

Points of Annual Health, Labour and Welfare Report 2009-2010

<THE FIRST YEAR OF MINISTRY OF HEALTH, LABOUR AND WELFARE REFORM>

~ Ministry of Health, Labour and Welfare, the Reliable Organization That Sees from the Same Standpoint of the People ~

~ Efforts toward the Establishment of Participatory Social Security (Positive Welfare) ~

“However, the people have lost confidence in the Ministry because of the issues such as the pension record problem and the drug-induced hepatitis problem.--- We deeply regret and sincerely apologize for destroying the foundation of the reliance because of the problems that have disappointed the people.”

“The Ministry of Health, Labour and Welfare must review the problems arisen until now, and make the system fully reliable by revising and improving---.”

(* Excerpt from “Introduction” in PART1)

August 27, 2010 Ministry of Health, Labour and Wealth

○ It is apparent that the Ministry has focused on planning systems, but has not paid enough attention to analysis of the actual conditions, appropriate management and necessary improvement prior to establishment and revision of systems. In addition, the Ministry officials in charge of management and operation of the systems lack professionalism, responsibility and fundamental knowledge of their duties

○ In the Chapter 1, the backgrounds, analysis of the problems and the future measures on the following 3 points are discussed.

- ① Issues on the former Social Insurance Agency (pension record problem, official' scandal, business of the pension and welfare service)
- ② Drug-induced hepatitis incident, issues on the files of the Fibrinogen products
- ③ Internal reform (Efforts to reform the bureaucratic culture of the Ministry of Health, Labour and Welfare)

(* Outline of Part 1)

Chapter 1 Reviewing the administration of Ministry of Health, Labour and Welfare

Section 1 Issues of the Former Social Insurance Agency

Section 2 Drug-induced hepatitis incident

Chapter 2 Efforts to Reform the Ministry of Health, Labour and Welfare

Section 1 Foundation of the Japan Pension Service and Measures to deal with Pension Records Issues

Section 2 Drug-induced hepatitis incident

Section 3 Internal reform efforts

The problems arisen until now

1 Pension records problem

(Mistakes in transferring records to the computer system from the books, records that did not match with any Basic Pension Numbers ("missing pension" issue), inappropriate retroactive adjustment of standard remuneration)

* Complaints were already made 50 years ago about the inappropriate management of the records.

2 Scandals of employees of the former Social Insurance Agency

(Reference of personal informational in the pension records for unofficial purposes, bribe cases and receipt of editor fee, illegal paperwork such as exemption of the National Pension, etc, Duty violations such as no permission work as full-time officials for the Employee Organization)

3 Issues on the Business of the Pension and Welfare Service

(The pension premiums, which have been pumped into other purposes than the pension benefits)



Analysis of the problems

1 Lack of governance of organizations

(Orders from senior officials and reports from the subordinates, which were not reached properly due to the "three-layer structure" of officials, the issues of the employee organization)

2 Employees' lack of vocation and responsibility

(Scandals of the employees, insufficient awareness of importance of securing accuracy of the records)

3 The Bureaucratic Culture far from "citizens' sense"

(The concept held by the former Social Insurance Agency that they should correct the record only when a mistake arose, the problem of not keeping people's needs in their mind)

→ **The officials are required to broaden their consciousness.**

Reform through establishment of Japan Pension Service

1 Reform of organization without remorse

- Establishment of organizational governance
- Improvement in internal control
→ Persistent efforts for improvement in the PDCA cycle

2 Creative employment of personnel

- Employment of candidates who can correctly and efficiently perform their duties, comply with laws and regulations and have motivation and abilities for reform
- Active employment of personnel from outside of the organizations

3 Change in the way of thinking by personnel

- "Ten Promises to Our Customers"
- Holding of the "Monitor Meeting on Documents for Customers"
- Disclosure of easy-to-understand information, reflection of opinions
→ Provision and quality improvement of customer-oriented services

Response to pension records problem

Discussion made at the "Advisory Committee for Pension Records Restoration"

1 Record Integration into the Basic Pension Numbers

- 14.6 million records out of 5,095 unidentified records were integrated into the Basic Pension Numbers (June 2010)

2 Matching of Pension Records on Paper-Based Records with Computerized Records

- Checking of all records during four years from FY 2010 starting from the prioritized ones

3 Measures on inappropriate retroactive adjustment including Standard Monthly Remuneration

- Door-to-door survey, punishment of personnel involved

4 Approaches to promote the restoration of the pension records

- Standardization of pension records restoration, disclosure of progress report on the measures, etc. on a regular basis

5 Development of infrastructure enabling easy access to pension records

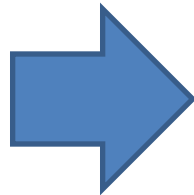
- Records checking through the Pension Coverage Regular Notice and the Internet, etc.

Lawsuit over drug-induced hepatitis

→ “Act on Special Measures”, settlement

“Basic Agreement”

(The government acknowledged its responsibility, extended apologies, renewed awareness of respecting lives and pledged to make their utmost efforts to prevent any recurrence.)



The Verification and Investigation Committee

- “Interim Summary” released in July 2008
- “First Proposal” issued in April 2009
- “Final Proposal” made in April 2010
 - Pointed out that “the systems for pharmaceutical administration in those days were inadequate, including organization and performance of personnel.”
 - Pointed out the “the basic philosophy required for persons engaged in the pharmaceutical administration”

* Issues on the files of the Fibrinogen products

- The file containing the patient names without masking had been in the basement storage of the Ministry of Health, Labour and Welfare as part of the list for the patients who were contracted hepatitis after being administered fibrinogen products (presented by Mitsubishi Pharma Corporation (then)). The data, however, were very inadequately transferred and managed, and thus, the department in charge did not know that there was such a file.
- In “the Final Proposal” released by the Verification and Investigation Committee, it is pointed out that “each employee is required to change their consciousness to keep considering the patients and the victims when performing the task of the Ministry of Health, Labour and Welfare which is responsible for protecting the citizens’ life and health besides the improvement of the file management”

The Ministry of Health, Labour and Welfare has been taking various measures for ranging from relief of victims, realization of the proposals made by the Verification and Investigation Committee and improvement in the measures against hepatitis.

Relief of sufferers from Hepatitis C Infection

Payment of benefits based on the "Act concerning Special Measures for Relief from Hepatitis C Infection"

- 1,463 patients received the benefit.

(As of July 1, 2010)

Measures to prevent the recurrence of drug-induced hepatitis

"Interim Summary"

→ Increase in the number of staff in charge of safety measures at the Pharmaceuticals and Medical Devices Agency (PDMA)

"First Proposal"

→ Promotion of necessary measures one after another through the FY 2010 budget, the Health and Labour Science Research and the PMDA

"Final Proposal"

→ Covered the pharmaceutical administration and corporate culture, including the establishment of the third-party organization for surveillance and assessment. The Ministry of Health, Labour and Welfare sincerely accepts the content and promptly and steadily implement the measures starting from the feasible ones.

Comprehensive hepatitis measure

- Enactment of the Hepatitis Policy Act (on November 30, 2009: Proposed by the Lead Director of the Lower House's Health, Labor and Welfare Committee) → Establishment on the Council on Promotion of Hepatitis Measures (First meeting was held in June 2010)
- "Comprehensive Hepatitis Measures" focusing on the aid for hepatitis medical expenses (since FY 2008)
 - ① Creation of an environment to promote hepatitis treatment (medical fee aid for hepatitis patients)
 - ② Promotion of hepatitis screening
 - ③ Patients support such as upgrading of medical care system, the training for doctors etc, and the consultation system establishment
 - ④ Dissemination and understanding of correct knowledge through the public
 - ⑤ Promotion of the study
- Measures in the medical fee revision (Revision in FY 2010)
- Positioning of hepatitis function disorders in physical disorders (since April 1, 2010)

Section 2 in Chapter 2 Internal Reform Efforts

Human resource system reforms

- Performance evaluation based on the goals focusing on “cost consciousness / elimination of wastefulness”, “system reform” and “information collection / disclosure”
- Launch of the project team for personnel evaluation under the direct control of the Minister (January 2011)
 - Verification of personnel evaluation standards, etc.
- Formulation of the “Organizational Goals of the Ministry of Health, Labour and Welfare” and the “Organizational Goals of the Bureaus” (April 20, 2010)
 - Formulation of the Organizational Goals of the Divisions in line with these goals and setting up of individual goals of personnel
 - Reinforcement of organizational strengths through enhancement of the “Seven abilities the Ministry is missing”

① Comprehension of actual situations ② Cost consciousness / wastes reduction
③ Communication skills ④ Self-disclosure ⑤ Administrative system / service improvement (ideas of customer service) ⑥ Marketing and verification on policies ⑦ New policy planning ability

Cost reduction / Elimination of wastes

- Efforts for spending cut (Responses to “Budget Screening”, Overseeing / streamlining the budget use)
- Administrative costs reduction, public service review through market testing
- Efforts in independent administrative corporation and public interest corporations (Examples)
 - Superfluous expenses reduction (Request for “expenditure cutbacks” and “adequacy of contracts”)
 - Salary level adjustment / fringe benefits review (Request for adjustment to national government employees’ salary level)
 - Reduction in the number and open recruitment of management posts in independent administrative institutions, abolishment of temporary employment for division / department chiefs and above levels
- Implementation of in-ministry budget screening (Establishment of “Budget screening office” to position the screening as a regular function, not only single year)
 - During the period between April 12 and July 1, the screening was held 15 times in total targeting 25 corporations and 15 administrative affairs / projects.

Efforts toward system improvement /Policy evaluation

- Minimization of “Confuse when in System Adoption”
 - Implementation of consciousness survey on the medical care system for the elderly and holding of the regional public hearing
- Enhancement of policy evaluation, including establishment of “Service level improvement office” (tentatively called)
 - Since FY 2010, the mechanism will be improved as follows to better the measures.
 - ① The “Service level improvement office” will be established where the head of office and survey specialists (3 persons) will be adopted via open recruitment. → Understanding of implementation status and effect measurement of the measures in consideration of the result of discussions held by inviting external experts
 - ② Thorough understanding of current status (prompt and efficient understanding of implementation status of the measures by department in charge)
 - ③ Expansion of external experts’ evaluation
 - ④ The evaluation form will be improved to make the contents easy to understand with the aim of enabling public examination to function. On the website, any public opinions about methods and results of policy evaluation will be accepted.

Promotion of work improvement

- Release of the “Work Improvement of the Week” (every week since March 2010)
- Holding of the “Hello Work Service Improvement Contest”, and the “Pension Offices Service Contest”
- Project team consisting of young employees to study reform plans
 - Central office of the Ministry of Health, Labour and Welfare: Discussions were made on six themes: “work improvement / streamlining”, “service enhancement”, “public voices”, “volunteer / NPO cooperation”, “strengthening of comprehension of actual circumstances” and “communication skill”, and a report was compiled (in July 2010)
 - The Japan Pension Service organized a similar project team
- Holding of the “Policy Plan Contest in Ministry of Health, Labour and Welfare” (in July)

Comprehension enhancement for actual circumstances

- Strengthening of understanding of actual situations for policy planning (policy marketing acumen)
- Grasp of actual conditions for employment measures
 - Establishment of the “Employment Measures Project Team for Grasping Circumstances” consisting of young officials (since October 2009)
 - The team members grasp the actual situations of policies and problems through interviewing to Hello Work users or having communication with Hello Work officials and submit a report on improvement plans every week.
- Reinforcement of grasp of actual circumstances for system operation (policy evaluation ability)
 - “Collection of public voices” (The received voices totaled 103,586 cases as of June 28, 2010)
 - “Monitors on the administration of the Ministry of Health, Labour and Welfare” (504 monitors nationwide in FY 2010)
 - Launch of the “Promotion Council for Response to Public Comments” (Since April 2010)

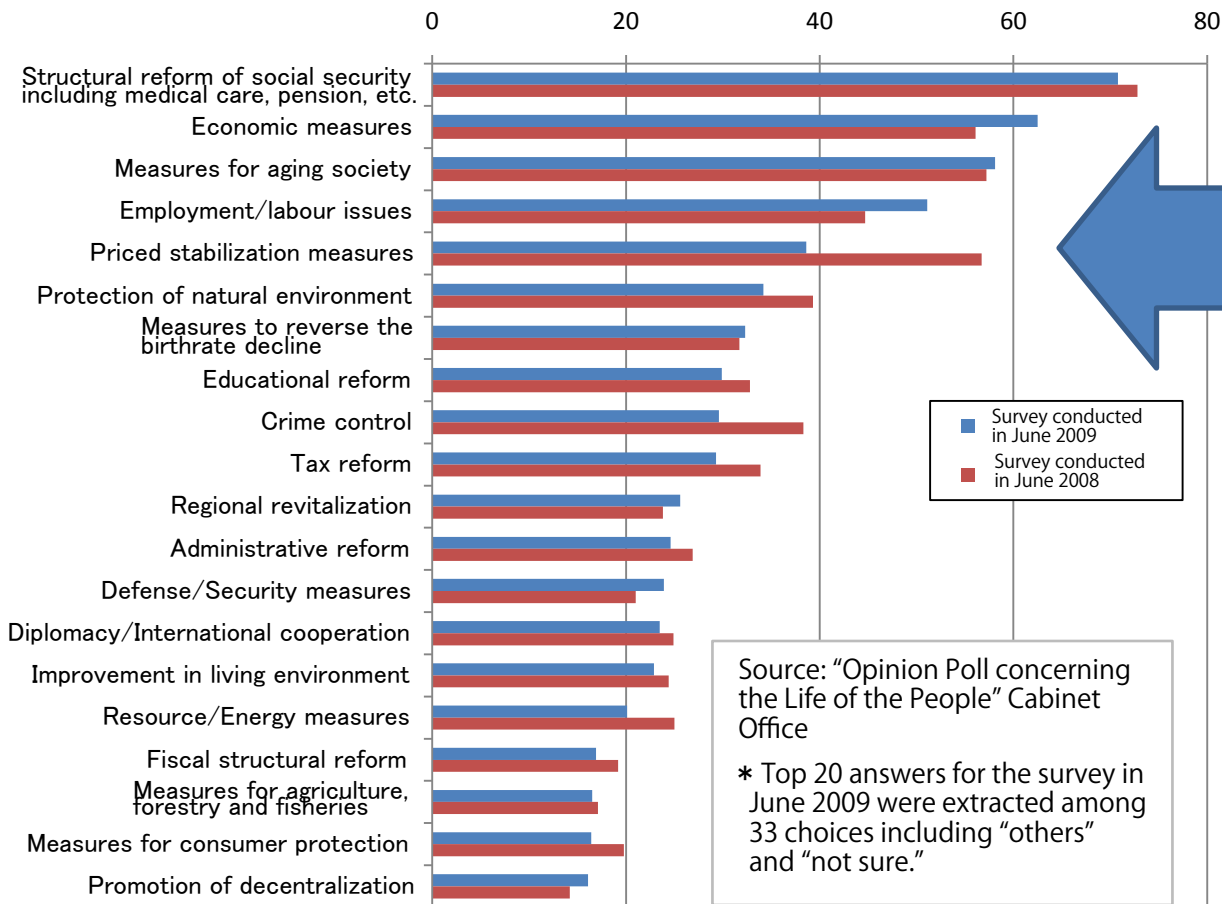
Enhancement of communication skills

- Efforts to promote prompt publicity of information, improvement in the website, and creation of simply stated documents
 - Establishment of the “Document Revision Support Office” (tentatively called) (September 2010: The officials who have work experiences of public relations / advertisement were adopted through open recruitment.
 - The Japan Pension Service also held the “monitor meeting for creation of letters addressed to customer” where the public was also participated.
- Information exchange sessions with the public (“Session on Nursing Care Insurance”, “Session on Pension Scheme”, etc.)
- Disclosure of even negative information (Strengthening of “self-disclosure”)

At the End

○ The public expectation toward the administration of health, labour and welfare shown in the “Request to the government” is high. The Ministry of Health, Labour and Welfare honestly expresses remorse for the past administrations of the Health, Labour and Welfare that led to distrust. With the aim of dispelling public distrust, steady efforts will be made continuously.

Request to the government (Multiple answers)



“Structural Reform of the Social Welfare including the Medical Service and the Pension Service”, “Measures for dealing with an aging society”, “Employment / Labour issues”, and “Measures against a declining birthrate” relating to the fields under the control of the Ministry of Health, Labour and Welfare are ranked high.

Source: “Opinion Poll concerning the Life of the People” Cabinet Office
 * Top 20 answers for the survey in June 2009 were extracted among 33 choices including “others” and “not sure.”