

IT structural reform strategy

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Post-“e-Japan strategy”

- IT strategic headquarter formed in the cabinet issued “IT structural reform strategy”, in January, 2006
 - So far,
 - e-Japan strategy, 2001 → construction of broad band infrastructure
 - e-Japan strategy, 2003 → full use of IT infrastructure
- Main applications are e-Government and e-Health
- e-Gov almost completed, e-Health not well advanced

Basic understanding

- Short term (up to 2007) target
 - Reduction of social cost through structural reform
 - Driving PDCA cycle → KPI should be defined properly
 - Service providers are classified into 3 categories
 1. Public sector in a narrow sense → e-Government
 2. Other public sector → Both public and private service providers are working such as healthcare and education ← **Main Focus**
 3. Private sector → e-Commerce
 - Reduction of administration cost in all public sector

Basic understanding

- Middle range (up to 2010) target
 - Toward a matured and intelligent society
 - Realization of simple and transparent institution
 - Grand design for the total optimization of computer systems used in the central government → replacement of legacy by open system, unification, abolition and so on
 - Exclusive release of the privacy data to the person him/herself including social insurance as well as health records
 - Requirement of eID

IT structural reform strategy

- Structural reform enforced by ICT as leverage
- Solution to the foreseeing social dilemma
- Focus on Healthcare and e-Government
 - Healthcare
 - Construction of National database for EBH, EBM and personal EHR
 - Supporting home medical treatment and consultant using ICT etc.
 - e-Government
 - Establishment of GPMO, PMOs to optimize the total e-Government
 - Establishment of IT governance etc.

Administration cost reduction

- Every Japanese citizen is supported by medical insurance
- Medical costs is about 32 T yen (300 B US\$) and increase 1 T yen every year
- Medical expense settlements give rise to more than 1.5 B paper transactions/year ⇒ IT could reduce the administration cost
- New goal ⇒ 100% paperless by 2010 through EDI

e-Government

- e-Government moving its stage from construction to steady operation
- More than 96% of applications and declarations become on-line by the end of March, 2006
- The ratio of on-line users is about 0.7%
- Problems to be solved
 - Digital signature is not yet well popularized → needs eID
 - Some applications require additional paper documents such as receipt
 - Starting the review process

e-Government

- Through system optimization using EA, e-Government system operation cost will be reduced from 10 to 9 Billion US\$/year
 - Saving should go to next IT investment
- GPMO in the cabinet office and PMO in every ministry to enhance IT governance → CIO, Assistant CIO, e-Gov assessment committee to evaluate, advice and order
- Promotion of on-line use of application and declaration
 - **More than 50% by 2010** → More than 60M IC cards
- Promotion of IC card with digital signature
 - Requirement of eID

Social back ground in Healthcare

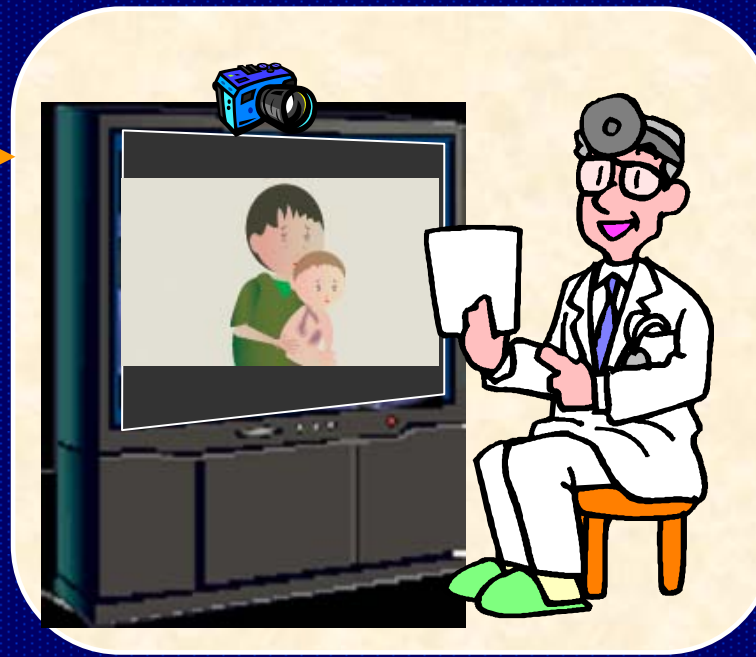
- Japan is very rapidly becoming so called an aging society
 - Increase of average life span and decrease of birthrate
 - ⇒ Decrease of the labor population rate
 - ⇒ Shortage of funds
 - ⇒ Raising a social problem; dilemma
 - ⇒ Could IT solve this problem?

Promotion of IT in Healthcare

- Introduction of personal healthcare record system (EHR) to enable retrospective examinations (personal benefits) and to establish a preventive medicine (public benefits)
- Home healthcare using digital TVs
- Exclusive release of the personal data to the person him/herself including health records
→ Requirement of eID

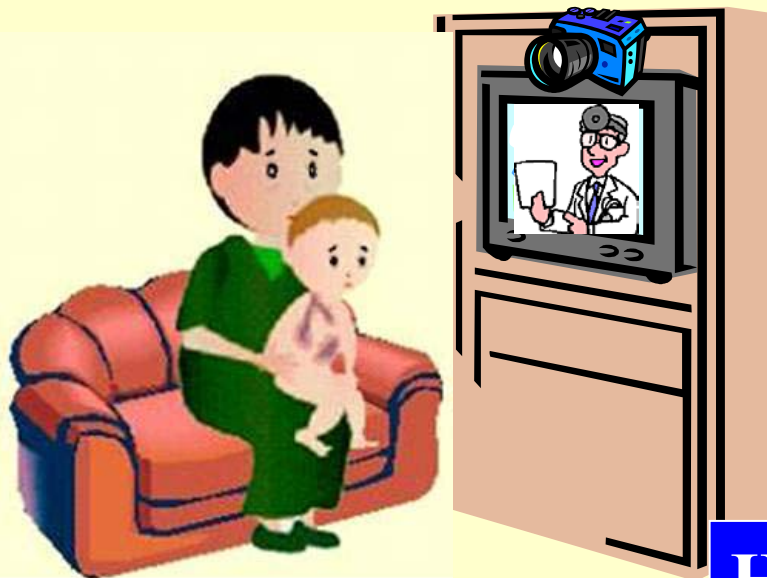
Home healthcare service using digital TVs

Internet, Digital TVs



Medical Doctor

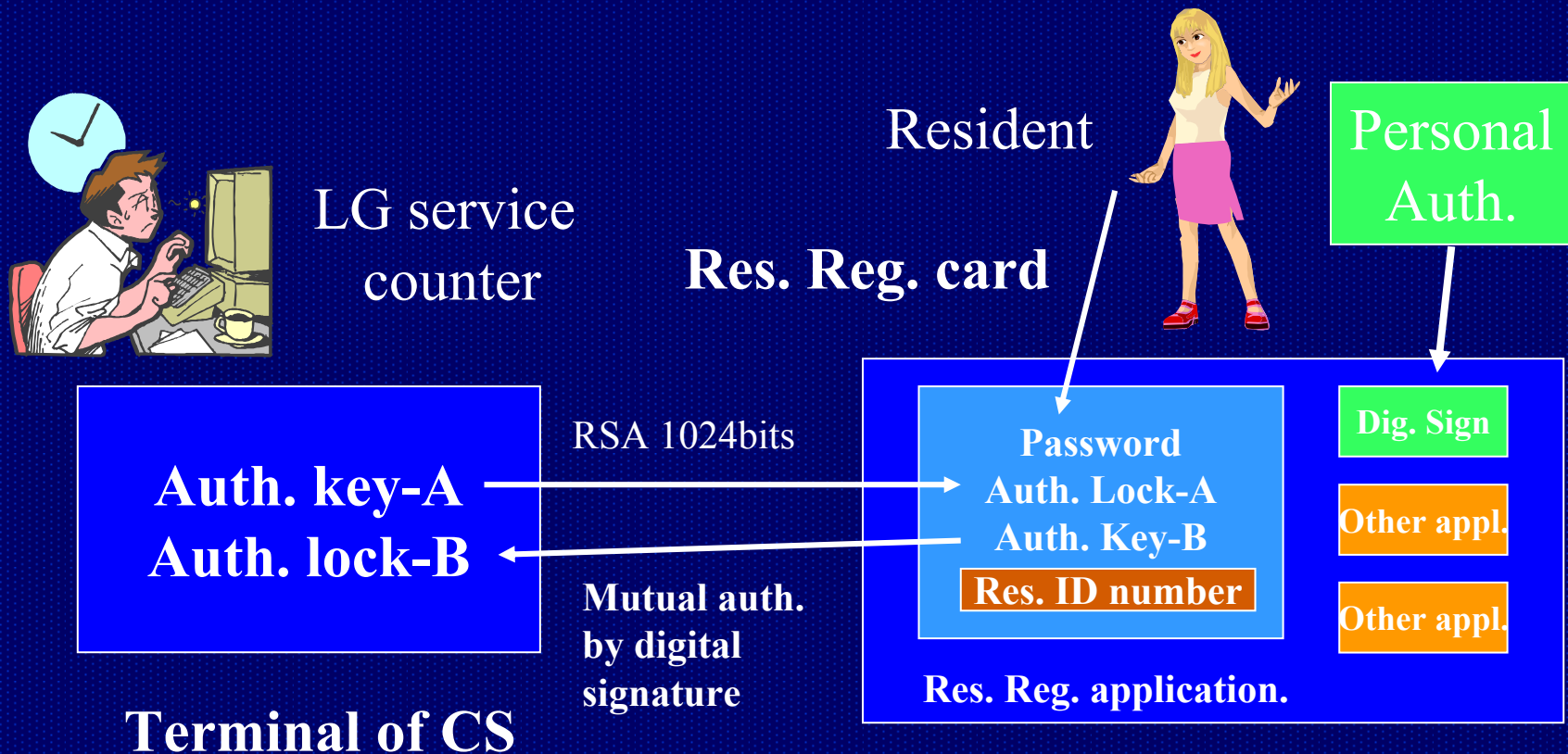
Accurate reproduction
of facial color



Home

Resident registration card; eID

- Mutual authentication between CS and smart card through an asymmetric encryption
- Password will be set depending upon applications



Status of current eID; RRC

- Popularization of the resident registration cards
 - The number of issued RRC is much less than expected, about 1,000,000, since Aug., 2003, mainly because of the shortage of convenience
 - There are several areas where the popularization of RRC is more than 25%; Naganuma town, Miyazaki city, etc
 - They are providing additional services; healthcare service, automatic certificate issuance service, etc.
 - Should enhance the convenience ⇒ Healthcare and payment
 - Card is ISO compliant and supports GP standard ver. 2.2

Discussion about new eID

- 2 activities are taking in parallel at present
 - 2nd version of Resident Registration card
 - One unified social security card for national pension, health insurance, labor insurance, etc.
- Common function is eID
 - IC card with printed facial photo + PKI
- Each application uses different ID number

Discussion about eID

- Fundamental functions of eID; IAS
 - Identifier; Identify the card holder by either ID# or 4 information, name, address, birthday and sex
 - Authentication; Identifier shall be guaranteed by the government
 - Signature; Digital signature should be supported
- Difference would depend on whether ID number of each application is recorded or not in IC card
 - Back-office system surely knows the ID number
 - Then, no need to store the ID number in IC card
- One card to reduce the issuance cost of eID

Additional information

- In the updated e-Japan strategy, use of IC card at boarder control is clearly stated → Through a bilateral treaty, South Korea, Singapore and other Asian countries.
- Japan's immigration act requires stamps to record the date of embarkation and disembarkation
 - IC card does not have the space for stamps
- Ministry of justice will start to review the current act
- Then, eID will be IC card + two sets of PKI + e-pass LDS

Conclusion

- IC card with eID function is indispensable for both healthcare and e-Government
- Ground work is taking progress in Japan
- Decision will be made by the end of 2006FY
- Full compatibility of all country's eIDs certainly gives rise to a lot of benefits and enhances the convenience