

Maurer's Healthcare Insight (113)**Everybody Talks About Change****P. Reed Maurer**

One word characterized both the US election last November and the Japanese election in August. Economists use the word to describe our current economic problems. Newly elected company presidents use the word to define their objectives. Yes the word is CHANGE. In healthcare the word REFORM is synonymous with change.

To define change here are a few of my favorite quotes:

"Everyone thinks of changing humanity and nobody thinks of changing himself." - Leo Tolstoy

"The art of progress is to preserve order amid change, and preserve change amid order." - A.N. Whitehead

"Progress is always the result of the work of people who are dissatisfied with conditions as they exist." - H. G. Wells

"Things do not change; we change." - Henry David Thoreau

"In human life there is constant change of fortune; and it is unreasonable to expect an exception from the common fate. Life itself decays, and all things are daily changing." - Plutarch

Politics

As a guest in Japan I do not voice an opinion about politics. Those who do not vote should listen not talk. That said, it was nice to see many young, first time office seekers win seats in the Diet. It was equally satisfying to see a record number of women elected to office. These are historical changes in a system dominated by the old guard of one party. Whether or not it will be good for Japan is a matter of speculation. But certainly a significant majority of this society believes change is better than the same old, same old.

Workplace

The young people I meet in the US and now more frequently in Japan do not believe they will work for one company their entire working lives. Some would decry this lack of loyalty. But those who move on consider re-potting a way to stimulate new growth and development.

We all know many pharma companies in Japan who



haven't changed for a generation. They act like asset management companies intent on preserving their capital. Growth is a low priority. They live on drugs that provide dubious benefits, have few side effects, and are richly reimbursed by the health insurance system.

A colleague recently presented an analysis of drugs that do no good but do no harm and concluded the system would save at least

¥250 billion a year if these products were delisted. This is above the target of ¥220 billion the MHLW says they must save by promoting generics. Why don't authorities follow the money? Most likely because they know such action would be a severe if not life threatening blow to companies who market these drugs. Why? Because they have nothing else to sell.

We also know companies who are changing. They are becoming international competitors. They search the world for new ideas. They change their organizations to focus on specific customers and therapeutic areas. They upgrade their training programs and do not believe a person should be paid more only because he or she is one year older. People in these organizations do not leave the company to be re-potting. They grow and develop within the company.

Healthcare Reform

The US healthcare reform debate is all about change. Not because of Obama but because the system is dysfunctional. Most personal bankruptcies in the US are the result of medical expenses. During my three week holiday in the US this summer I heard one unbelievable story after another. Not about bad medical care but about the expense of obtaining it. Although solutions may be hard to find, people want a change because they feel the current system is out of control.

Healthcare reform is also a topic in Japan, but the subject here is treated more as one in need of improvement rather than radical change. That is to say, people do not go belly up because of outrageous medical expenses. Everyone has insurance and access to health care is not denied.

The system as we know it today was first established in 1961. Of course it has changed and will continue to change, primarily because of population demographics that I wrote about in my August 24 article. But good healthcare outcomes in Japan are achieved at a significantly lower percentage of GDP than in the US. Basically, the system works.

What Will Be Changed

1. Japan needs to find a cost effective way of treating the elderly with chronic diseases outside acute care hospitals.

2. Mentally ill patients must not be put away in institutions. The average length of stay in a psychiatric bed is 318 days. Care in a community setting is urgently required. Proper care for depressive disorders would also lower Japan's high suicide rate of over 30,000 deaths per year.

3. Rural areas need more doctors, better emergency care facilities, and Ob/Gyn specialists. From where I live in Minami Azabu I can walk to five hospitals and many clinics. My children were born next door in Aiiku Hospital. People in rural Japan lack this convenience.

4. Centers of excellence must be established to treat serious illnesses like cancer and other intractable diseases.

5. A clinical trial infrastructure must be established to conduct trials faster and cheaper. This will expedite the development of new drugs. It is a shame that every new drug launched in Japan was already available in 70 other countries.

6. There will be a consensus on ways to foster innovation in medical treatment, vaccines, medical devices, diagnostics and drugs. Ideas or seeds of innovation need a fertile ground on which they can blossom into products. This will require new government and private initiatives.

Yes, there will be changes to the healthcare system, but expect an evolution rather than a revolution. Issues now debated in the US are already a reality in Japan. There is universal insurance coverage, a public option, a uniformity of fees and benefits, and unrestricted access to care.



A Final Story

An Athenian harpist named Timotheus added four strings to the common seven-string harp and won great popularity in his home city.

But the city fathers of Sparta threatened him with death if he ever again appeared in that town with his new harp. They argued that the seven-stringed instruments had always served them and they wanted nothing new.

Athens went on to become one of the greatest cities of the world. It still has an imperishable place in the minds of millions. Sparta is almost forgotten.

The Athenians welcomed changes. The Spartans worshipping hardness and war, concerned themselves little with new ideas.

P. Reed Maurer meets people who talk about change and people who make changes. The latter are much more interesting.