

## ***Hospital Procurement and Logistics Market in Japan: Key Research Findings 2011***

### ➤ **Research Outline**

**Yano Research Institute has conducted a study on the hospital procurement and logistics market in Japan with following conditions.**

1. Research period: May to July 2011
2. Research targets: Forty-eight hospitals nationwide with DPC (diagnosis procedure combination)/PDPS (per-diem payment system)  
\* Hospitals in Miyagi Prefecture, Iwate Prefecture and Fukushima Prefecture are excluded from the research targets.
3. Research methodologies: Face-to-face interviews, telephone and fax surveys, post mail questionnaire surveys

### ➤ **Key Findings**

#### ◆ **One fourth of hospitals are satisfied with the way of purchase and procurement of medicines and medical devices**

The hospitals that are satisfied with current purchase and procurement accounted for 25 percent of the sites responded. The major factors of unsatisfaction are unclear prices and the large number of product items, which is cumbersome to manage.

#### ◆ **Balanced and varied procurement is necessary for advanced medicine that uses expensive drugs and medical devices.**

While shifts are made more and more to generic drugs in the medicine sector and same kind and effect lower priced products in the medical device sector, the amount of purchase of expensive medicines, such as anti-cancer agent, and medical devices, such as cardiological devices, have increased. Balanced and varied procurement is necessary to provide advanced medicine that requires expensive materials and goods.

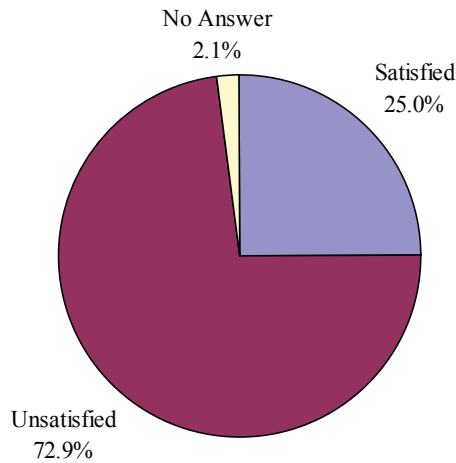
#### ◆ **Difficulty in procuring materials and goods immediately after the earthquake has been almost solved. Hospitals are preparing for the 2010 revision of medical reimbursement prices in a difficult situation of securing finances.**

After the Great East Japan Earthquake hospitals were busily engaged in procuring insufficient products and alternatives even in the regions distant from the direct suffering areas influenced by the lowered production capacity of medicine and medical device manufacturers due to nuclear power plant accidents. It is expected that further review and reconsideration will be made for inventory and stocks, including the financing side, primarily among hospitals in the directly suffered areas.

Moreover, many hospitals are expected to increase the ability to buy and manage goods through the efforts to improve the abilities of management and price negotiations as they are in a difficult situation of securing finances and see the severe influences brought by the 2012 revision of medical reimbursement prices.

**[Satisfaction toward Current Goods Purchase and Procurement]**

n=48

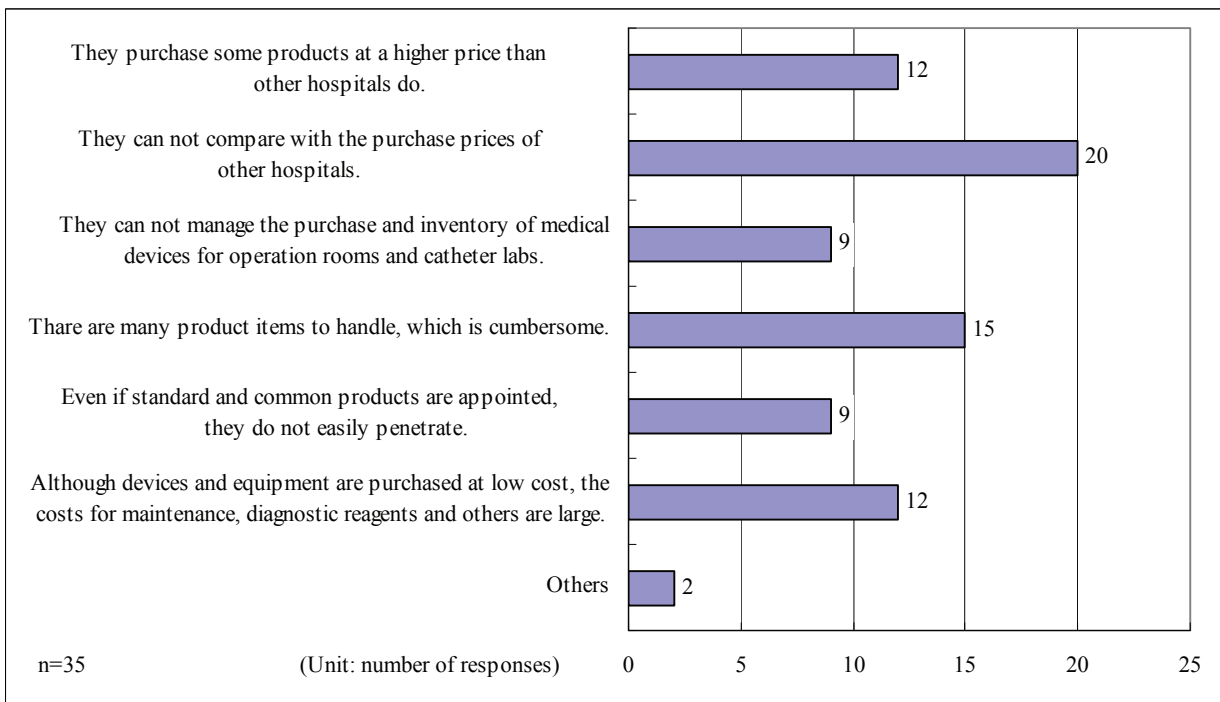


Estimated by Yano Research Institute Ltd.

Note 1:

Tallies are made based on single answer from 48 sites of DPC/PDPS target hospitals.  
 Research timing was June 2011.

**[Reasons of Unsatisfaction toward Goods Purchase and Procurement ]**

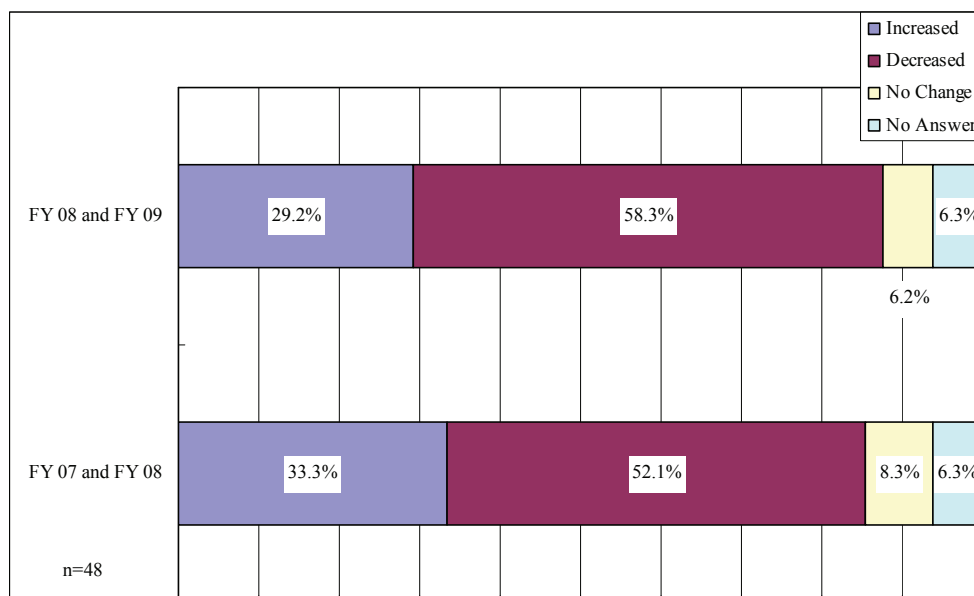


Estimated by Yano Research Institute Ltd.

Note 2:

Tallies are made based on multiple answers from 35 sites that responded as “unsatisfied” in the previous question.  
 Research timing was June 2011.

**[Ratio of Medicines among Medical Revenue FY 2007 vs. FY2008 and FY 2008 vs. FY 2009]**



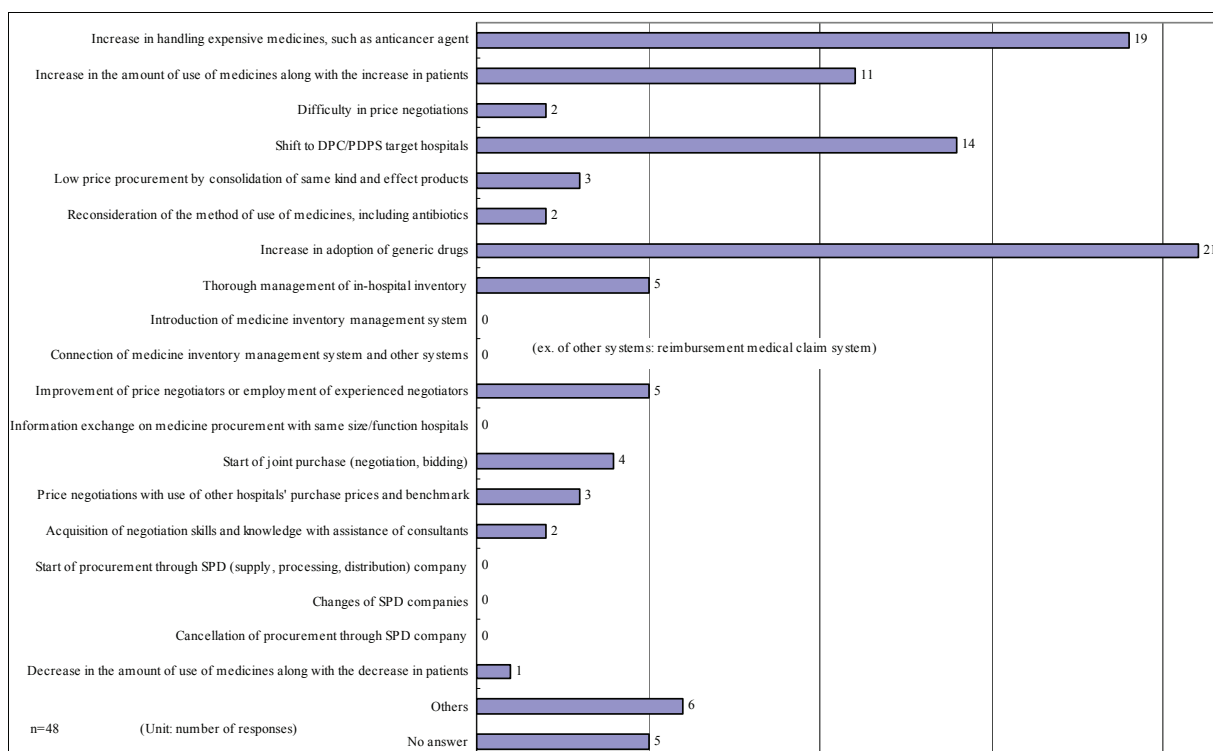
Estimated by Yano Research Institute Ltd.

Note 3:

Tallies are made based on single answer from 48 sites of DPC/PDPS target hospitals.

Research timing was June 2011.

**[Reasons of Changes in Ratio of Medicines among Medical Revenue]**



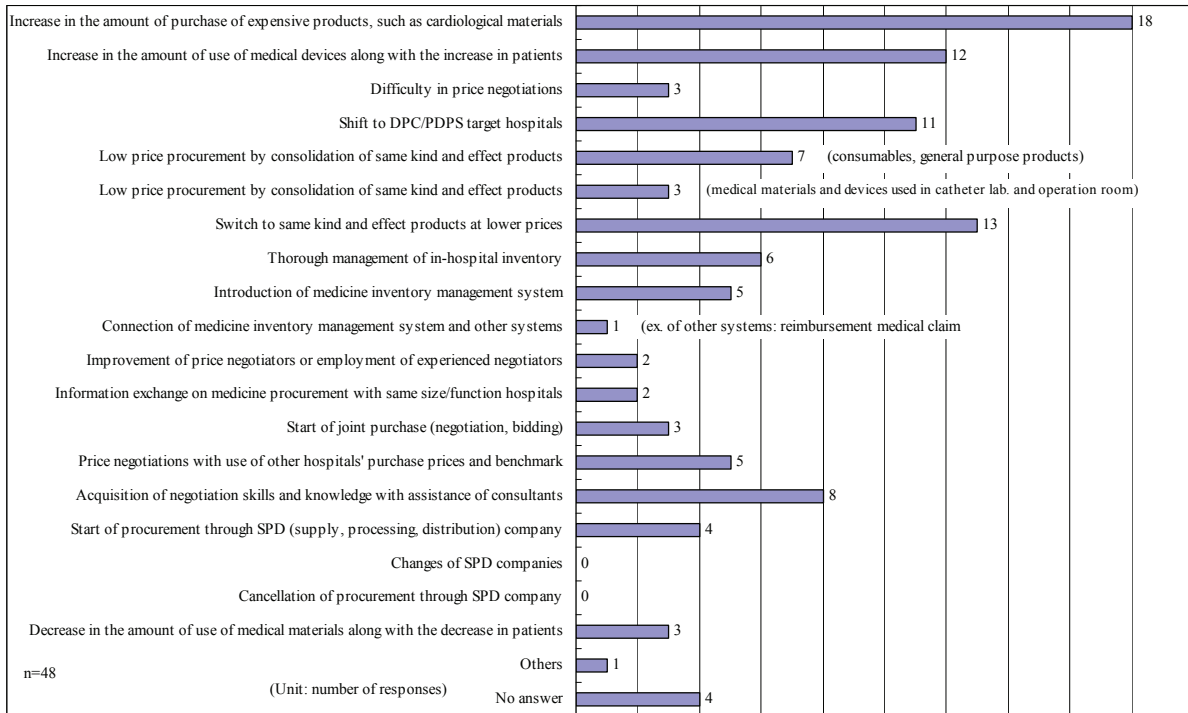
Estimated by Yano Research Institute Ltd.

Note 4:

Tallies are made based on multiple answers from 48 sites of DPC/PDPS target hospitals.

Research timing was June 2011.

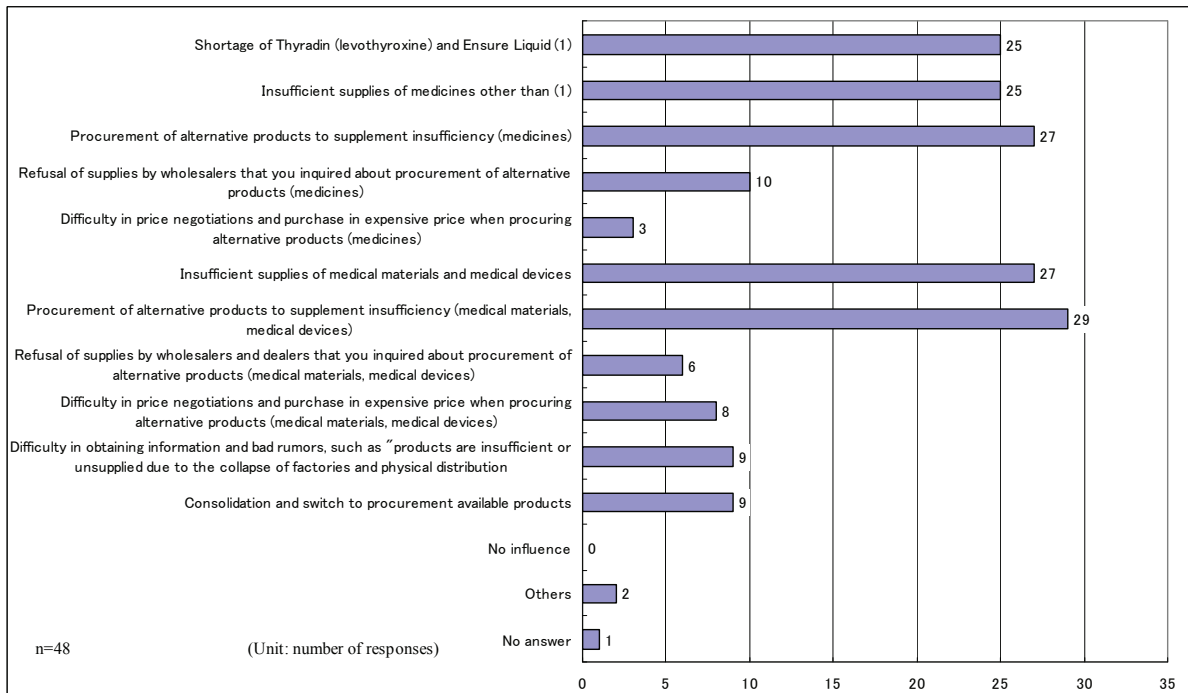
## [Reasons of Changes in Ratio of Medical Materials among Medical Revenue]



Estimated by Yano Research Institute Ltd.

Note 5: Tallies are made based on multiple answers from 48 sites of DPC/PDPS target hospitals. Research timing was June 2011.

## [Great East Japan Earthquake's Influences on Procurement and Contract for Medicines, Medical Materials and Medical Devices]

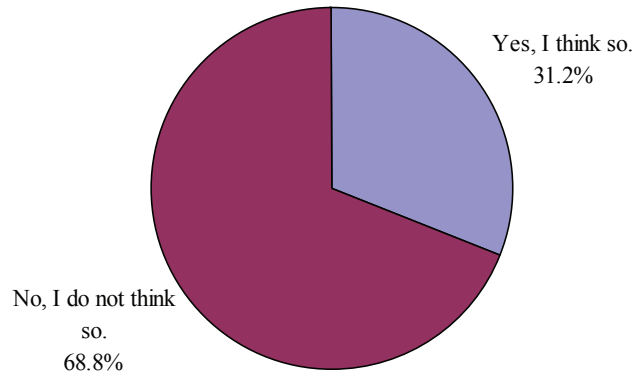


Estimated by Yano Research Institute Ltd.

Note 6: Tallies are made based on multiple answers from 48 sites of DPC/PDPS target hospitals. Research timing was June 2011.

**[If Things Will Change after Recovery from Earthquake Sufferings regarding Decisions of Adoption for Medicines and Medical Devices and Conditions for Physical Distribution]**

n=48



Estimated by Yano Research Institute Ltd.

Note 7:

Tallies are made based on single answer from 48 sites of DPC/PDPS target hospitals.

Research timing was June 2011.

✦ **Report format:**

Published report: "Hospital Procurement and Logistics Market 2011"

Issued in: August 19, 2011

Language: Japanese

Format: 298 pages in A4 format

Price: 120,000 yen (6,000 yen of consumption tax will be additionally charged for sales in Japan.)

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