

**NEAT Working Group on
Healthcare System amid Population Ageing in East Asia**

Final Report

**Tokyo
19th July 2017**

1. Background

In East Asia, as exemplified by the institutionalization of ASEAN+3 (APT) in 1997, East Asia Summit (EAS) in 2005 and the establishment of ASEAN Community in 2015, regional cooperation and integration have steadily advanced in such areas as economy, finance, education and disaster prevention. Worthy of note is the burgeoning economic interdependence attained through establishment of intra-regional supply chain which parallels with the rapid economic growth. Under the circumstances, question as to how to maintain and promote health of the people and how to develop co-operation in the area of healthcare, which themselves are to uphold economic growth of the region, should be regarded as an indispensable agenda for sustainable development in the region, let alone a common issue for humanity at large.

In light of this, one urgent issue is advancement of healthcare amid population ageing in East Asia. Due to a sharp decline in birth rate as well as improved public health and advances in medicine, APT countries have been experiencing a rapid population ageing, which is expected to accelerate in years to come. Ageing makes huge impacts on healthcare system either directly or indirectly through changes in socioeconomic factors. Therefore, it is vital for APT countries to take urgent action to make their healthcare system responsive to the challenges of an ageing society.

2. Objective

In this context, this WG is to observe and analyze the impacts of population ageing upon healthcare and to consider ways in which APT countries can establish and further develop healthcare systems to respond to population ageing. The WG identifies challenges with possible solutions, and aims to present policy recommendations to the APT Summit from the standpoint of Track II diplomacy. It must be acknowledged that standards of healthcare system and issues at stake greatly vary within the region, and that there are some countries where infectious diseases such as tuberculosis are still a great concern while the others have already institutionalized Universal Health Coverage (UHC). And yet, population ageing has been to a different extent a common interest for the East Asian countries; and they are equally responsible for offering an equitable and adequate healthcare system for the populations, although politics, economy and culture of each

country are reflected onto it. That calls for thorough reconsideration of the existing healthcare system and comparative researches within the region so as to enhance the system per se, which will benefit the countries involved in terms of enhancing their political preparedness.

3. Challenges

Upon tackling with the issues of healthcare amid population ageing, followings are the common key challenges that the region encounters now;

The first challenge is to establish and maintain sustainable UHC. Indeed, like Japan, some East Asian countries have embraced UHC before population ageing came to have detrimental effects in societies. The others, however, stand long before they can fully adopt the system. Meanwhile, population ageing has been proven to be the cause of the increase of medical care expenditure along with the advancement of medicine, and has a negative impact on economic growth. Therefore, those that have not yet achieved UHC will be required to face the thorny problem of institutionalizing the system under population aging that inevitably accompanies the increase of medical care expenditure and slower economic growth. The countries where UHC has already been in place as well have to reconsider the ways in which they can keep UHC in good shape.

Second challenge concerns healthcare system itself amid the unprecedented population ageing. The main focus of healthcare system has been on infectious diseases prevention and acute care. However, the ageing inevitably requires more attention to lifestyle-related diseases, rehabilitation medicine, and chronic care management. In this respect, it must call for the idea 'ageing in place' which, in simple terms, suggests the elderly living and coping with certain inevitable health problems not in hospitals but at home. That well pictures the ideal of ageing society where healthcare system and the welfare of the elderly are placed side by side, creating a new approach to 'home' for the elderly.

Thirdly, there is a challenge of securing enough human resources for the healthcare sector. Unlike a public pension scheme which essentially is a financial matter solely dealing with income transfer, the management of healthcare system requires considerations to both the financing and service delivery. Hence, it is important to secure a number of highly qualified healthcare professionals who engage in the system. Besides, it

must also be noted that, in some countries, there is a significant regional disparity as to the number of those who are engaged in healthcare. In this respect, improving effectiveness and efficiency while promoting fairness in healthcare delivery system with enhanced use of ICT is an important policy agenda.

4. Discussions at the Working Group meeting

Twenty three experts from APT countries and the sponsoring organization, the Japan Forum on International Relations (JFIR), took part in a working group meeting in Tokyo on 18 – 19 July 2017 which was organized in a keynote address and three sessions.

In the keynote address, the Director of the WG explained prospects of demographic change and its impact on healthcare by introducing the case of Japan, and shared the aforementioned key challenges while presenting the agenda of following three sessions.

In Session I “Universal Health Coverage (UHC) under Population Aging”, it was noted that common concern is as to how to accommodate the escalation of healthcare cost due to the ageing as well as medical advancements, and how to finance it. The WG discussed the issues such as different financing models for UHC (e.g. social insurance model, tax based model), and possible sources of revenues including VAT, earmarked tax, or copayment. It was also pointed out that the management of non-communicable diseases (NCDs) from the early stage of life was essential not only from the perspective of health promotion, but also from fiscal as well as economic perspectives. The WG stressed that APT countries should enhance information sharing and comparative study on UHC, with careful attention to differences in socioeconomic condition and economic development stage of each country.

In Session II “Bringing Health and Social Services in Better Integration amid Population Aging”, the WG discussed the importance of developing well-designed national strategy on the integration on health promotion, prevention and social services, as well as “good practice” of such integration that could be a model to be followed, which accommodate the changing disease patterns to non-communicable, chronic diseases due to population ageing. It is pointed out that capacity building of providers of healthcare and social services is essential for achieving integrated and comprehensive care and support for the elderly.

In Session III “Human Resources for Elderly Care and Utilization of Technology”: the WG discussed various issues and challenges for providing quality care for the elderly, from adapting to the changing nature of extended family and community support, securing human resources for care services, to enhancing productivity by utilizing advanced technology such as ICT, AI or medical robot, among others. The WG raised the importance of monitoring and supervising care service provision to guarantee the quality as well as human rights of the elderly. The importance of care coordination between health/social services providers and family caregivers was also pointed out. The WG shared their views on potential roles of ICT to secure access to quality healthcare in rural and remote areas in each country.

5. Policy Recommendations

Based on the discussions above, the Working Group on “Healthcare System amid Population Ageing in East Asia” summarized the following policy recommendations:

1. Strengthen healthcare system so as to provide quality services effectively and efficiently in response to growing health needs in an ageing society. To realize an equitable and affordable access to healthcare services for all people, accelerate efforts to attain Universal Health Coverage (UHC) in the countries striving for it, and take necessary steps to enhance the sustainability of UHC in the countries where it is already in place. Meticulous planning on both service delivery and finance is of the utmost importance in working on UHC.
2. Further enhance information sharing and evidence-based comparative study on UHC and ageing-related policies, taking into account the different contexts among APT countries in terms of healthcare system, demographic trend toward ageing, political, economic and sociocultural environment, among others. In particular, the countries that have already achieved UHC and entered an aged society should proactively provide other APT countries with their experiences and policy lessons.
3. Further promote medical research and service provision for rehabilitation, chronic care and dementia, etc. that will inevitably gain in importance with the progress of ageing,

in addition to developing acute curative care in order to keep abreast of medical advancements.

4. In order to extend healthy life years and enhance well-being of the people, take strong measures against non-communicable diseases from early stages of life, including enhancement of healthy lifestyle and encouragement of prevention, in addition to continued efforts addressing communicable diseases, amid a drastic transition of disease patterns due to ageing and changing lifestyles such as dietary habit, and vigorously promote elderly persons' social participation.

5. Establish comprehensive and integrated healthcare system through enhanced cooperation with related policy areas such as long-term care, social welfare and housing so that elderly persons can live in their own homes and community regardless of their health condition and ability level. Realizing such a system involves close communication as well as integrated and cooperative efforts from the planning phase to implementing phase of policies among different ministries and agencies at the central level, and between central and local governments as well as public and private sectors.

6. Secure sufficient human resources for health and long-term care services in terms of both quality and quantity to address increasing needs for healthcare of good quality. Regional disparities in distribution of human resources for health and personal care services such as maldistribution between urban/rural or affluent/deprived areas should be reduced in a planned manner.

7. Enhance productivity in health services as well as equity of the access to healthcare by promoting the utilization of advanced technologies such as ICT, AI, medical and nursing care robots as well as making the most of big data under growing constraints in both health human resources and financing, so as to establish more effective, efficient and equitable healthcare system.

[END]

List of Participants

Cambodia

HAK Sithan

Deputy-Director of Preventive Medicine Department, Ministry of Health

China

MA Jixiang

Deputy Director, National Center for Non-communicable Disease Control and Prevention,
China Center for Disease Control and Prevention

MIAO Ji

Research fellow, Institute of Asian Studies, China Foreign Affairs University

Japan

[WG Members] *Director of the WG

SHIMAZAKI Kenji *

Professor, National Graduate Institute for Policy Studies

AKASHI Hidechika

Director, Department of Global Network and Partnership Bureau of International Health
Cooperation, National Center for Global Health and Medicine

KOBAYASHI Yasuki

Professor, Graduate School of Medicine, the University of Tokyo

NAKAMURA Shintaro

Senior Advisor on Social Security, Japan International Cooperation Agency

ONO Taichi

Professor National Graduate Institute for Policy Studies

[The Japan Forum on International Relations]

ISHIGAKI Yasuji

Trustee, JFIR

WATANABE Mayu
Senior Executive Director, JFIR

KIKUCHI Yona
Senior Research Fellow, JFIR

Korea

SEO Bo Kyung
Assistant Professor, Yonsei University

Laos

Sommana RATTANA
Chief Deputy of Local Hospital Division, Department of Health Care,
Ministry of Public Health

Malaysia

Muhammed ABDUL KHALID
Chief Economist, DM Analytics Malaysia / Visiting Adjunct Fellow, Centre for Policy
Research and International Studies (CenPRIS) , Univ Sains Malaysia

Myanmar

Khin Maung NYO
Adviser, Myanmar Institute of Strategic and International Studies (Myanmar)

Philippines

Michael Ralph ABRIGO
Fellow, Philippine Institute for Development Studies

Singapore

Phua Kai Hong
Visiting Professor, Nazarbayev University

Thailand

Thaworn SAKUNPHANIT

Program Director, Health Insurance System Research Office (HISRO),

Health System Research Institute (HSRI)

Vietnam

DANG Thi Viet Phuong

Deputy Head, Department of Social Security and Social Works Institute of Sociology,

Vietnam Academy of Social Sciences

In Alphabetical Order of Country Name

ASEAN Secretariat

FERNANDO Ferdinal

Assistant Director of Health Division, ASEAN Secretariat