Overview of Medical Service Regime in Japan

Administrative bodies

- National Prefectural Municipal governments
- Respective insurer
- Public funding
- Supportive contribution
- Insurer

[Medical insurance system]

(Principle schemes) (Number of insurers) (Number of enrollment)
- National Health Insurance 1,888 Approx. 39,000,000
- Japan Health Insurance Association administered health insurance 1 Approx. 35,000,000
- Association/union administered health insurance 1,458 Approx. 30,000,000
- Mutual aid association 85 Approx. 9,000,000

* Numbers of insurer and the enrolled are as of the end of March 2011

- Advanced Elderly Medical Service System 47 Approx. 14,000,000
  * Number of those enrolled is as of the end of March 2011

- 75 years or older
  10% copayment
  (Those with income comparable to current workforce have a copayment of 30%)
- 70 to 74 years old
  20% copayment*
  (Those with income comparable to current workforce have a copayment of 30%)
- Start of compulsory education to 69 years old
  30% copayment
- Yet to start compulsory education
  20% copayment

* Frozen at 10% for the 12-month period from April 2008

[Medical Service Regime]

- Hospital Clinic
  Medical Care Act

Physician
  Medical Practitioners Act

Dentist
  Dental Practitioners Act

Pharmacist
  Pharmacists Act

Public health nurse
  Midwife
  Registered nurse

“Act on Public Health Nurses, Midwives and Nurses”

Other healthcare professionals
  [Those with national qualification are governed by respective acts]
Outline of the Healthcare Insurance System

Medical care system for the elderly aged 75 and over

Approx. 13 trillion yen

- Age 75 or over
- About 14 mil people
- 47 insurers (extended association)

System to address the imbalance in the payment of medical expenses for the under 75
(about 14 million people)  approx. 6 trillion yen (aforementioned)

National Health Insurance
(municipality controlled NHI + NHI society)

- Individual proprietor, Pensioner, Irregular employer, etc
- About 39 mil people
- About 1,900 insurers

Approx. 10 trillion yen

Public-corporation-run Health Insurance

- Salaried employee of SMEs
- About 35 mil people
- 1 insurer

Approx. 4 trillion yen

Society-managed, employment-based Health Insurance

- Salaried employee of Large Corporation
- About 30 mil people
- About 1,500 insurers

Approx. 5 trillion yen (total)

Mutual aid association

- Civil officer
- About 9 mil. people
- 85 insurers

*1 Numbers of members and insurers are preliminary figures as of the end of March 2011
*2 Amounts are benefits based on the budget for FY2012.
Meaning of the Universal Health Insurance Coverage System

- Our country has realized the world's highest level of life expectancy and healthcare standards through the universal health insurance coverage system.
- It is necessary to ensure a safe and secure living of the citizens continuously by firmly maintaining the universal health insurance coverage with the current social insurance system.

[Characteristics of Japanese universal health insurance coverage system]

1. **Covering all citizens by public medical insurance**  
   (In the U.S., about 18 million people are expected to be uninsured after health insurance reform by the Obama administration.)

2. **Freedom of choice of medical institution**  
   (free access)

3. **High-quality medical services with low costs**  
   (In the U.S., medical expenses per person are more than double those in Japan. In case of the elderly in Japan, the amount paid at a medical institution is about 40,000 yen if he or she receives 10 million yen of medical services per month.)

4. **Based on the social insurance system, spending the public subsidy to maintain the universal health insurance coverage**

- **Other countries such as Germany, France, and South Korea have adopted the social insurance system.**
- **In countries adopting a tax-financed system, it is pointed out that citizens can not choose a medical institution and waiting time to take medical care is long.**

For example, general physicians (registered family physicians) perform primary medical care in the U.K. The problem is that it takes long time to take medical care. Enabling patients to consult a general physician within 48 hours is set as a goal. Average waiting time of patients from they are referred to a hospital until they are treated by a specialist: 8.6 weeks (2009)
### Comparison of Each Insurer

<table>
<thead>
<tr>
<th>Municipality controlled National Health Insurance</th>
<th>National Health Insurance society</th>
<th>Public-corporation-run health insurance</th>
<th>Society-managed, employment-based health insurance</th>
<th>Mutual Aid Association</th>
<th>Medical system for the elderly aged 75 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of insurers (End of March 2011)</td>
<td></td>
<td>1</td>
<td>1,458</td>
<td>85</td>
<td>47</td>
</tr>
<tr>
<td>1,723</td>
<td>165</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members (End of March 2011)</td>
<td></td>
<td>34.85 mil.</td>
<td>29.61 mil.</td>
<td>9.20 mil.</td>
<td>14.34 mil.</td>
</tr>
<tr>
<td>Average age of members (FY2010)</td>
<td></td>
<td>49.7</td>
<td>39.0</td>
<td>36.3</td>
<td>34.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average income (total compensation) (FY2010) (+1)</td>
<td></td>
<td>¥910,000</td>
<td>¥1,370,000</td>
<td>¥1,960,000</td>
<td>¥2,290,000</td>
</tr>
<tr>
<td>per household (FY2009)</td>
<td></td>
<td>¥3,470,000</td>
<td>¥2,420,000</td>
<td>¥3,720,000</td>
<td>¥4,670,000</td>
</tr>
<tr>
<td>Amount used to work out the premiums per member (FY2010)</td>
<td>¥740,000 (*4)</td>
<td>(¥2,090,000 (*6)</td>
<td>(¥2,810,000 (*6))</td>
<td>(¥3,190,000 (*6))</td>
<td>(¥670,000 (*4))</td>
</tr>
<tr>
<td>per household (FY2008)</td>
<td></td>
<td>¥3,700,000</td>
<td>¥5,330,000</td>
<td>¥6,510,000</td>
<td></td>
</tr>
<tr>
<td>Healthcare expenses per member (FY2010) (+7)</td>
<td></td>
<td>¥299,000</td>
<td>¥165,000</td>
<td>¥138,000</td>
<td>¥140,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>¥176,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average premium per member (FY2010) (+8)</td>
<td></td>
<td>¥81,000</td>
<td>¥126,000</td>
<td>Health insurance premium rate: 7.67% (FY2010 audit estimate)</td>
<td>Health insurance premium rate: 8.03% (FY2010 audit estimate)</td>
</tr>
<tr>
<td>&lt;amount including employers’ contribution&gt;</td>
<td></td>
<td>¥142,000</td>
<td></td>
<td>Health insurance premium rate: 10.0% (FY2012)</td>
<td>Health insurance premium rate: 7.67% (FY2010 audit estimate)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>¥2,420,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government subsidies</td>
<td>50% of benefits, etc.</td>
<td>42% of benefits, etc. (*9)</td>
<td>16.4% of benefits (*10)</td>
<td>Fixed amount contribution to those associations that are in financial hardship</td>
<td>Approx. 50% of benefits</td>
</tr>
<tr>
<td>Average of government subsidies, etc. (*11)</td>
<td>3,445.9 billion yen</td>
<td>284.2 billion yen</td>
<td>1,182.2 billion yen</td>
<td>1.6 billion y en</td>
<td></td>
</tr>
<tr>
<td>(Fixed rate portion only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Average based on FY2012 budget)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Means “total income, etc.” (an amount worked out by subtracting work-related expenses, salary earners deduction, and public pension deduction and so on from the total earning).

(2) The amount per household is worked out by multiplying the amount per subscriber with average number of person per household.

(3) Means an amount per insured person.

(4) This is the standard taxable amount (a base to calculate the insurance premiums) worked out by old provisory method. Being a method used to calculate the bases on which the insurance premiums of the medical care system for the latter-stage elderly people and most municipality-managed national health insurance schemes are worked out, the old provisory method calculates the amount by subtracting basic deduction etc from the total amount of income.

(5) Not included because, with regard to national health insurance association scheme, the calculation method to work out the income and insurance premiums is widely different from one insurer to another. According to the data from 2009 income study, the standard trade-by-trade taxable incomes for state subsidies and grants for the long-term care insurance levy, specified health examination/specified healthcare guidance, etc., are not included.

(6) The amount obtained by dividing the total amount of standard remuneration with the number of subscribers.

(7) Figures for healthcare expenditure per subscriber for Kyokai Kenpo and association-managed health insurance scheme are preliminary ones. In addition, figures for mutual aid association are healthcare expenditure assessed by the assessment/payment agent.

(8) The insurance premiums per subscriber for municipality-managed national health insurance scheme/the medical care system for the latter-stage elderly people were estimated based on the insurance premiums arranged/set out for the year; and, premiums of employee insurance were estimated based on the figures obtained by dividing the amount of income deduction for each bracket (excluding basic deduction) applicable to “standard taxable income for those who have salary income and businesses income inc” worked out from “FY2009 survey of the current taxation status etc with respect to municipal local tax” conducted by Ministry of Internal Affairs and Communications by number of tax payers).

(9) As for Kyokai Kenpo, association-managed health insurance, and mutual aid association, the figure is a reference value worked out based on, in case of municipality-managed national health insurance scheme, “National Health Insurance Survey” in case of medical care system for the latter-stage elderly people. In addition, figures for mutual aid association are healthcare expenditure assessed by the assessment/payment agent. The insured number is estimated by subtracting work-related expenses, salary earners deduction, and public pension deduction etc from the total amount of income.

(10) The rate of government subsidies for Kyokai Kenpo to June 2010 in the FY2010 budget was 13.0% excluding the contribution to the latter-stage elderly people medical care system.

(11) State subsidies and grants for the long-term care insurance levy, specified health examination/specified healthcare guidance, etc., are not included.
Current Medical Service System for the Elderly

Summary of System

- In anticipation of increasing medical expenditure with aging of society, from the viewpoint to clarify the burden between aged and young generations, the medical insurance system for the elderly aged 75 and over was enacted in April 2008.

- At the same time, in order to adjust the imbalance among the insurers due to the uneven distribution of the elderly aged between 65 and 74, a system to adjust the finance of insurers was introduced.

Structure of Medical Care System for the Elderly aged 75 and Over

- Premium of the elderly: 0.9 trillion yen
  - Approximately 10% of the total medical expenditure
  - [Actually approximately 7% with reduction measure]

- Supportive contribution to medical insurance for elderly aged 75 and over (Insurance premium of young people): 5.3 trillion yen
  - Approximately 40% of the total medical expenditure

- Medical services according to the physical and mental characteristics of the elderly aged 75 and over

- Number of eligible people:
  - Elderly aged 75 and over: approximately 15 million people

- Medical expenditure for the elderly aged 75 and over:
  - 13.4 trillion yen (FY2011 budget basis)
    - Benefit payment: 12.3 trillion yen
    - Copayment: 1.1 trillion yen

- Amount of insurance premiums (FY2011):
  - Nationwide average: approximately 63,300 yen/year
    - * For those who receive only the basic pension: approximately 4,200 yen/year
# National Health Insurance & Health Insurance Benefits

(As of April 2012)

<table>
<thead>
<tr>
<th>Payment</th>
<th>National healthcare insurance (local authority)</th>
<th>Healthcare insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Healthcare Benefits</strong>&lt;br&gt;Visting nursing healthcare</td>
<td>Until the entry into primary school: 80%&lt;br&gt;After junior high school to 69 years: 70%&lt;br&gt;70-74 years: 80%* (those whose taxable income is more than average taxable income of the active workforce (1,450,000 yen per year): 70%)</td>
<td>Low-income persons: ¥210 per meal&lt;br&gt;Persons of particularly low income (70 years old and over): ¥100 per meal</td>
</tr>
<tr>
<td><strong>Meals during hospitalization expenses</strong></td>
<td>Standard amount borne for meals: ¥260 per meal&lt;br&gt;Low income persons after the 90th day of hospitalization: ¥160 per meal</td>
<td>Low-income persons: ¥210 per meal (meal cost) + ¥320 (residential cost)&lt;br&gt;Persons receiving senior citizens welfare benefits: ¥100 per meal (meal cost) + ¥0 (residential cost)</td>
</tr>
<tr>
<td><strong>Living care during hospitalization (65 years old and above)</strong></td>
<td>Living care standard fee:&lt;br&gt;¥ 460 per meal (meal cost)* + ¥320 (residential cost)&lt;br&gt;Particularly low-income persons:&lt;br&gt;¥130 per meal (meal cost) + ¥320 (residential cost)&lt;br&gt;(*): ¥420 at the insurance medical institutions that calculate living care during hospitalization (II)</td>
<td>Low-income persons: ¥210 per meal (meal cost) + ¥320 (residential cost)&lt;br&gt;Persons receiving senior citizens welfare benefits: ¥100 per meal (meal cost) + ¥0 (residential cost)</td>
</tr>
<tr>
<td><strong>High-cost medical care expenses (with individual limit)</strong></td>
<td>Aged under 70 years&lt;br&gt;(High income) ¥150,000 + (medical expenses – 500,000) × 1%&lt;br&gt;(General) ¥80,100 + (medical expenses – 267,000) × 1% (¥44,400)&lt;br&gt;(Low income) ¥35,400 (¥24,600)&lt;br&gt;(Figures in parenthesis are for the fourth month onwards)</td>
<td>Aged 70 to 74 years&lt;br&gt;(Working income level) ¥80,100 + (medical expenses – 267,000) × 1% (¥44,400)&lt;br&gt;(General*)&lt;br&gt;(Low income) ¥24,600&lt;br&gt;(Particularly low income) ¥15,000&lt;br&gt;(Figures in parenthesis are for the fourth month onwards)</td>
</tr>
<tr>
<td><strong>Lump-sum allowance for childbirth</strong></td>
<td>Contents of benefits are decided by separate regulations.&lt;br&gt;(Most insurers pay ¥420,000 ($390,000 if the additional payment set out in the maternity medical care compensation scheme does not apply.)</td>
<td>¥420,000 paid in the instance of the insured person or their dependent giving birth&lt;br&gt;(¥390,000 if the additional payment set out in the maternity medical care compensation scheme does not apply)</td>
</tr>
<tr>
<td><strong>Lump-sum allowance for childbirth and nursing</strong></td>
<td>Contents of benefits are decided by separate regulations.&lt;br&gt;(Most local authorities pay at a rate between ¥10,000-50,000)&lt;br&gt;Practiced by most local authorities</td>
<td>Burial costs&lt;br&gt;Fixed amount of ¥50,000 paid in the instance of the insured person dying&lt;br&gt;Family burial costs&lt;br&gt;Fixed amount of ¥50,000 paid in the instance of the insured person’s dependent dying</td>
</tr>
<tr>
<td><strong>Invalidity benefit</strong></td>
<td>Voluntary benefit (Not practiced by any local authorities)</td>
<td>In the case that the insured person becomes unable to work because of medical treatment being received for a cause not related to work, an amount approximate to two thirds of that persons standards daily wage will be paid daily for a maximum period of 1 year and 6 months.</td>
</tr>
<tr>
<td><strong>Maternity allowance</strong></td>
<td>During the maternity leave taken by the insured person, an amount approximate to two thirds of that persons standards daily wage will be paid daily for a maximum period of from 42 days prior to the birth to 56 days after the birth.</td>
<td></td>
</tr>
</tbody>
</table>

* Since April 2008, patients’ on-the-spot copayment has not been changed from 10%; maximum monthly copayments of high-cost medical care has not also been changed as shown in this table.
Patients Copayment for Medical Expenditure

[Ratio of patients copayment for medical expenditure]

- 10% copayment
- 20% copayment (currently remains at 10%)
- 30% copayment

High Cost Medical Treatment System

A system that any amount that exceeds the fixed monthly limit will be paid in order to ensure that the financial burden on the patient does not become too great.

<Common Example: Case of a person with Employee Insurance (30% copayment) on a general income>

Medical Expenses: 1 million yen

Paid to institution: ¥300,000

Repaid for high cost medical treatment expenses: ¥300,000 - ¥87,430 = ¥212,570

Individual limit: ¥80,100 + (¥1,000,000 - ¥267,000) × 1% = ¥87,430

Note: There are three levels of maximum monthly copayment, i.e. standard, high-income earner and low-income earner, depending on the income of the insured person.
(1) Structure of medical service fees

○ Medical service fees are the fees received by medical institutions and pharmacies serving insured persons, as the price of insured medical services.

○ Determined by the Minister of Health, Labour and Welfare based on discussions in the Central Social Insurance Medical Council (announced by the Minister of Health, Labour and Welfare)

(2) Contents of medical service fees

Medical service fees

- Evaluation of technologies and services
- Evaluation of price of materials (for drugs, prices determined based on standard drug prices)

○ The medical service fees grading table is used to evaluate costs by grading individual technologies and services (10 yen/point; covered in announcements)

* Types of grading tables: medical, dental, prescription drugs
Outline of Insured Medical Treatment

Insured person (patient)

(2) Medical services (benefits for medical services)

(3) Payment of partial costs

Insurance medical institution, etc. (Hospitals, clinics, dispensing pharmacies, etc.)

(1) Payment of insurance premiums

Health insurer

(5) Sending examined bills

(6) Payment of billed amount

Examination and payment agency (Social Insurance Medical Fee Payment Fund, Federation of National Health Insurance Associations)

(7) Payment of medical service fees

(4) Billing for medical service fees

Medical service fees first are categorized into medical, dental, and prescription drug fees. Specific medical service fees are calculated at a cost of 10 yen/point, adding points corresponding to each item, in principle for each medical action conducted. (This is referred to as a fee-for-service system.) For example, when hospitalized for appendicitis, costs are totaled for initial examination, hospitalization fees for the number of days hospitalized, appendix surgery costs, testing costs, and prescription drug costs, and the insurance medical institution receives from the examination and payment agency the amount derived by subtracting from the total the patient copayment amount.
Trends in Medical Expenditure

National medical expenditure as a percentage of national income

Reference: The ratio of total healthcare expenditure to GDP

Change of qualifying age (over 70 → over 75)

National medical expenditure (trillion yen)

Medicare expenditure for the elderly (trillion yen)

Note: Figures in parentheses represent medical expenditure for the elderly (over 75) as a percentage of national medical expenditure

Medical expenditure for the elderly (over 75) as a percentage of national income

Revisions to medical service fees

Major system changes

Year-on-year growth rates

<table>
<thead>
<tr>
<th>Year</th>
<th>National medical expenditure</th>
<th>Medical expenditure for the elderly</th>
<th>National income</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>4.1% (25.4%)</td>
<td>5.9% (28.8%)</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>4.6%</td>
<td>20.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>5.4%</td>
<td>27.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>6.3%</td>
<td>30.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>6.3%</td>
<td>31.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>6.3%</td>
<td>31.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>6.4%</td>
<td>32.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>6.6%</td>
<td>33.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>6.5%</td>
<td>33.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>6.6%</td>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>7.1%</td>
<td>34.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>7.6%</td>
<td>36.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>12.0</td>
<td>12.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>12.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: National income and GDP are from "National economic accounting" published by Cabinet Office (Dec. 2010). Being used to compare the medical expenditure among OECD countries, total healthcare expenditure is a type of medical expenditure which covers wider areas such as preventive services and so on. The ratio of average medical expenditure of OECD countries to GDP was 9.5% in 2009.

Note 2: The FY2010 figures for national medical expenditure and medical expenditure for the latter-stage elderly people are estimated figures worked out by multiplying previous year’s National medical expenditure and Medical expenditure for the latter-stage elderly people respectively with the rate of increase of approximate medical expenditure for the year in question; figures in italic represent the rate of increase of approximate medical expenditure.

<Year-on-year growth rates>

<table>
<thead>
<tr>
<th>Year</th>
<th>National medical expenditure</th>
<th>Medical expenditure for the elderly</th>
<th>National income</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>6.1%</td>
<td>12.7</td>
<td>7.2</td>
<td>7.2</td>
</tr>
<tr>
<td>1990</td>
<td>4.5%</td>
<td>6.6%</td>
<td>8.1</td>
<td>8.6</td>
</tr>
<tr>
<td>1995</td>
<td>4.5%</td>
<td>9.3%</td>
<td>▲0.3%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>1.8%</td>
<td>5.1%</td>
<td>2.0</td>
<td>1.7</td>
</tr>
<tr>
<td>2001</td>
<td>3.2%</td>
<td>4.1%</td>
<td>▲2.8%</td>
<td>▲0.9</td>
</tr>
<tr>
<td>2002</td>
<td>1.9%</td>
<td>0.6%</td>
<td>▲1.5%</td>
<td>▲2.1</td>
</tr>
<tr>
<td>2003</td>
<td>1.8%</td>
<td>0.7%</td>
<td>0.7</td>
<td>▲0.8</td>
</tr>
<tr>
<td>2004</td>
<td>3.2%</td>
<td>0.6%</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2005</td>
<td>0.0%</td>
<td>▲3.3%</td>
<td>2.6</td>
<td>1.0</td>
</tr>
<tr>
<td>2006</td>
<td>3.0%</td>
<td>0.1%</td>
<td>0.9</td>
<td>1.5</td>
</tr>
<tr>
<td>2007</td>
<td>2.0%</td>
<td>1.2%</td>
<td>2.1</td>
<td>1.0</td>
</tr>
<tr>
<td>2008</td>
<td>3.5%</td>
<td>5.2%</td>
<td>▲7.1%</td>
<td>▲4.6</td>
</tr>
<tr>
<td>2009</td>
<td>3.9%</td>
<td>5.5%</td>
<td>▲3.6%</td>
<td>▲3.7</td>
</tr>
</tbody>
</table>

Note: Figures in parentheses represent medical expenditure for the elderly (over 75) as a percentage of national medical expenditure.
Structure of National Medical Expenditure (FY2009)

- National medical expenditure: 36.67 trillion yen
- Medical expenditure per person: 282,400 yen

Breakdown of system-specific national medical expenditure

- Association-controlled health insurance: 48.1%
- For the benefit of health insurance, etc.: 30.6%
- Seamen’s insurance: 0.1%
- Mutual aid associations: 2.2%
- National Health Insurance: 24.8%
- Business owner: 20.3%
- Copayment by patients: 13.9%
- Worker’s compensation, etc.: 0.7%
- For the benefit of medical care by public expenditure: 6.8%
- Preferential reduction measures: 0.5%
- Home-visit nursing: 0.2%
- Meals at hospitalization / life: 2.3%
- Hospitalization: 36.8%
- Hospital: 35.6%
- General clinic: 14.7%
- Dental care: 7.1%
- Prescription in pharmacy: 16.2%
- Outsourcing expenses: 5.1%
- Miscellaneous expenses, etc.: 18.6%
- Medical professionals (physicians, dentists, pharmacists, nurses, etc.): 47.9%
- Medical drugs: 22.2%
- Medical materials (treatment materials, materials for food services, etc.): 6.2%
- Outsourcing expenses: 5.1%
- Miscellaneous expenses, etc.: 18.6%

- Insurance premiums of the National Health Insurance are included in the insurance payment of insured.

*Estimates based on the results of the Survey on national medical expenditure and medical economy in FY2009 (July 2009)*
Characteristics of Medical Expenditure for the Latter-stage Elderly People

- Per-person medical expenditure for the latter-stage elderly people, i.e. people aged 75 and over (medical care system for the latter-stage elderly people related medical expenditure) is 885,000 yen; that is 4.6 times as much as the medical expenditure for young people, i.e. less than 75 years old, which is 191,000 yen per person.

[Comparison of Health Expenditures per Person (FY2009)]

- Inpatient: 61,000 yen
- Outpatient: 108,000 yen

- Inpatient: 438,000 yen (7.2 times)
- Outpatient: 407,000 yen (3.8 times)

◆ When looking at the difference of medical expenditure between the elderly and the young in various countries, that for the elderly is something around 3-4 times as much as the young in the US and Europe.  
  [Germany: 3.7 times (2006), the US: 3.7 times (2004), and France: 3.3 times (2006)]  
  [Note: The definition of “the elderly” for these three countries mentioned above is “people aged 65 and over”]

## Financial Situation of Health Insurance

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National health insurance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>127,797</td>
<td>124,589</td>
<td>125,993</td>
<td>128,019</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>129,087</td>
<td>124,496</td>
<td>125,927</td>
<td>127,726</td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td>-1,290</td>
<td>93</td>
<td>66</td>
<td>293</td>
<td>- The “balance taking into consideration of the transfer from general account (compensation at account closing)” before FY2008 did not include the transfer from general account (compensation at account closing) related to the finance equalization grants to Tokyo Metropolitan Government, therefore, the definition is different from that of numerical values at account closing after FY2009.</td>
</tr>
<tr>
<td>Balance in consideration of the amount transferred to the general account (deficit portion)</td>
<td>- 3,620</td>
<td>- 2,383</td>
<td>- 3,250(*)</td>
<td>-3,900(*)</td>
<td></td>
</tr>
<tr>
<td>Remaining reserve fund</td>
<td>3,690</td>
<td>1,539</td>
<td>- 3,179</td>
<td>- 638</td>
<td></td>
</tr>
<tr>
<td><strong>Public-corporation-run health insurance scheme</strong> (formerly government-managed health insurance)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>71,052</td>
<td>71,357</td>
<td>69,735</td>
<td>78,172</td>
<td>- Figures for FY2010 is estimated figures based on audit.</td>
</tr>
<tr>
<td>Expenditure</td>
<td>72,442</td>
<td>73,647</td>
<td>74,628</td>
<td>75,632</td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td>- 1,390</td>
<td>- 2,290</td>
<td>- 4,893</td>
<td>2,540</td>
<td></td>
</tr>
<tr>
<td>Remaining reserve fund</td>
<td>3,690</td>
<td>1,539</td>
<td>- 3,179</td>
<td>- 638</td>
<td></td>
</tr>
<tr>
<td><strong>Association-managed health insurance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>62,003</td>
<td>63,658</td>
<td>61,718</td>
<td>62,854</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>61,403</td>
<td>66,847</td>
<td>66,952</td>
<td>67,008</td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td>600</td>
<td>- 3,189</td>
<td>- 5,234</td>
<td>- 4,154</td>
<td></td>
</tr>
<tr>
<td><strong>Medical system for the elderly aged 75 and over</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>98,517</td>
<td>111,691</td>
<td>116,434</td>
<td></td>
<td>- Balance calculated by subtracting current year’s National Treasury Expenditure adjusted amount to be settled next fiscal year (159.9 billion yen) from the balance of FY2008 is 140.8 billion yen.</td>
</tr>
<tr>
<td>Expenditure</td>
<td>95,510</td>
<td>110,974</td>
<td>118,001</td>
<td></td>
<td>- Balance calculated by adding the balance between current year’s National Treasury Expenditure adjusted amount (180.9 billion yen) and previous year’s National Treasury Expenditure adjusted amount (159.9 billion yen) to the balance of FY2009 is 50.7 billion yen.</td>
</tr>
<tr>
<td>Balance</td>
<td>3,007</td>
<td>717</td>
<td>- 1,567</td>
<td></td>
<td>- Balance calculated by adding the balance between current year’s National Treasury Expenditure adjusted amount (33.9 billion yen) and previous year’s National Treasury Expenditure adjusted amount (180.9 billion yen) to the balance of FY2010 is -9.7 billion yen.</td>
</tr>
</tbody>
</table>