Aozora Bank, Ltd.

Start of "Hospital Management Assessment Project"

Tokyo (September 18, 2002)

- Outline

Aozora Bank, Ltd. (President: Hiroshi Maruyama, HQ: Chiyoda-ku, Tokyo) today announced that it started "Hospital Management Assessment Project" and provides each medical institution with objective assessment for current situation analysis and strategy to be implemented in future and concrete measure that institution has made.

The environment, in which the current hospital management is becoming more severe mainly because a review of a medical fee payment system by restraining on the total medical fees has been implemented, and because medical accidents are now attracting public attention as well as people’s attitudes toward selecting quality in medical institution have developed. Therefore, it has become crucial for the hospital management to carefully analyze the current situation as well as implement a management strategy based on mid- and long-term ground plans. Under the circumstances, the Bank is well aware that medical institutions are important assets in our society and would like to aggressively support those institutions eager to challenge the severe time with fully planned strategies.

Under this project, not only performance assessment, but also a process generating the performance is also being focused. By these focuses, it is enabled that the assessment is added qualitative factors that are directly linked to the management such as features unique to such hospitals, potentialities, and risk factors. And the Bank will intend to make practical assessment that is placed on the continued business growth.

In implementing "Hospital Management Assessment Project", the Bank has built a close relationship between Mediva (Representative Director: Kanoko Oishi, Setagaya-ku, Tokyo), Hoshigaoka Audit Co., Ltd. (Representative: Yuji Ishii, Minato-ku, Tokyo), as well as multiple leading medical institutions, which have been managed futuristically in fact. By bringing their know-how to the Project, those companies will provide objective as well as practical management information in order to achieve "the good management for the good medical care". And the Bank will study what the hospital management should be together with each medical institution.

The Bank will make preparations so that the objective assessment and the know-how in analysis for hospital management accumulated through the Project will be utilized and shared with regional financial institutions in its strong network in the near future.
• Ideal hospital management represented by this Project
  
  1. Basic concept
    * Good medical care comes from the good management.
    * Modification to earnings-alone management and placing an emphasis on a balanced expenditures and earnings as well as profits
  
  2. Important points
    * Establish a systematic structure of management based on mid- and long-term strategic plans. (Clarify targets)
    * Establish the significance of existence among residents of the area concerned and gain their support.
    * Establish a flexible and appropriate workflow process and improve a cost management system
    * Establish unique features such as medical care, services, and management system.
    * Providing residents with patient-oriented medical services, etc.
3. Formulation of a management strategy plan and in order to be a successor:
   * The current status is understood and analyzed correctly.
   * The current status and the future vision are validated to ensure that they are consistent with each other.
   * The targeted image is clarified and the strategy is studied in order to achieve it.
   * A detailed action plan is formulated toward achieving the long-term strategy.
   * The progress is monitored and modified by a regular follow-up after implementation.

- Processes in running the Project
  1. Research
     * Concerning medical institutions joining the Project, the Bank conducts an overall research on important points in managing hospitals. In addition to benchmark assessment between medical institutions in each analysis of every index, that analysis of an area-functionality is conducted as well during the research phase so that their good points and issues will be analyzed objectively. The Bank then feeds such analysis back to them. As both the assessment and feedback will be regularly conducted, medical institutions can effectively utilize those follow-up monitors in order to check their progress statuses.

  2. Advantages hospitals can enjoy
     * They can clearly and objectively understand their unrecognized strong as well as weak points, positioning in both the industry and the area concerned.
     * They can understand whether or not a gap between their current status and future vision exists by the objective assessment above. Also, appropriateness of their future strategies or tips on formulating their strategies will be obtained.
     * They can obtain objective opinions from a third-party viewpoint in formulating and implementing their mid- and long-term strategies if they so wish.
     * They can have the Bank’s assessment on appropriateness or some advice on their financing if they have any investment plan related to their future vision.

  3. Hospitals this Project applies to
     * At first, regardless of public and private, this Project is applied to hospitals intended for acute type with more than 200 beds as well as those specialized hospitals for acute type with more than 100 beds.
     * The Bank will also prepare group assessment measures for incorporated medical groups operating hospitals for both acute and chronic type in future. They include those assessment measures for appropriateness of their business plans as well.

For inquiries, please contact:
Aozora Bank
Public Relations Department
   Kuwaoka & Hashimoto (Tel.) 03-3263-1246

Marketing Division
   Nakamura, Hara, and Kuwano (Tel.) 03-3265-9787