japan's current situation of disease management.

- (1)Disease management programs such as "health management in the workplace" have been carried out for decades in Japan.

Basically, disease management programs consist of a variety

#### Example of corporate health management system



of activities that help patients receive appropriate healthcare and manage the lifestyle aspects of their conditions. For example, nurses working from advice or call centers regularly assess patients' condition, sometimes using remote medical devices. If a patient's risk for deterioration increases, nurses will intervene appropriately. Programs also encourage medical institutions to provide appropriate healthcare according to medical guidelines, so patients can receive adequate medical services.

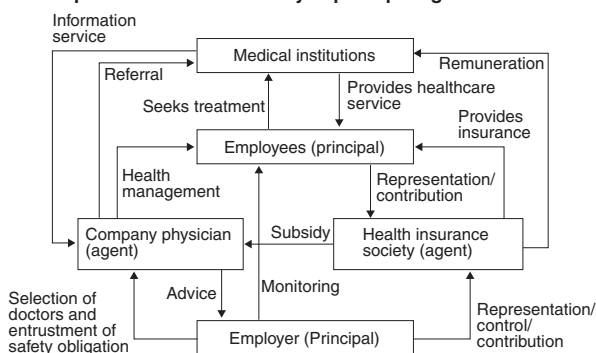
In fact, one such program of health management has been in place for decades in Japan, in the workplace. The following chart shows the health management system in a company.

Under the Industrial Safety and Health Law, regular physical examinations have become standard as a part of employment in Japanese companies. If any abnormal results are found, subsequent measures must be taken in accordance with the law. More specifically, workers at risk are offered various health guidance, health education and medical intervention from the company physician as well as public health nurses. In this way, disease management programs are already partially carried out in Japanese companies.

(2) Industrial healthcare activity in principal-agent model

The above situation can be interpreted in the principal-agent model. Company physicians (agent) are basically commissioned by employers (principal) to provide various healthcare services such as maintenance of workplace safety and prevention of occupational disease and on-the-job injuries and deaths. From the workers point of view, company physicians are entrusted with the management of workers' health.

Corporate healthcare activity in principal-agent model



(3) Conclusion

Finally, Professor Matsuda concluded his presentation with the following:

- The Japanese healthcare system already has disease management-like activities occurring in the workplace
- Under the Japanese system, healthcare providers have the opportunity to intervene at earlier stages of disease in patients than in America, due to the occurrence of annual physical exams.
- With cooperation from local medical associations, an original Japanese disease management system could be established in companies and communities.

Panel discussion

In the panel discussion held in the second half of the symposium, the following participants exchanged opinions within the framework of the discussion raised by Chairman Tanaka.

1. Participants

Shigeru Tanaka, Dr. Gregg L. Mayer, Hiroyuki Sakamaki, Shinya Matsuda, Michiko Moriyama, Hideya Sakurai, Suga Sakamoto

2. Framework of discussion

Chairman Tanaka raised the following framework of the discussion.

- (1) Will disease management be effective in Japan?
  - Target diseases and conditions
  - Applicability and scope of disease management
  - Potential leaders and their motivations for implementing disease management programs
- (2) What are the issues in implementing disease management in Japan?
  - Goals for disease management among stakeholders
  - Suitability of disease management techniques for Japan (with regard to systems, culture, etc.)
  - Needed infrastructure (from the viewpoints of standardization, computerization, cooperation between healthcare providers, etc.)

3. Summary of Major Points

The following is a summary of opinions offered in the panel discussion according to the above framework of the discussion.

- (1) Will disease management be effective in Japan?
  - A. Target diseases and conditions
    - The lifestyle of people in Japan is more conducive to health than that of the American lifestyle.
    - However, even in Japan, chronic diseases such as diabetes and hyperlipidemia are increasing.
  - B. Applicability and scope of disease management
    - Annual physical exams are commonly carried out in Japan, so it is possible for healthcare providers to intervene at an early stage of disease in patients.
  - C. Potential Leaders and their motivations for implementing disease management programs
    - Prevention measures should be incorporated into treatments covered by health insurance.
    - Disease management service fees should not be introduced into the health insurance system.

Health education should be provided by national and local governments.

  - The cost of disease management should be paid by insurers and the public.
  - Disease management programs may be offered by leaders and pioneers among medical institutions, insurers, private companies, etc., but services should be provided by health professionals.
  - There is no one clear path for developing disease management programs in Japan. Anyone with the will has an opportunity.
- (2) What are the issues in implementing disease management in Japan?
  - A. Sharing of goals for carrying out disease management
    - If the goal of disease management is a reduction of medical expenses, it would be controversial in Japan.
    - If the objective of disease management is increasing the QOL of patients and decreasing healthcare costs involved in treating advanced disease and preventable complications, then everyone will agree to it.

B.Suitability of disease management techniques for Japan (with regard to systems, culture, etc.)

- In the U.S. healthcare system people can choose their health plan, and those health plans have contracts with select medical institutions. ; this is different from Japan.
- Management of public health in Japan is strong, and it should also be utilized.

C.Needed infrastructure (from the viewpoints of standardization, computerization, cooperation between healthcare providers, etc.)

- While patients must be treated individually, there is opportunity for standardization.
- Establishing a database of useable data and its long-term management is necessary
- Stronger cooperation between medical institutions is needed.
- Specialized nurses should be trained for each disease.
- Personal information protection should be considered (in terms of confidentiality and purpose of use).

### Summary of Symposium

There were many discussions in the symposium. The general consensus was as follows:

- (1)Disease management will be effective in Japan.
  - But direct import of the US model will not work (the goals and methods of programs should be suitable for the Japanese system).
  - There are problems to be solved including infrastructure building.
- (2)Disease management programs may be provided by various leaders and pioneers among medical institutions, insurers, private companies, etc.

At the end of the symposium, Chairman Tanaka gave a thought-provoking summary:

“The number of patients with diabetes and hyperlipidemia is increasing. For improving the present situation, I don't think there is a uniform picture of who should lead disease management nor how it should proceed.

“It is clearly evident how the process of nursing care insurance has evolved. For example, in the region where nursing care insurance has been extended, small-scale multifunctional centers have been built, facilities have been developed on a community basis, collaboration has been promoted for various types of jobs, and long-term comprehensive care management to control these programs is being introduced. This is an ideal picture. The process to reach this point is different from region to region. Some communities are led by a local medical association, others by special nursing homes. There are also communities under the auspices of an elderly healthcare system and local governments. In summary, there should be many types of leaders who decide how the management system is developed. The result, however, could be, interestingly, the same.

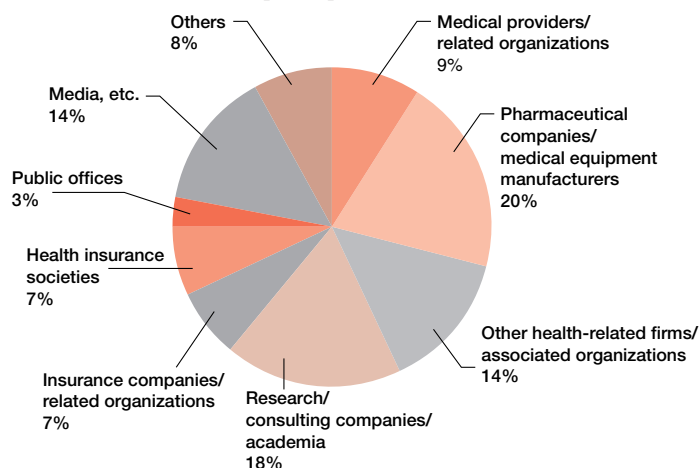
“I think health promotion and disease management systems should be similarly created. It should not always be necessary for private companies to play a major role, nor for nurses to carry the load themselves. If the process is limited in such a rigid way, disease management may not be successful. I envision highly motivated individuals and

organizations will lead disease management efforts.”

### Profile Of Symposium Participants

The symposium was attended by a wide range of participants including those from medical institutions, pharmaceutical and other health-related firms, health insurance societies and the media.

A breakdown of the 214 participants is shown as follows:



Medical providers consisted of doctors, nurses, medical administrators, hospital managers and others. In addition, many health insurance societies participated as payers representing large employers.

Private companies included pharmaceutical companies, medical equipment manufacturers and health-related companies. There were also participants from a variety of other fields.

Breakdown of participants (Unit: person)

Medical institutions/related organizations	20	Health-related companies/related organizations	29
Health insurance unions	14	Research/consulting companies	30
Public offices	6	Insurance companies/related organizations	15
Academia	9	Information/communications	7
Individuals	2	Financial institutions	3
Pharmaceutical companies	31	Other companies/related organizations	6
Medical equipment manufacturers	13	Media, etc.	29
Total			214

### Comments from participants

The following is a list of comments on the symposium from participants in various fields, together with their opinions on the future of disease management in Japan.

#### Expectations for disease management

##### CEO, Disease management program provider

“I realized that there are various definitions of disease management. There is a need to share the basic understanding that if the quality of service for patients is a given (in the case of uniform output), input can be made more efficient. Disease management covers a broad spectrum from patients' self-management to day-to-day support by allied healthcare staff, to medical care. Depending on where the program is focused the players will be different. I clearly remember Mr. Mayer saying, “Disease management in the US does not mean the practice of medicine.”

“There are a lot of issues surrounding disease management for healthcare providers. They include problems of how disease management should be provided on a daily basis in the healthcare process, patient's behavior (how the program should be maintained), and how economic effects should be assessed. I think it worthwhile for these points to be organized and discussed in future.

“As the participants said, various efforts for disease management have been made in each community and workplace throughout Japan. If disease management is regarded as a business and focuses on providing a service to meet the demand of clients (patients), we may have to look at it from a different aspect. It will be new for payers to offer disease management in order to improve the satisfaction of the insured.

“In order to spread disease management, clarification of incentives is necessary. It is important for the effectiveness of disease management to be widely recognized, including demonstrating good results in Japan. The value of positive economic effectiveness is important. These should include short- and long-term effects, and spillover effects (for example, controlling asthma can decrease the number of patients with colds). Other points such as maintaining the learning effects also need to be considered.

“Moreover, better tools and components for disease management plans should be developed. This means that programs should be improved to help retain patients, and that it should become more sophisticated to arouse consumers' appetite for buying it.”

#### **General Manager, Healthcare economic consulting firm**

“The results of conventional medical checkups and health examinations have seldom been used for research on how the data could be used, so sufficient follow-up after checkup has not been done for patients. I think this is a problem. For more effective use of the results, it would be necessary to collect the data and continue to assess the follow-up results. Disease management could be used to rationalize it. I see disease management as conducive to change the concept of the traditional medical checkup system.

“Many presentations and discussions about disease management were held during the symposium. In the future, more specific reviews and discussions will be necessary to generalize disease management in Japan. For example, practical business models may be produced for medical checkups in which hospitals take over the health services provided by health insurance societies – the consulting model in which health insurance associations tie up with healthcare providers.”

#### **Drugs Planning Manager, Medical equipment and service company**

“In Japan, disease management tends to emphasize the prevention of lifestyle related diseases among potential patients. However, I think there is also big room for improvement in managing patients who have already contracted the diseases. For instance, some cancer patients are not provided sufficient pain control, because doctors and pharmacists do not fully understand morphine administration. In these cases, the patients do not leave the hospital, though it may be possible with sufficient pain control for them to rest at home.

“As for the infusion of eutrophics in fluid nutrition therapy, the US has an efficient system to dispense fluid for each patient by stocking large amounts of fluids and using computer controlled equipment in hospital pharmacies. Japan, however, does not have such systems and pharmacists would not be able to cope with the large number individual prescriptions for each patient every day. In Japan's present situation, such individually prescribed fluids cannot be administered to individual patients as much as in the US.

“Many medical treatments provided in hospitals could be adopted for home treatment. But, to that end, I think the software in Japan is currently inadequate for such home treatment.”

#### **Planning Division Chief, Government-designated city, Health and Welfare Office**

“In spite of the growing call for primary prevention and healthy lifestyle promotion, many municipalities are cutting the budget for healthcare under the current severe fiscal situation because such health promotion measures' effectiveness is not clear. . At the same time, speaking as a payer of national health insurance, the financial burden to make up the increasing deficit every year is too large. I attended this symposium to look for some clues to aid the decisions regarding the direction of municipal health policy in these hard times.

“Under the current Japanese system, healthcare is separated from other health services. The problems for local government are how to increase QOL and how to reduce medical and healthcare costs in terms of health service or primary prevention. The health services provided by municipalities include health education, rehabilitation and physical checkups. I think these services could be expanded by using the tool of disease management.

“In the workplace, doctors can be involved with pre-disease stage patients and provide effective intervention, while in community situations, few doctors can do so. On the other hand, many municipalities provide healthcare services, so this could help with early intervention. Therefore, our challenge is how we can coordinate these roles and make the system as a whole work effectively. The case of Yasugi City introduced in the symposium could provide us with a good example, even though it is led by a medical institution.

“From a mid- to long-term perspective, we need to develop a system to handle patients from primary prevention through to the treatment of symptomatic diseases. Whether such a system should be managed by municipalities or private companies is difficult to say though.

“Primary preventive measures in nursing care are attracting a high level of interest from local governments. Our city has also started preventive projects in which we give interventions such as maintenance of muscle strength and we are considering formally evaluating these projects. We are putting together all the data of the citizens (examination data, excluding that from health insurance societies; nursing-care insurance data; and national health insurance data). Using these data, we will follow up the participants in our nursing care preventive project as well as those outside of the project, to verify and assess the effectiveness of the intervention. We hope to be able to use the results to show evidence that intervention is effective in various aspects including cost. Such an approach is the key to the further expansion of disease management.”

## Issues in the future

### Department manager, business development department, pharmaceutical company

“In this symposium some specific cases were presented. In the future, there should be more opportunities to discuss such cases, especially due to the scarcity of specific disease outcomes data.

“A common definition of disease management outcomes has not been given. Since each program sets different outcomes, it is difficult to compare them. When program outcomes are reported, the purpose, outline, results, assessment method and points of each should be organized and presented in a structured format, so discussions can be clear and meaningful.”

### Assistant Manager, pharmaceutical company, administrative department

“As comprehensive evaluation methods for new medical service billing methods like DPC [DPC is the abbreviation for Diagnostic Procedure Codes, a new hospital billing method based on a declining per diem reimbursement schedule, versus the current fee for service system] become more widely used, pharmaceutical companies will be required to supply better drugs in terms of effectiveness, safety, quality and economic efficiency. Pharmaceutical evaluation is focusing more on patient QOL as a standard. In evaluation of medical services, the voice of the patient is becoming important, in addition to evaluation by healthcare providers.

“I understand that disease management is a management methodology which builds medical delivery systems that efficiently combines existing medical resources. I take much interest in it as one method to establish win-win relationships between all parties concerned, where not just economic efficiency, but also patient QOL is promoted.

“Recently, organizations such as local medical associations, major corporations, and health insurance societies have tried to implement various novel programs. By sharing information

and discussing experiences obtained through such trials among organizations with different viewpoints, I believe that social consensus can be achieved

“Instead of purely questioning the issue of high healthcare costs, it is important to also consider the viewpoint of ‘which diseases have significant impact on disease-free life expectancy in Japan.’ Based on the unique social characteristics of Japan, I hope that this research institute provides an opportunity to discuss such topics as which diseases should be prioritized for management, and which diseases could lead to the resolution of important issues.

“I agree with the comment from Chairman Tanaka that, ‘the disease management development process has no specific rigid form.’ I believe that it should be developed in accordance with differences in regions, culture and values because of the nature of disease management in dealing with real human beings, and not only under the influence of technological development.”

## Interest in disease management

### Medical care information administrator, general hospital

“My job is to code and enter data for diseases and treatments in medical records. When I look at the data for diabetics, for example, I see records of patients who entered the hospital for educational purposes but then had to re-enter again after some months. Therefore, I think diabetic self-management is very difficult.

“The symposium did not have any direct relation to my job, but I was able to look at it from the other side and learn much from it. Lectures provided by a professor of the University of Occupational and Environmental Health and an official from the Ministry of Health, Labor and Welfare, especially, included the points of DPC and the medical system, which I found familiar and interesting. The objective of our job is to improve hospital management. , From this viewpoint, I feel that the goal of disease management is in the same direction.”

“Disease Management Reporter” strives to offers information that meets readers’ expectations.

If you would like more information on disease management, such as case studies or unique programs, or if you have comments and/or questions about an article please send your comments and requests to:

### Editorial Department of Disease Management Reporter

Attention: Mr. Naonori Yakura

Mailing Address: Sompo Japan Research Institute Inc.

1-26-1 Nishishinjuku, Shinjuku-ku, Tokyo, 160-8338

E-mail: dmr@sj-ri.co.jp

Tel: +81-3-3348-6147

FAX: +81-3-3348-6146

### About our organization

Sompo Japan Research Institute Inc., a think-tank of Sompo Japan Group, was established in 1987 as the first think-tank in the non-life insurance industry in Japan. Our conducts research and development, and provides information in various areas such as insurance, medicine, healthcare, social security and finance.

© Sompo Japan Research Institute Inc.

When reprinting or quoting any article from this report, please specify the source as follows:

“Sompo Japan Research Institute Inc. [Disease Management Newsletter Vol. 1] (March, 2004)”

Before reprinting, please contact the editorial department for permission.