

The University of Yamanashi battles COVID-19 (Part 7)

Critical times call for bold action: The medical community needs major financial support

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1. PCR testing: An exit strategy for a wide-scale, protracted slowdown in social and economic activity

In Part 6 of this series,¹⁾ we explained how Japan's woefully meager PCR test count—one of the lowest of all the OECD countries²⁻⁴⁾ (see Parts 3-5)⁵⁾—has made determining accurate numbers of COVID-19 cases and fatalities in Japan a serious challenge. Even with accurate estimates, however, Japan's figures would still be far lower than the numbers in the West. Some have attributed that stark disparity to the "Japanese miracle," but we argued that the factors underlying the differences are not specific to Japan alone but rather common to the broader Western Pacific region as a whole.^{1, 6)}

Just because the numbers of cases and fatalities in Japan sit far below those in the West, however, does not necessarily mean that Japan has evaded the kind of socioeconomic havoc that COVID-19 has wreaked in Europe and the United States. Ever since the Novel Coronavirus Expert Meeting released its statement on February 24,⁷⁾ the government has issued numerous, successive requests for "self-restraint" (refraining from outings) as a means of pulling Japan "back from the brink," weathering a "critical moment," and navigating a crucial "turning point." The national government eventually declared a state of emergency in seven prefectures on April 7 and then extended the declaration nationwide on April 16.⁸⁾ That brand of "gradual approach"

might sound measured and judicious on the surface, but it also smacks of the half-hearted, piecemeal strategies that spelled doom for the Japanese military of old.⁹⁾ The government ended up lifting the state of emergency in 39 prefectures on May 14. In name, the “state of emergency” lasted less than one month in those prefectures. Figuring in the school closures that began in early March, however, the duration of the shutdown was closer to 10 weeks in effect. For the eight prefectures where the official state of emergency remained in place for longer, as well as most schools nationwide, life grounded to a halt for roughly three months. The circumstances brought social and economic activity to a sudden stop, dealing the kinds of devastating blows that defy quick recovery. The situation was a grueling test of patience. With the stiff restrictions on day-to-day activity dragging on and no strategy for jolting the economy back to life emerging into view, a group of eighteen frustrated prefectural governors decided that they had had enough, called a press conference on May 21, and announced an urgent proposal to “normalize social and economic activity as soon as possible and enable a return to customary, everyday life while still working to prevent the spread of the infection.”¹⁰⁾ They also emphasized the need for a broader, fuller testing framework built around PCR tests, echoing the same argument that we have made time and time again in this series: that Japan needs to move beyond its feeble PCR-testing structure,⁵⁾ one of the weakest systems in the entire OECD community.

The Novel Coronavirus Expert Meeting has already acknowledged the need for a stronger testing framework.¹¹⁾ With that consensus now taking shape, the next question centers on how to make the necessary expansions. It was on April 6 that Prime Minister Shinzō Abe announced plans to double the Japan’s PCR-testing capacity to 20,000 tests per day,¹²⁾ but it was not until May 15 that the country managed to reach that benchmark¹³⁾—and still, never once has Japan’s actual daily test count reached that extended capacity. There are several reasons why the process of establishing a larger testing framework took until after the government lifted the state of emergency.

2. The outlook for an expanded PCR-testing framework: Current conditions and two challenges to navigate

According to data from the MHLW website on COVID-19 PCR tests, Japan has a total PCR capacity of 24,066 tests per day as of May 21. Regional institutes of public health

and health centers, which have been the primary test providers thus far, account for just 27.5% of that total (6,625 tests per day). The highest-capacity segment turns out to be private testing companies, which together have the capabilities to administer 10,771 a day—44.8% of Japan’s overall capacity.¹⁴⁾ We argued that taking fuller advantage of the private sector would benefit the testing situation in Part 5,⁴⁾ and it would appear that improvements to the framework are progressing in the right direction on that front.

On the other hand, universities have fallen far behind the private sector’s pace, accounting for a trifling 8.0% of the total (1,930 tests per day). The need for tests is obviously enormous; the eighteen prefectural governors demanded a system capable of administering between 100,000 and 200,000 tests a day.¹⁰⁾ In Part 5,⁴⁾ we argued that universities could join private testing companies in filling that massive gap—but universities have been almost entirely missing in action. We are not alone in advocating for more proactive use of university resources. Professor Shin’ya Yamanaka, director of the Center for iPS Cell Research and Application at Kyoto University and a Nobel Prize winner, has spoken out on numerous, far-reaching platforms (including in direct counsel to Prime Minister Abe) in favor of mobilizing the university community.¹⁵⁾ The push was slow to gain traction, however. Coverage of a Ministry of Education, Culture, Sports, Science and Technology study on applying PCR-testing equipment in university settings toward the response effort only began to appear on May 13, well after the private sector had started to expand its offerings in earnest, leaving universities on the outside looking in while other groups have seized the momentum.

There are at least two major underlying factors at work here. One is Japan’s compartmentalized administrative structure, long a target for criticism in a variety of circles, which again finds itself playing a significant part in the country’s approach to tackling the COVID-19 crisis. Briefly, universities operate under the Ministry of Education, Culture, Sports, Science and Technology, while medical institutions operate under the MHLW; the administrative structures are separate. All of Japan’s 47 prefectures are home to medical schools and university hospitals, which play particularly important roles as medical resources in rural communities. Amid this unprecedented national crisis, one that demands national unity and concerted action, the fact that Japan’s administrative red tape makes it so hard for universities to contribute simply toward the single goal of expanding the country’s PCR-testing

framework is a lamentable reality.

Although the administrative structure is a major roadblock, to be sure, our interest is the other major bottleneck in the current situation: budget concerns facing universities. The University of Yamanashi Hospital, though not a designated medical institution for infectious diseases, has been battling COVID-19 since Hospital Director Masayuki Takeda and I (Shimada) issued instructions to ready the facilities for a response in late January. Inevitably, the campaign against the infection has been an expensive one.

The University of Yamanashi Hospital houses 618 beds, 548 of which are in the general wards. In February 2020, the hospital recorded a revenue loss of 44 million yen relative to the previous February—much of which stemmed from funding a project to convert a general ward (47 beds) into a dedicated facility for COVID-19 care. Revenues for March 2020 came in at 135 million yen below the mark for March 2019 as the administration reassigned doctors and nurses to COVID-19 duty, thereby placing severe limitations on the number of surgeries and other procedures the hospital could offer. Forecasts for the first half of FY2020 (April to September) put outpatient revenue at a projected year-on-year loss of around 600 million yen and inpatient revenue at roughly 1.5 billion yen under last year's total. That amounts to a loss of approximately 2.1 billion yen, equivalent to 10% of the hospital's annual revenue, in just the first half of the year. The expenses have been enormous as well. Expenditures with direct ties to the COVID-19 response came to roughly 30 million yen for February and March; in April alone, COVID-19-related initiatives consumed roughly 45 million yen in costs. Minus the financial assistance from the prefectural government, the University of Yamanashi Hospital is currently liable for around 16 million yen a month in expenses.

Plummeting revenues and climbing expenses are unavoidable consequences of a pandemic. The implications stretch further than just hospital management, however—while the University of Yamanashi Hospital is doing whatever it can to bolster the PCR-testing system, other university hospitals facing similar fiscal straits may be unable to aid in the expansion of Japan's PCR-testing structure at all. Estimating that 80 universities across the country will lose a grand total of 486.4 billion yen over the course of the year if revenues continue to fall as they did in April, the Association of Japan Medical Colleges is imploring Prime Minister Abe for financial assistance.¹⁷⁾

National universities face another frustrating predicament. Since becoming “national university corporations” (undergoing partial privatization) in 2004, the institutions have seen their operating-expense subsidies cut by 1% every year. Standing up to “answer the call” is a tall task when financial constraints continue to tighten their grip.

COVID-19 has no clear end in sight. The University of Yamanashi resumed normal surgery procedures in June after the state of emergency in the prefecture ended on May 14, but the hospital administration plans to keep the 47-bed COVID-19 ward in operation for the foreseeable future—which also means that inpatient capacity will remain in its reduced state, thus prolonging the fiscal challenges.

3. Critical times call for bold action: The medical community needs major financial support

National universities and university hospitals are not the only members of Japan’s medical community grappling with financial distress under the weight of COVID-19’s unprecedented national crisis. Also bearing the impact are private-practice doctors and clinics. Every corner of the medical system is clearly feeling the effects.¹⁸⁾ Recognizing the crippling conditions, Japan Medical Association President Yoshitake Yokokura has officially requested over 7.5 trillion yen in aid for the country’s medical institutions.¹⁹⁾ While the economic dimension of the crisis is clearly devastating enough by itself, the doctors, nurses, paramedics, and other professionals on the front lines in the medical sphere are contending with physical, mental, and social exhaustion; the combined pressure and fatigue are so overwhelming that the sustainability of the medical system as a whole is now in serious question. The battle against COVID-19 goes on, the adversary as unpredictable as ever. The government is starting to discuss providing direct support to medical professionals in the field and tripling reimbursements to hospitals for the treatment of severe COVID-19 cases,²⁰⁾ which are important steps to take—but still baby steps in the larger scope of things. Instead of debating piecemeal policies, the government needs to provide national universities, university hospitals, and the entire medical community with the high-impact, large-scale funding that it will take to protect the lives of the people.

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