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Health Insurance Associations Facing Fiscal Deterioration

Data health is important not only for subscriber health but also for sustainability

Policy Research Dept.

Miku Ishibashi

Summary

- While the wages of insured persons are sluggish, the finances of health insurance associations are deteriorating due to an increase in supportive contributions to medical care for the elderly. Some unions whose health insurance premium rate exceeds that of the Japan Health Insurance Association (Kenpo) (10%) have chosen to dissolve.
- There are concerns about further tightening of health care finances because the contribution burden will soar from 2022, when the baby boomer generation reaches age 75. In practice, however, the spread of COVID-19 is likely to accelerate the deterioration of health finances earlier than that.
- Insurance premium rate hikes seem to be close to the limits of health insurance associations, which are established under the auspices of various corporations, including accommodations, food services, and other industries, where improvement in corporate performance is expected to be delayed and wages are expected to remain sluggish for a prolonged period. In order to ensure sustainability of health insurance associations in industries where the wage level of insured persons is low, it is essential to enhance the initiatives of insurance services for subscribers, and it is important to further promote health services.

Attention

This report is a summary translation. The official document is only in Japanese.