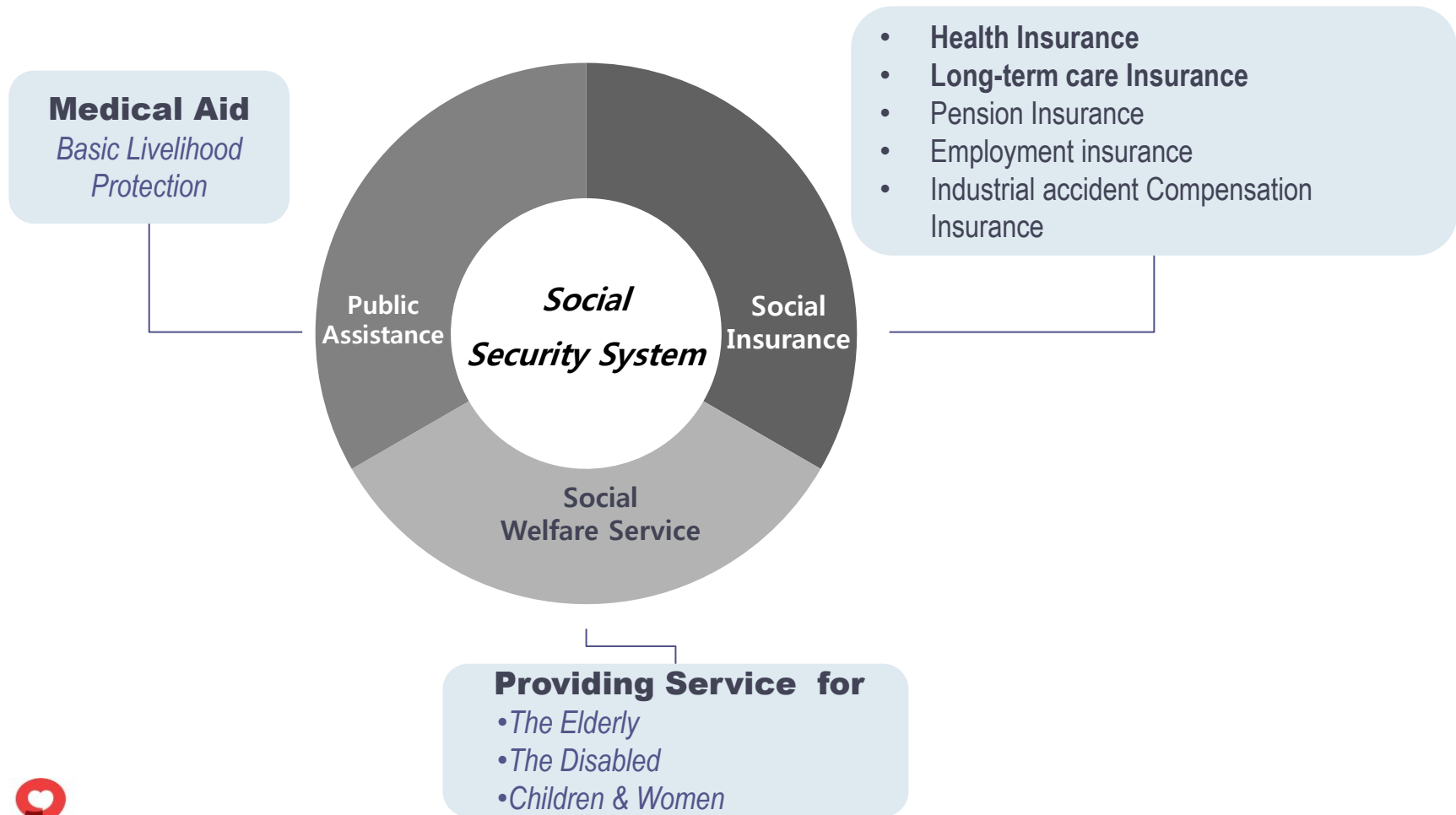


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National Health Insurance System in Republic of Korea

2018. 11.

Social Security System

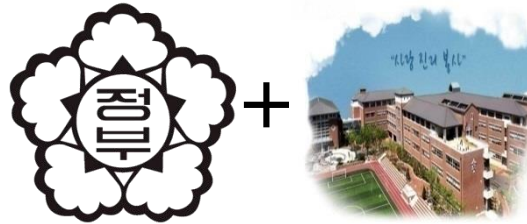


History of National Health Insurance

1977



1979



1988



2000



1989



Summary NHI Acts and Economic Level

Year	Era	GDP per capita* (USD)	Relevant Acts or Efforts
1963 ~1977	Voluntary basis	142	• Enactment of Medical Insurance Act (1963)
		824	• Amending MI Act for the firms (1976)
1977 ~1989	Coverage expansion towards Universal Health Insurance	1,042	• Employees of private companies with more than 500 employees (1977) ※ <i>More than 5 employees (1988), At least 1 employee (2003)</i>
		1,764	• Public servants employees & private school (1979)
		1,870	• The 1 st pilot insurance project for self-employed in three rural areas (1981)
		1,971	• The 2 nd Pilot Project for self-employed in two rural areas & one urban area (1982)
		4,571	• Covered rural areas (1988)
		5,565	• Covered urban area (1989) → Achievement of Universal Health Coverage (12 yrs after the implementation of compulsory medical insurance)
2000	NHI	11,347	• Integration as a single insurer (NHIS)
2008	LTCI	19,028	• Introduced long-term Care Insurance System
2011	Integrated collection	22,388	• Integrated collection of 4 major social insurance contributions

* Korean nominal GDP per capita in OECD Statistics, WB national accounts data

Population Coverage (2017)

(Unit:'000 persons, '000 households, %)

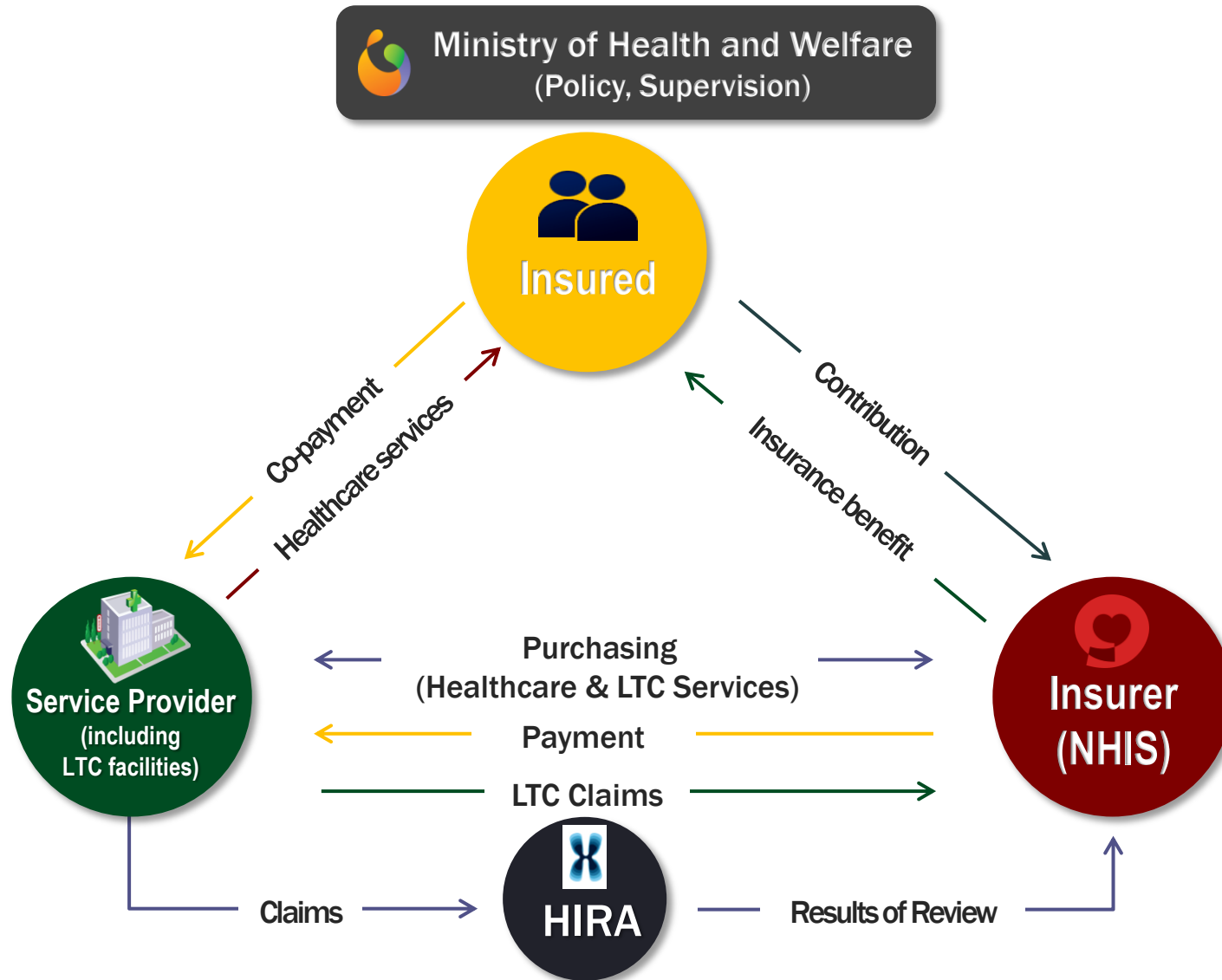
Population under health security	Population covered by health insurance							Population eligible for medical Aid
	Total	Employee insured (Formal Sector)			Regional based insured (Informal Sector)			
		Subtotal	Subscribers	Dependents	Subtotal	Head of household	Member of household	
52,426	50,940	36,898	16,829	20,069	14,041	7,786	6,256	1,485
(100.0)	(97.2)	(70.4)	(32.1)	(38.3)	(26.8)	(14.9)	(11.9)	(2.8)

Source: National Health Insurance Service (2016).

Health indicators

Indicator	Data	Year
Physicians	2.3 per 1,000 population / 3.3 (OECD AVG.)	2017
Hospital Beds	12.0 per 1,000 population / 4.7 (OECD AVG.)	2017
Number of Healthcare Institutions	89,919	2016
Average Length of Stay in inpatient care	18.1 days / 8.5 (OECD AVG.)	2016
Life Expectancy	82.4 years (male : 79.3, female : 85.4) / 80.8 (OECD AVG.)	2016
Infant Mortality Rate	2.8 deaths per 1,000 live births/ 3.5 (OECD AVG.)	2016

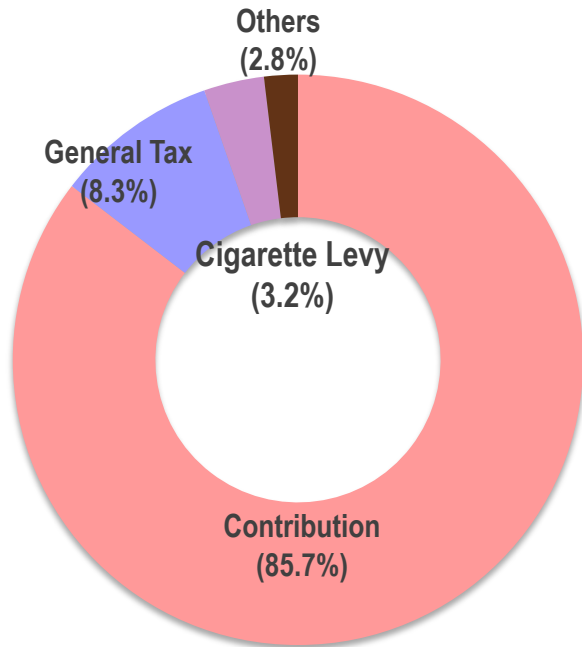
Governance of NHI



Finance (2017)

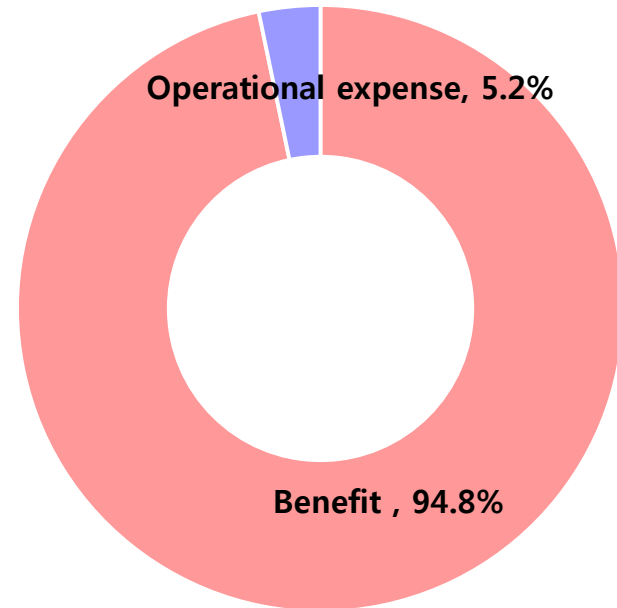
Income

Total : 58.8 trillion KRW (51.5 billion USD)
Contribution : 50.4 trillion KRW(85.7%)
 - the dependents are exempt from contribution
Government Subsidy : 6.7 trillion KRW(11.5%)



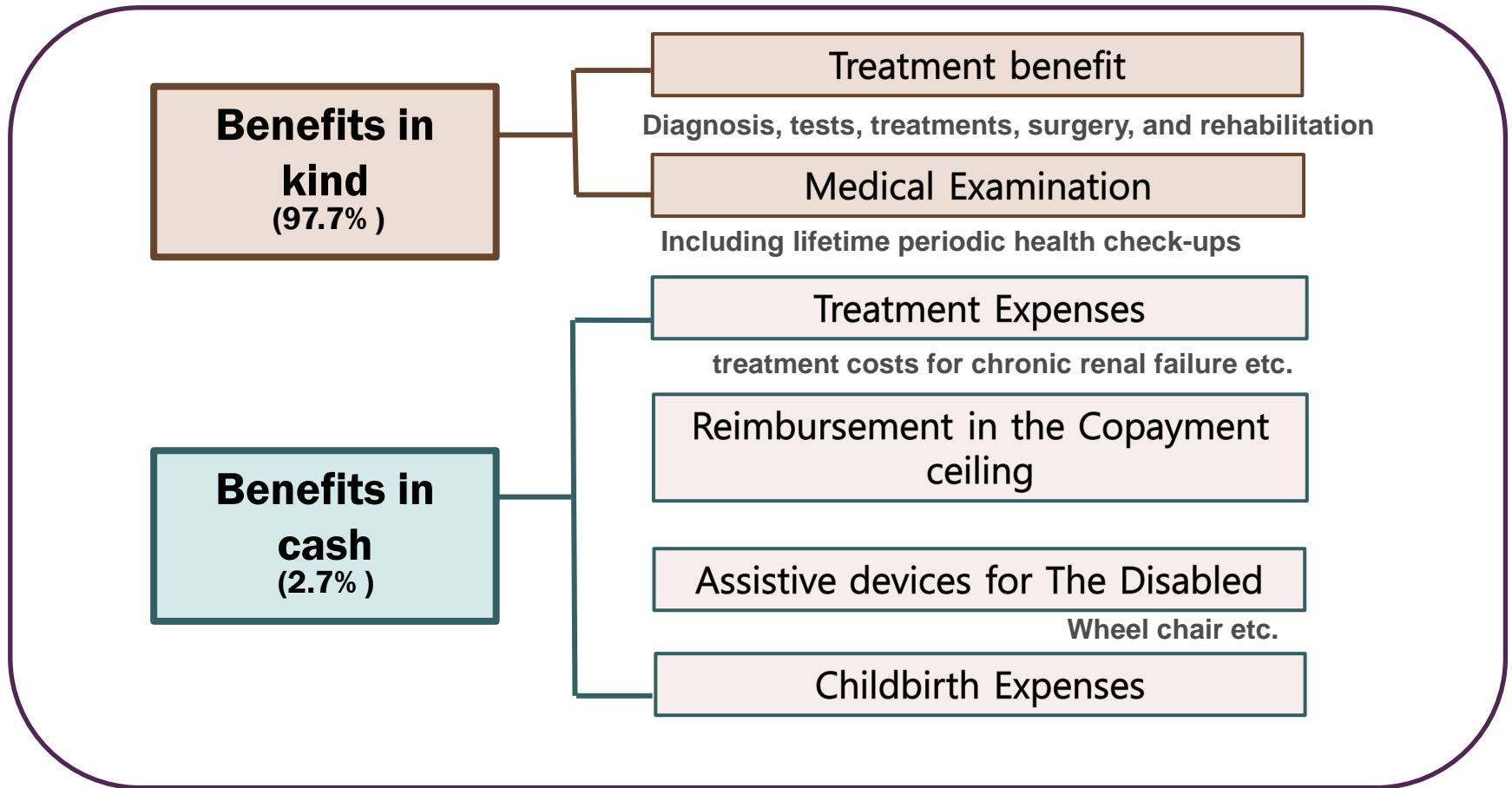
Expenditure

Total : 58.0 trillion KRW (50.8 billion USD)
Benefit : 55.0 trillion KRW(94.8%)
Operational expense : 3.0 trillion KRW (5.2%)



Contribution of Employee Insured = monthly wage * rate(6.24%, 2018)
 Contribution of Self –employed Insured = Scores X Amount per Score (2017, KRW 183.3)

Types of Benefits



Payment System

Fee-For-Service (FFS)

- Inpatient and outpatient healthcare services regardless of the types of healthcare providers(except for services paid by other payment methods)

Korean DRGs for 7 disease groups

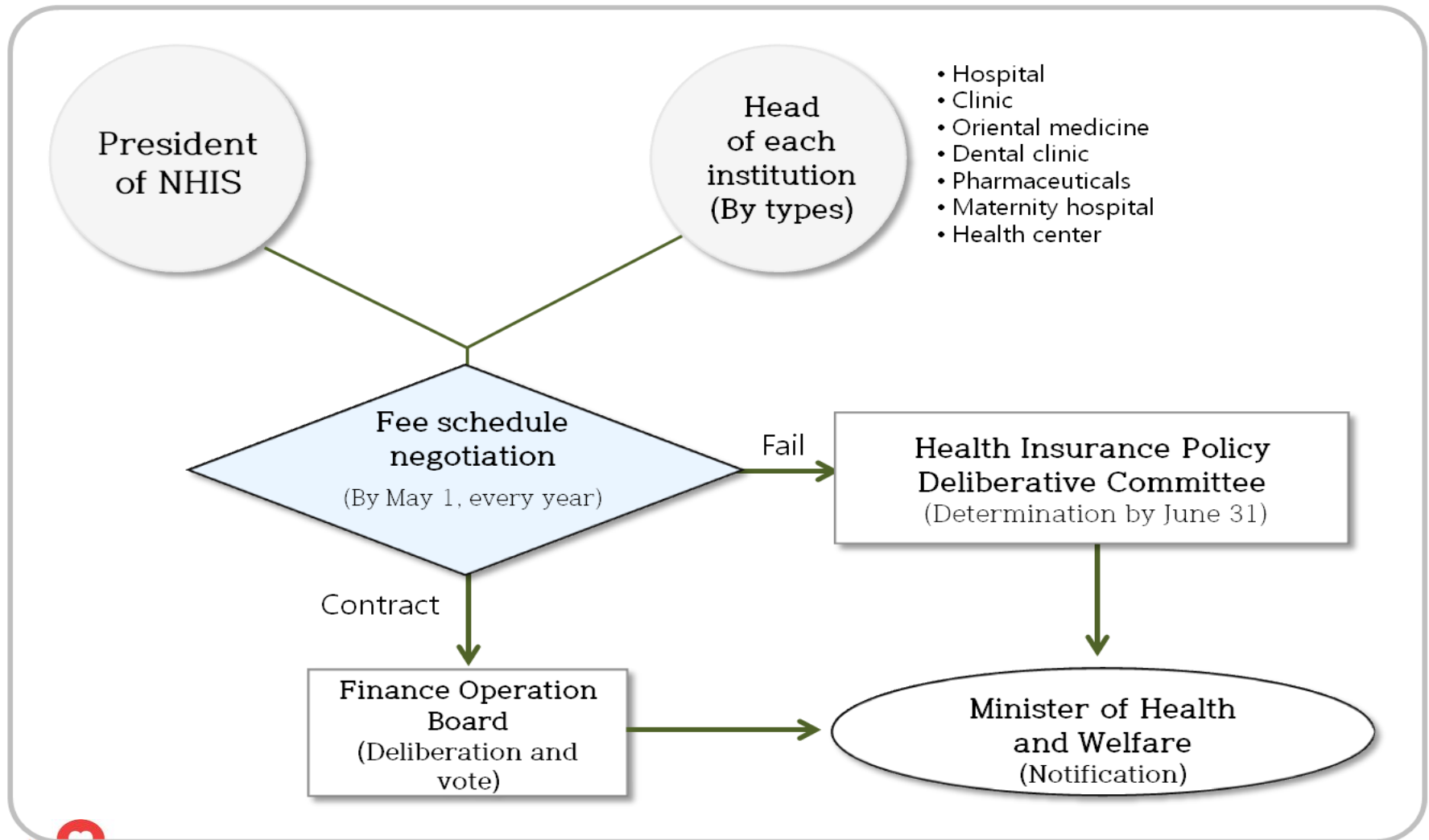
- Clinics & hospitals ('12.7) → All facilities ('13.7)
- 7 disease groups : cesarean section delivery, appendectomy, lens procedures, tonsillectomy and adenoidectomy, inguinal and femoral hernia procedures, anal and perianal procedures, uterine and adnexal procedures for non-malignancy

Per diem

- Long-term care facilities; mental hospitals, convalescent hospitals

FFS (93%), DRGs (3%, including New DRGs), Per diem (4%), Pay for Performance(0.07%)

The process on Determination of fee schedule



Co-payment System

In-patient Care : 20%

- **Fixed rate : 20% of healthcare benefits cost**

Out-patient Care : 30 – 60%

- **Depending on the type of healthcare institutions**

Pharmaceuticals : 30%

- **40 – 50% on drugs for minor illnesses prescribed from secondary care providers**

Rare & Serious Diseases : 5 - 10%

- **To better protect patients diagnosed with rare or serious diseases by lowering co-payment**

Rare diseases(10%) : hemophilia, chronic renal failure, mental illness, organ transplant recipients, etc.

Serious diseases(5%) : cancer, cardiovascular or cerebrovascular diseases, tuberculosis and severe burn injury

Co-payment Ceiling

Relatively high co-payment rate (36.8%)

- substantial burden on the vulnerable population

Need to protect them from catastrophic health expenditure

Ceilings on cumulative OOP payment for 1 calendar year

- 7 levels of ceilings depending on household's income levels (NHI contribution levels)

Levels of NHI contribution (percentile)	10%	10-30%	30-50%	50-70%	70-80%	80-90%	90-100%
Ceilings (in million KRW)	1.2 (1,097 USD)	1.5 (1,371 USD)	2 (1,828 USD)	2.5 (2,286 USD)	3 (2,743 USD)	4 (3,657 USD)	5 (4,572 USD)

Lifetime periodic health checkup programs for the nations

Infant

(under 6 yrs)

Screening for Infants

- 7 times until 6 yrs
- Basic medical exam, interview and diagnosis
- Developmental evaluation and consultation
- Health education for parents

Youth

(6~18 yrs)

Screening for Students

- Students in primary, middle and high school
- Basic medical exam
- Pathology exam
- Dental check

Screening for Juveniles

- Non-student juveniles (15~19 yrs)

Adults

(over 19 yrs)

General Screening

- Basic medical exam and interview
- Breast radiography check
- Uroscopy and blood test
- Dental check






Cancer Screening

- Stomach, liver, colorectal, breast and cervical cancer

Health Screening for Transitional Ages

- Target group: 40 & 66 yrs

Cancer Screening

Category	Screening Age	Screening Period
 Gastric	Men and Women over the age of 40	2 years
 Liver	Men and Women at high risk who are over the age of 40	1 year
 Colon	Men and Women over the age of 50	1 year
 Breast	Women over the age of 40	2 years
 Cervical	Women over the age of 30	2 years

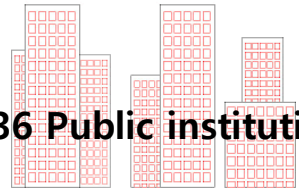


Cost payment

- ▶ For regular cancer checkups : co-payment 10% (except Cervical – patients pay none)
- ▶ For persons selected for the National Cancer Screening Program
: co-payment 10% will be paid by the government

ICT Utilization of NHIS

36 Public institutions



Nation Tax Service

- Income Data

Pension Organizations

- New Pension Income data

Local Government

- Property Tax (Building, Land)

HIRA

- Claim & Review Data



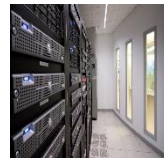
Management Information System



National Health Information Database

- Policy decision
- Tailored healthcare service

Business System



Business Management

- Eligibility
- Contribution levy

Health Insurance Bank System



Financial management on a daily basis

- Financial Analysis
- Risk Management



Banks



Insured

Contribution

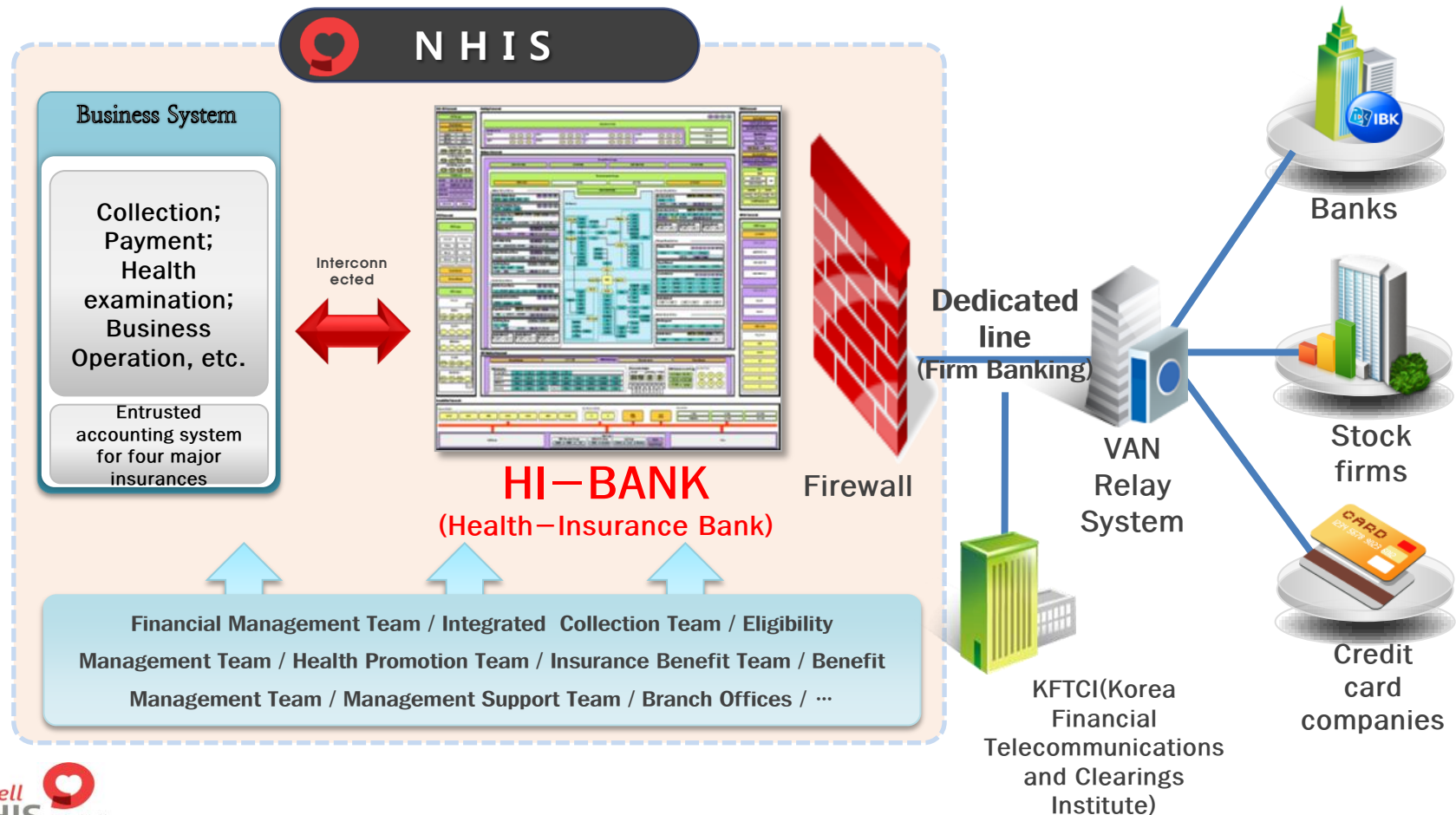
Providers



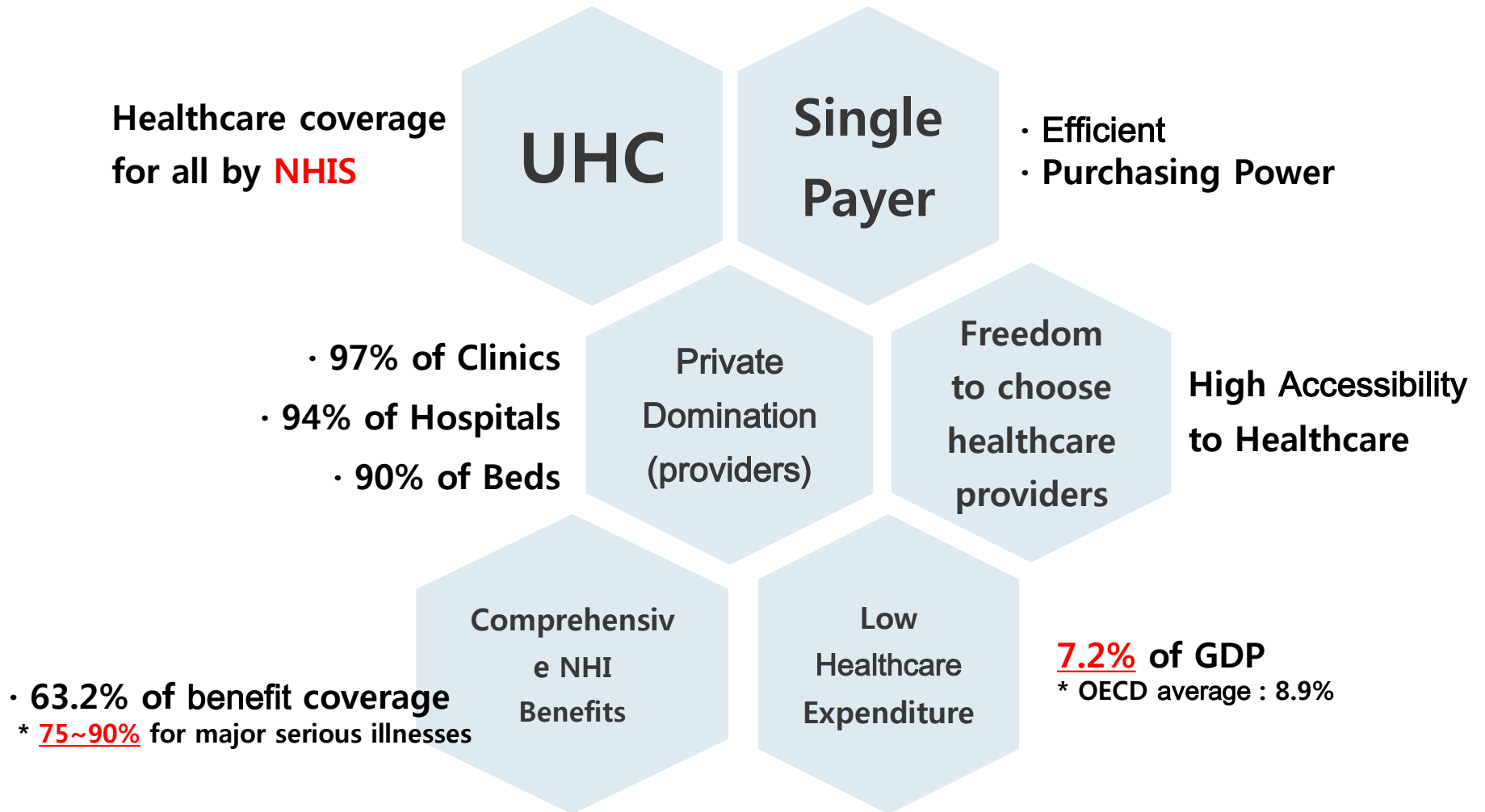
Benefit Cost

Real Time Financial Management

The Cash flow can be verified on daily basis by HI-Bank linked between NHIS Business system and each Financial Agency Systems(Bank, Securities Firm, Credit card Agency and others).



Major Characteristics of NHI



Thank you
