

The meeting with Mr. Shinji Asanuma, Director General, Health and Welfare Bureau for the Elderly, Ministry of Health, Labor and Welfare

April 3, 2007.

Visit by the U.S. Assistant Secretary for Aging, Ms. Josefina Carbonell, with the Director General, Shinji Asanuma, Health and Welfare Bureau for the Elderly, Ministry of Health Labor and Welfare of Japan.

The Assistant Secretary on Aging (Assistant Secretary), U.S. Department of Health and Human Services, met with the Director General (Director) to discuss aging issues, programs and recent initiatives in their respective countries. Other meeting attendees included:

U.S.A.:

- Administration on Aging, U.S. Department of Health and Human Services:
  - Mr. Edwin Walker, Deputy Assistant Secretary for Policy and Programs
  - Ms. Mary Leary, Special Assistant to the Assistant Secretary
  - Ms. Marla Bush, International Coordinator
- Mr. Clayton Fong, CEO, National Asian Pacific Center on Aging
- Mr. Yusuke Kataoka, Acting Chairman & Executive Director, U.S. Foundation for International Economic Policy
- U.S. Embassy, Tokyo
  - Ms. Ayanna Hobbs and Ms. Mikako Asano

Japan's Ministry of Health, Labor and Welfare:

- Mr. Kenichi Furuichi, Senior Director, Health Promotion Division
  - Mr. Yuji Otake, Director, General Affairs Division
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- The Director welcomed the U.S. visitors and offered to respond to any questions they had concerning the implementation of the Japanese long-term care insurance system. The Director expressed his appreciation that his Ministry has maintained a friendly and productive relationship with the U.S. Department of Health and Human Services on mutually beneficial matters, such as Avian and Pandemic influenza.
  
  - The Director discussed the 2005 preventive health changes to the Japanese long-term

care insurance system. This policy is regarded as one of the top priorities in terms of putting the system properly in place. These preventive health measures are important not only because of the rapid increase in the elderly population requiring care services but also to maintain a viable and sustainable system.

These changes are being implemented through the development of closer alliances and collaboration with regional governments. Regional governments are responsible for making assessments and determinations of level of care services required by the elderly using evidence-based assessment tools. This approach is designed to reduce unnecessary care services and to focus on the deployment of Preventive Care Services to maintain elderly in good physical and mental health. The Ministry's strenuous guidelines for implementation of policies and programs by regional governmental entities are now becoming more flexible.

The Ministry's is focusing on three high risk factors and developing programs for: (1) improving high cognitive and physical functional ability, (2) mouth and dental hygiene management and care, and (3) nutritional management and care. Regional government entities are now promoting these measures through the deployment of the comprehensive support infrastructural programs.

+ The Assistant Secretary stated that the U.S. government is also implementing preventive health measures to keep the growing older population healthy, independent and in their local communities. She discussed a number of programs that promote consumer choice, control, and independence in long-term care.

Some of the innovative and challenging programs being developed through state and local aging services are aimed at providing more health and social service care options for the elderly. In the United States, only 4 % of the elderly are covered by long-term care insurances, which is offered by private insurance companies. However, recent Medicare reforms provide the elderly with prescription drug coverage. Currently, **38 million Americans—more than 90 percent of people with Medicare—have prescription drug coverage.** Availability of prescription drugs under the reformed Medicare system has contributed to re-thinking by the elderly and their families of the importance of remaining independent in their own homes.

In the field of medical treatment and care, the shift is away from institutional care to home based care. This approach acknowledges that the elderly prefer to stay in their own homes and communities. The “Money Follows the Person” initiative helps **states and others build the infrastructure that will result in improvements in community-integrated services and long-term support systems to enable individuals of all ages to live in the most integrated community setting suited to their needs; to have meaningful choices about their living arrangements; and to exercise more control over the services they receive.**

Reverse mortgage programs enable older homeowners to convert part of the equity in their homes into tax-free income without having to sell the home, give up title, or take on a new monthly mortgage payment.

Other policies and programs are now on the floor of the Congress for deliberations including tax-reduction on income and revenue of individuals who devote and spend some hours donating their time as caregivers for the elderly and some tax-exemptions for people who purchase long-term care services insurances from private insurance companies.

- The Director stresses the fact that Japan and the U.S are faced with similar issues of coping with the newly emerging aging society. The Director stressed the point that the only probable difference, if any, is the matter of social security policy. The Japanese government may have incorporated more of a social-democratic concept and policies in the field of social security policy by establishing a system whereby Japanese peoples are, under certain terms and conditions, obligated to become the payee of the fees for the insurance which include the universal medical insurance system, pension system and long-term care insurance system, although Japan is basically the nation of capitalism with the spirit of democracy and freedom as the case of the United States.

On the matter of the policy making and execution on the long-term care service insurance system, the Ministry of Health, Labor and Welfare is the core Ministry responsible for promoting policies and programs for the wellbeing of the elderly. The Director stated that the entry of Baby Boomers into the family of the ageing society has coincided with other pressing issues that the government, his Ministry in particular, has to cope with - issues such as retirement benefits for those Baby

Boomers retiring from their professional careers with companies and government entities. The Director stated that issues such as retirement benefits are likely to emerge at the same time and will have a strong impact on the fiscal condition of the nation.

- + The Assistant Secretary asked the Director: “If you were now to enact Japan’s Long-terms Care Service Insurance Law, what would be the frame work and the nature of the law(s) you would think appropriate to meet the needs of the newly emerging issues in the rapidly accelerating aging society with the consideration of the entry of the Baby Boomers into the aging society?”
- He responded that it is a matter of political direction and decision, and therefore difficult to predict at this time, how the government should constitute the spirit and contents of the law(s) to meet the emerging issues which have to be taken in to consideration to enable the enactment of the relevant law(s) to be appropriate to cope with the newly emerging issues. The Japanese government did borrow some ideas from the France’s and Germany’s long-term care insurance systems. The Director stated, however, that it is not practical to enact the relevant law(s) which will be taken care of by the tax. It will be the issue of political matters to give the further consideration on this matter.
- + The Assistant Secretary stated that it is difficult to institute this kind of system in the U.S as it is done in Japan as not everyone may be receptive to this universal and enforced system. However, in the U.S., the issue of care services for the elderly is being promoted and enhanced in the context of creating comprehensive and cooperative systems of support and assistance at the community level by local aging programs working with professional entities, volunteer groups and other supporting groups. For this reason, the Older American Acts has been revised to expand the activities and the role that local communities could play in alliance with state governments and the Federal government. The U.S. is stressing the importance of the elderly being as independent as possible.

In closing, the Assistant Secretary thanked Mr. Asanuma for his valuable remarks, comments and explanations of the Ministry’s policies and programs in coping with an aging society. She added her hopes that her Department will continue to maintain a good relationship with the Japanese Ministry and that she would be delighted to provide

the Ministry with any cooperation or assistance which will be mutually beneficial. The Director noted that the U.S. Foundation for International Economic Policy maintains a close relationship with his Bureau and will be available to assist in that effort.

These summary minutes were written by Mr. Yusuke Kataoka, Acing Chairman & Executive Director. US Foundation for International Economic Policy.