

OTC-like drugs

We often see the term "OTC-like drugs" in articles, but it can be misleading, wherein the OTC-like drugs refer to "Prescription drugs (Rx) similar to OTC drugs" or "Prescription drugs (Rx) equivalent to OTC drugs."

Most "Long-listed drugs in Reimbursement List" will also fall into the category of so-called OTC-like drugs.

As a measure to reduce medical costs, debating is underway between political parties about excluding "so-called OTC-like drugs" from insurance reimbursement.

In other words, eliminating insurance reimbursement would mean that patients would have to pay for them out of their own pocket, just like with OTC drugs.

Why should it be out of pocket?

Many of the "Rx similar to OTC drugs" belong to categories such as cold medicines, painkillers, anti-allergy drugs (such as rhinitis medications), stomach medicines, intestinal medicines, vitamins, and herbal medicines, and patients bear 30% of the cost, which is less expensive than OTC drugs, but OTC drugs also contain the same ingredients as "Rx similar to OTC drugs."

Currently, the political debate is moving in the following direction: "Rx similar to OTC drugs" will retain their current regulatory status and be eligible for reimbursement, however patients would bear more burden when they receive the prescription.

Compromise?

Some argue that reimbursement for "Rx similar to OTC drugs" is essential for so-called vulnerable populations, and that the reimbursement debate is obliged to be a compromise.

Who will bear the increased burden?

To put it bluntly, the working generation is.

Furthermore, elderly people with incomes equivalent to those of the working generation will also bear a "burden," but it will be a minor one.

How effective it would be in reducing medical costs!!!

Many of the people who benefit from "Rx similar to OTC drugs" are socially vulnerable, but since socially vulnerable people are generally not subject to medical burden, this proposal will be less effective in curbing the costs when compared to the original proposal.

Separately, the compromise includes hidden beneficiaries.

If "Rx similar to OTC drugs" remain available as prescriptions, the Japan Medical Association, i.e. private hospitals including private practitioners, will reap the profits of issuing prescriptions.

In addition, the OTC drug industry will also be a hidden beneficiary. First, there will be no competition from “Rx similar to OTC drugs.”

Furthermore, contrary to global trends, in Japan OTC drugs account for a small share of the medical market but set higher prices, creating a structure that is favorable for the OTC drug industry.

To position “Rx similar to OTC drugs” as a driver of medical cost reduction,

1. As originally proposed, to exclude “Rx similar to OTC drugs” from insurance reimbursement.
2. First, “Rx similar to OTC drugs” that contain the same ingredients as “Rx-to-OTC Switched OTC drugs” will be excluded from the scope of coverage.

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References:

Japan to Review Insurance Coverage for OTC Drug-Like Medicines

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