〈Review〉

Japan's Health Reform
—Historical Outline from the Viewpoint of Central-local Government Relationship—

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Japan's health and medical service system which was established shortly after the end of World WarII has now been changing, revolving around the aging of the population on the way to the welfare nation. The decentralization of power is the major issue of the change now undergoing. The amendments to the Medical Service Act in 1985 and 1993 were intended by the Ministry of Health and Welfare the new systematization of the medical facilities suitable for the aging society. The Public Health Center Act enacted in 1947 has changed and now the Community Health Act is in effect, because, after the remarkable development of the capabilities of the municipalities, the personal health service in the welfare nation should be carried out by the municipalities from the viewpoint of the local autonomy. The establishment of new relationship between the municipalities and the public health centers is very important for the community health.

Key Words central-local government relationship, local autonomy, decentralization, welfare nation, health service system, medical service system, public health center, community health act, medical service act, Japan
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A. Introduction

Japan's health and medical service system, which was established shortly after World War II, has been changing considerably, revolving around the aging of the population (1). This is self-evidently seen in moves such as the amendments to the Medical Service Act in 1985 and 1993 and the legalization of the Community Health Act in 1994. These acts reflect many underlying issues common to the countries which are developing as welfare nations and simultaneously the issues unique to Japan caused by the development process of Japan's heath and medical services (2). This paper surveys and discusses the changes in Japan's health and medical service policy centering around the central-local government relationship and the current reform in the health and medical service system.

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B. Central-local government relationship

1. Central-local government relationship as a welfare nation

The relationship between the central government and the local government can be classified into two types, the Anglo-American decentralization/separation of power type and the European Continental Centralization/fusion of power type (3). The distinct difference appears in the character of the Prefectures (intermediate bodies) which stand between the central government and each of the municipalities (basic autonomous bodies; cities, towns and villages). In the case of the Anglo-American type, the intermediate body is a local administration of its own, having a separate and independent administrative power from the central government in the case

of the Continental type, on the contrary, the intermediate body functions as a comprehensive instrumentality of the central government, the administrative power is not orderly separated between the nation and the locality, and the municipality handles the affairs as a local government as well as implements the affairs entrusted to it by the nation as the subdivision of the central government. However, the difference between the two types has been considerably smaller after World War II. This is a result from a move by the Continental countries toward the decentralization of power and a move by the Anglo-American countries toward commissioning the state affairs to the locality. These moves are caused by the change of modern countries toward the welfare nations, and the activities by the local governments have rapidly been expanded. That is, the administrative activities which have remarkably expanded in the welfare nations are the personal services covering the individual members of a nation. They have such a character that no effect can be expected unless the individual of each member covered is dealt with, which should have been entrusted to a professional type of occupation with an extensive discretion. The trend of the modern countries is that, while standing on the orientation toward decentralization of power, they establish legislatures and implementation standards as a national minimum. The local governments have to abide by them and the central government guides the actions of the local governments through the distribution of financial resources. To that extent, it can be said that centralization has been taking place accompanying the trend for the central and the local governments to fuse functionally.

What value has the local autonomy? Politically, it is a practical observance of democracy by setting up the independent political power and plurals the political process, and it expands the base of democracy. In an administrative sense, it allows the local government to provide services that fit the locality, and to implement characteristic policies to the locality, thus permitting innovated policies to be executed. Pioneer activities by the local governments often lead to the policies at national levels. Also, the local governments are expected of a role to integrate the bureaucratic sectionalism of the central government, and in addition, to effect optimum distribution of resources suitable to the actual state of the locality. Further, the local governments help to reduce the burden on the central government, which allows it to concentrate on its own proper affairs.

2. Central-local government relationship in Japan

Japan introduced the European Continental central-local government relationship after the Meiji Restoration in the latter half of 19th Century, which was subjected to reform toward the Anglo-American central-local government relationship after World War II, and decentralization of power made progress such as the Prefectures becoming a "perfect" local government. For example, the governor of the Prefectures elected popular vote. However, there was another move inside the central government toward firmly maintaining the centralization of power type. At that time the central government had strong disbelief in the locality because of the long absence of substantial power in the Prefectures and the municipalities in the prewar time. And this resulted in a system where the affairs handled by the local governments were generally and roughly illustrated and the power was accorded by the nation under the Local Autonomy Act, and in a system where the local governments were utilized as a substantial subdivision of the central government, especially a frequent use of a "system of commissioning affairs to subdivision" toward the governors of Prefectures, and mayors, town managers, and village headmen according to the provisions of the many acts which proposed by the central government to the Diet. In addition, a hierarchy construction was built up of a senior to junior command and supervision for each class of

the central government, the Prefectures and the municipalities. This was indicative of centralization/fusion type. Then, Japan's local autonomy system came to be developed to the present state through the consolidation of municipalities and the inauguration of "local grant tax" which the central government allocated to the local governments. As far as the central government wes concerned, "bureaucratic sectionalism" became conspicuous, and at the same time, there were increased "commissioning of the affairs" to the locality as a subdivision of the central government, frequent use of "instructions by notification" from the central government to the local governments and expansion of "subsidy administration", which ended up extending to the inside of the local governments. This can be said to be a Japanese way of displaying centralization accompanying the fusion between the central and the local governments, where the fusion was strengthened because it was added to the original fusion type of pre-war time. However, this caused a fairly difficult aspect to emerge against the realization of comprehensive administration by the local government, which was a merit of local autonomy. A confrontation came to be created between "technocrats" and "topocrats" around the operation of the system. That is, when the central government intends to change the operation of the system, it would affect, directly or indirectly, the execution of the affairs in the local governments, which leads to a dispute over the local autonomy system. On the central side, the Ministry of Finance, which takes charge of the comprehensive management function of administration, sides with the Ministry of Home Affairs, in confrontation with the other Ministries and Agencies. On the other hand, also on the local government side, the chief of the government and the personnel of general affairs-related functions (topocrats) often have a common cognizance with the Ministry of Home Affairs, and the personnel of the professional departments (technocrats) often shows an understanding of the assertions by respective Ministries and Agencies. These issues over the operation of the system emerged in a shape to divide the self-governments into sections.

Such various issues over the central-local government relationship also emerge very clearly in the aspect of health and medical service administration. As the health and medical service administration field is the centerpiece of personal services in a welfare nation, a host of professional occupations such as medical doctors, public health nurses and nurses are engaged in, and those occupations customarily have vast room for their discretion, which often leads to the development of autonomous argument among themselves.

C. Historical outline of Japan's health reform

1) Medical service system

(1) Development of medical service system

The medical service system of Japan can date back to the promulgation of the "Medical System" in 1874, whose basic philosophy was the introduction and dissemination of western medicine and the establishment of a system of "free commencement of practice" by medical doctors. Then, such important systems, which lead to the present, as the Health Insurance Act in 1992 and the Public Health Center Act in 1937 were enacted and the Ministry of Health and Welfare was created in 1938. These laid emphasis on enriching and militarily strengthening Japan and did not aim the construction of a welfare nation (4). Japan suffered a considerable devastation of the medical service during World War II, the Medical Service Act was effected in 1948, and then the number of medical facilities increased rapidly. At the beginning, the construction of public hospitals was proceeded, but then, pressed by the fact that the construction could not be proceeded as intended due to the financial restrictions, it was argued that the utilization of private sector resources should be striven for. Restraints were

enforced on the number of sickbeds of the public hospitals in 1964, which came to increase the number of private hospitals. In 1961, "universal health insurance" for every employee and non-employee was achieved, and in 1973 medical service expenses for the aged were made free of charge, which, as a result, facilitated the aged to receive medical services. The medical service expenses of the aged came acceleratedly to rise also in line with the advancement of medicine and the diffusion of medical service, as a measure against which the Health for the Aged Act was enforced in 1983. This put the measures for health and medical services for the aged unitarily under the control of the municipalities, and caused a financial adjustment to be implemented regarding the medical service expenses for the aged among respective health insurance associations. At the same time, this caused the municipalities to implement health measures such as health examination, health education and health consultation and so on for the middle-aged and the aged in order to strive for the gradual reduction in the medical service expenses on a long term basis by promoting people's good health. In addition, in 1990, the measures for welfare for the aged were transferred from the Prefectures to the municipalities thanks to the amendment of the eight Welfare Acts, which came to put all the measures for the health and welfare and the medical service expenses for the aged unitarily under the control of the municipalities.

(2) Amendments to the Medical Service Act

Japan's medical service policy used to be implemented by changing the compensation for medical treatment and service paid by the Health Insurance to medical doctors and hospitals without changing the system of the Medical Service Act to induce them economically. One may well say that the increase in the medical service expenses of late was resulted from political factor as represented in the steep rise of medical expenses after the medical service expenses of the aged were made free of charge in 1973, but basically, it was resulted from the growth of the population of the aged and the advancement of medicine and the development of medical services, which have raised the fundamental recognition that the medical service system should be changed so as to fit the times. That is, a "medical service planning" in each Prefecture was legalized through the so-called "primary" amendment to the Medical Service Act in 1985, which determined the necessary sickbeds for each of the "medical service zones" provided for by the Prefectures, and rejected the sickbeds exceeding the limit, in principle. In addition, the "secondary" amendment to the Medical Service Act was totally enforced in 1993. The main purpose of this amendment was the systematization of functions of medical service facilities including the preparation of the regulations with regard to the doctrine of providing medical service. The systematization of new types of hospitals such as "specific high-leveled function hospitals" and hospitals of "care type sickbed group" and the incorporation of the "health facilities for the aged" into the medical service system were introduced. This colud be understood as a move to convert the medical service system from centering around the acute diseases after the World War II into centering around the chronic diseases of the aged, as well as to put a high-level medical service into a special frame and formulate a suitable system.

(3) Characteristics of Japan's medical service system

Essentially, the medical service system has a goal that anybody can be readily provided with the best medical service, anytime, and anywhere. In Japan, such a goal has been aimed at by establishing a system that all of the people join one of the health insurance associations, and all of the expenses incurred in connection with such medical service rendered as a doctor considered necessary has been

paid to the doctor by the health insurance association except a small amount of copayment borne by the patient, and by enhancing the accessibility to the medical service under the doctor's "free commencement of practice" and the free choice of medical facilities by the patients and removing the restrictions on medical service contents. It has resulted in reaching a good level of the health and medical services as shown in a high average life span and a low infant mortality despite of relatively low sums of medical service expenses incurred as compared with foreign countries (5). However, such issues coluld be pointed out that ① a regional uneven distribution of medical facilities and manpower has been seen, ② the health and medical service resources have not been utilized effectively and effciently, ③ there has been a tendency that the medical service has revolved around treatment while such aspects as prevention and health promotion have been despised, ④ the cooperation among health service, medical service and welfare service has not been sufficient, ⑤ the systematization of medical facilities has been delayed, and ⑥ the specialization and organic cooperation of medical functions have been insufficient.

2) Health service system

(1) Development of health service system

In Japan, health activities have been separated from medical service activities, and implemented as works of administrative bodies. Such philosophy was made clear when the Public Health Center Act was totally amended in 1947. At that time, Japan was under occupation by the Allied Forces and the amendment to the Act was implemented under their guidance and direction, and a plan for the public health center with a new conception was formulated on the basis of the fundamental recognition that the pre-war health center had been essentially a clinic (6). On that occasion, the expanded and strengthened function of the public health center (Table 1) and the characteristics of the front-line organ for implementing the public health administration which would directly contact the people were highlighted. Therefore, it was provided for that one public health center would be established for every 100,000 people. For this principle, the public health centers would be established by the Prefectures and would exercise control over more than one municipality whose population was usually much less than 100,000, and in the case of the big urban municipalities which had a large population, a public health center would be established within the jurisdiction if designated by a government ordinance. This seems contrary to the philosophy that personal services should be provided by each municipality that is a basic autonomous body, but was an adequate decision if the scale and capability of the municipalities were taken into consideration, and conformed to such a rational philosophy that the jurisdiction coverage of the public health canter as an organ to

Table 1. List of the operations of the public health center in Public Health Center Act

1) Dissemination and improvement of hygienic thought
2) Vital statistics
3) Nutritive improvement
4) Environmental sanitation (sanitary control of food and drink, water supply, waste disposal and so on)
5) Operations of public health nurse
6) Medical social work
7) Maternal and child health
8) Health of the aged
9) Dental hygiene
10) Mental health
11) Infectious and contagious disease prevention (including tuberculosis)
12) Hygienic test and inspection

provide services directly to the residents should be determined on the population size. It seems, rather, that the recognition of the establishment of public health centers by big urban municipalities was in line with the philosophy that the public health center should be operated by a minimal local government which conformed to a population of 100,000, and the role of the municipality as a basic autonomous body was conscious of. In fact, municipalities have had a big role in preventive vaccination and tuberculosis prevention activity from the beginning.

The circumstances around the local governments changed due to the Japanese economic growth, while the nation promoted the consolidation of the municipalities. The scale and ability of the municipality grew on an average. And then, the philosophy came to grow bigger that health services should be provided by the municipalities. Particularly in the field of the maternal and child health, this philosophy was influential and became a powerful opinion in the debate over the legalization of Maternal and Child Health Act in 1965. But, in the end, the maternal and child health business came to be that of the public health center as in the past by reason of premature capability in considerably many municipalities, not going beyond the confines that the municipalities were also allowed to implement the business. On the other hand, in the latter half of the 1950s, "a doctrine of the public health center, a declining sun" emerged among the people concerned with public health after the initial success in the field of infectious diseases and tuberculosis control, and the reform of the public health center came to be enthusiastically discussed. The Ministry of Health and Welfare, in 1960, issued a notification to seek the reorganization of the public health centers in attempting to specialize their functions by classifying them into the urban community type and the rural community type, and, in 1969, draft a policy for specializing the public health centers into key public health centers which would perform environmental health business and public health centers which would not. Although both were the proposals of the Ministry of Health and Welfare, neither lead to the realization of the public health center reform mainly due to the lack of the financial supports of the central government. And, in 1972, the Japan Medical Association published the opinion that health and medical services should be comprehensively handled by the Medical Association of the region with no necessity of the continuance of the public health center, giving rise to much debate.

(2) Health service system involving the municipalities

In the latter half of the 1970s, the Ministry of Health and Welfare decided to establish a system to subsidize the health activities perfomed by the municipalities. They started with an 18-month-old children health examination business in 1977. At the public health center, an expectant and nursing mother/infant health examination had been implemented since 1948, and a 3-year-old children health examination since 1961, and there was much debate over whether the business should be handled by the municipalities since it was feared to cause troble with the discontinuity in the children's health examination records. In 1978, the Ministry of Health and Welfare started the "national health-promoting measure", and decided that the subsidy would be given to the municipalities in order to strive for the establishment of the "municipal health centers" and the security of manpower such as public health nurses as part of the preparation of the infrastructure for health-promoting. Under the provisions by the Ministry of Health and Welfare, the municipal health center was the base for the comprehensive implementation of personal health services such as health consultation, health education and health examination to promote the health of the residents, and at the same time it would provide the residents with an arena where they would perform their voluntary health activities. It was positioned

by the Ministry of Health and welfare as a "place" for the purpose of efficiently implementing health-promoting activities in the municipalities, instead of an administrative organ such as a public health center. In fact, however, the municipalities which established a municipal health center ordinarily placed staff and positioned it as an organ of the administration. Then, its preparation made progress in that it was taken up as a business to promote health of the middle-aged and the aged in 1983. As of April 1993, 1, 185 municipal health centers are prepared in about one-third of the municipalities, while there are 852 public health centers (4). On the other hand, in 1978, the control over the status of public health nurses who had in the past engaged in the health insurance associations for non-employees operated by the municipalities was transferred to cause them to be the public health nurses under the control of the municipalities themselves. They got involved in the entire health activities of the municipalities both in name and reality.

Then, what became epoch-making was the enforcement of the Health for the Aged Act in 1983, as mentioned above. Since the measures for the medical service expenses for the aged had been handled by the municipalities, the business of health examination, health education and health consultation and so on as the chronic degenerative disease prevention (for example, the cancer prevention, the circulatory disease prevention and the diabetes prevention) provided by this act for the middle-aged and the aged was also decided to be prepared as the business of the municipalities. The public health center became an organ supporting the municipalities for the degenerative disease prevention. For this reason, a clearer positioning of the public health center in the entire health business came to be highlighted as a major issue. Also, in addition to the preparation of the municipal health centers as above-mentioned, the municipalities increasingly placed public health nurses in their health activities.

In 1989, a "10-year strategy for promotion of health and welfare for the aged" (so-called "Gold Plan") was published under agreement by the Ministers for Finance, Health and Welfare, and Home Affairs. The objective regarding the measures for home welfare of the aged was set in the municipalities in connection with the expansion of the "special protective care homes for the bed-ridden aged" and the "health facilities for the aged". Furthermore, in 1993, all of the municipalities and the Prefectures were mandated to formulate the "health and welfare program for the aged" which set the target value of the future health and welfare services for the aged taking into consideration the needs for the aged in each region.

(3) Community Health Act

In 1993, on the other hand, the "Council on Public Health" located in the Ministry of Health and Welfare, as a result of an assessment of the basic way the community health should be, presented a written opinion to the Minister for Health and Welfare. It urged the necessity of transferring the power concerning health services from the Prefectures to the municipalities, the entities that were closer to the residents. And, at the same time, the necessities of the promotion of decentralization of power by attaching importance to the role of the municipalities in health services and of the promotion of the cooperation among health service, medical service and welfare service were stressed. The establishment of public health centers in big urban municipalities was recommended, while the establishment of municipal health centers was recommended to be promoted in all municipalities. Its theme was to implement "necessary assessment concerning the community health-related business and its implementation system from the viewpoint of providing carefully thought out health services revolving around the residents and consumers depending upon the regional actual circumstances", and great importance attached to the role of the

Table 2. List of the operations of the municipalities after the establishment of Community Health Act

1) Maternal and child health (home visit guidance to expectant and nursing mothers/new born babies, health examination of expectant and nursing mothers, health examination of infants, health examination of 18-month-old children, and health examination of 3-year-old children)
2) Preventive vaccination
3) General nutritive guidance
4) Health for the middle-aged and the aged

Table 3. List of the operations of the public health center after the establishment of the Community Health Act

1) The operations listed in Table 1 excluding the operations listed in Table 2
2) Medical and Pharmaceutical affairs
3) Measures against intractable diseases
3) Collection of community health information, investigation and research
4) Technical assistance to the municipalities

Note) The operations of the public health centers in the urban big municipalities designated by the nation: all of the operations listed in Tables 1 and 2

municipalities. Behind this, there was a fact that in 1989 the "Extraordinary Council on Administrative Reform Promotion" established by the Prime Minister submitted the "report on the relationship between the nation and the locality, etc. "stating that" the way the public health center should be would be reassessed, and the health service business should gradually be transferred to the municipalities. "To tell the truth, this topic had been vigorously discussed among the health and medical service interests since even before the submission of this report as abovementioned, and it did not constitute a turning point. This caused the amendment to the Public Health Center Act and the legalization of the Community Health Act (Tables 2 and 3) to become an actual move. The bill was presented before the National Diet and was passed in 1994(6).

(4) Financial aspect of health service system

Next, the finances of the public health center will be referred to. Since 1948, under the Public Health Center Act the central government had shouldered as a government subsidy one-third or less of the expenses required by the public health center for implementing individual public health activities. Then, in 1964, there was a move for rationalized accountants' business in connection with the business executed in the public health center, but the government subsidy system was continued. In 1984, however, the Public Health Center Act was amended, introducing a system in which the aid for the operation of the public health center was provided by the central government in proportion to the population and area under jurisdiction. In 1986, the personnel expenses came to be covered by the "local grant tax" which was distributed by the central government as general financial resources to the municipalities and the Prefectures. That is, it has been changed into a system in which the financial resources of the public health center were covered by national grants instead of government subsidies under the Public Health Center Act, and further covered by the general resurces of the locality, with which the central government dealt by the local grant tax. This permits the operation of the public health center to be unique to the locality and to fit the actual circumstances of the local governments, while it is greatly feared as a demerit of local autonomy that the individual judgment by the locality might weaken the operations of the public health center in terms of finances.

D. Conclusion

Japan's health and medical services are now at the turning point depending upon the change of times. The systems have now been changing around the aging of the population and the trend of decentralization of power. Regarding the medical service system, the Ministry of Health and Welfare is now preparing the "tertiary" amendment to the Medical Service Act to accomplish the systematization of the medical facilities suitable for the aging society, but its contents have not been announced. Regarding the health service field, we have the Community Health Act now, but it shows only the framework of new administration system relating to health services, and the concrete goals of this Act will be set by the Ministry of Health and Welfare after the discussion in the Council on Public Health (7). It is very important that the way the community health should be is thought to be placed under the circumstances where instead of having the conception to maintain the conventional public health center for survival, and the way the future community health should be must be taken into consideration, wherein the roles of the municipalities and the public haelth centers are to be thought, and where and what function should be built up must be discussed. We must have a big concern about this move, and the local autonomy in the field of health and medical services should be encouraged, because these services should be provided delicately and harmoniously to every resident and, especially, to every old person who requires these.

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