Korea's Efforts to achieve UHC

2024. 11.

**Lee, Hwa-yeon,
Senior Deputy Director**

Contents

Ⅰ. Policy Conditions

Ⅱ. Korea's Systems and future Direction

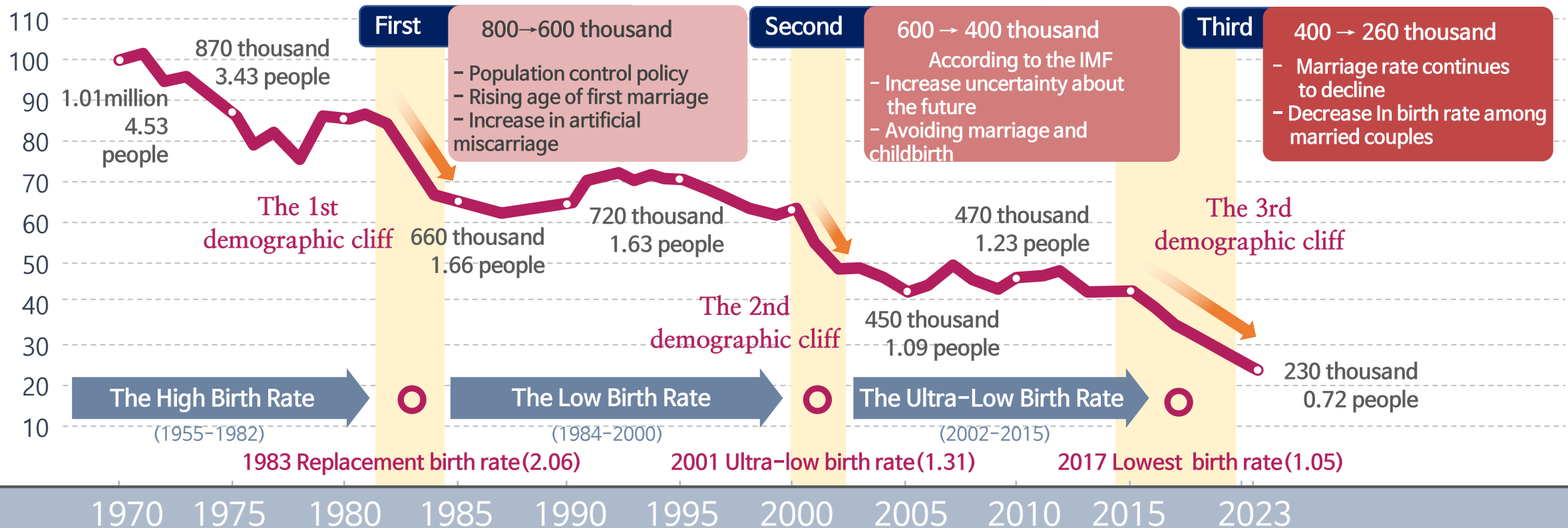Ⅲ. Prepare for the Challenges : Digital Health

I Policy Conditions

(1) A Sharp decline after 3 population reductions

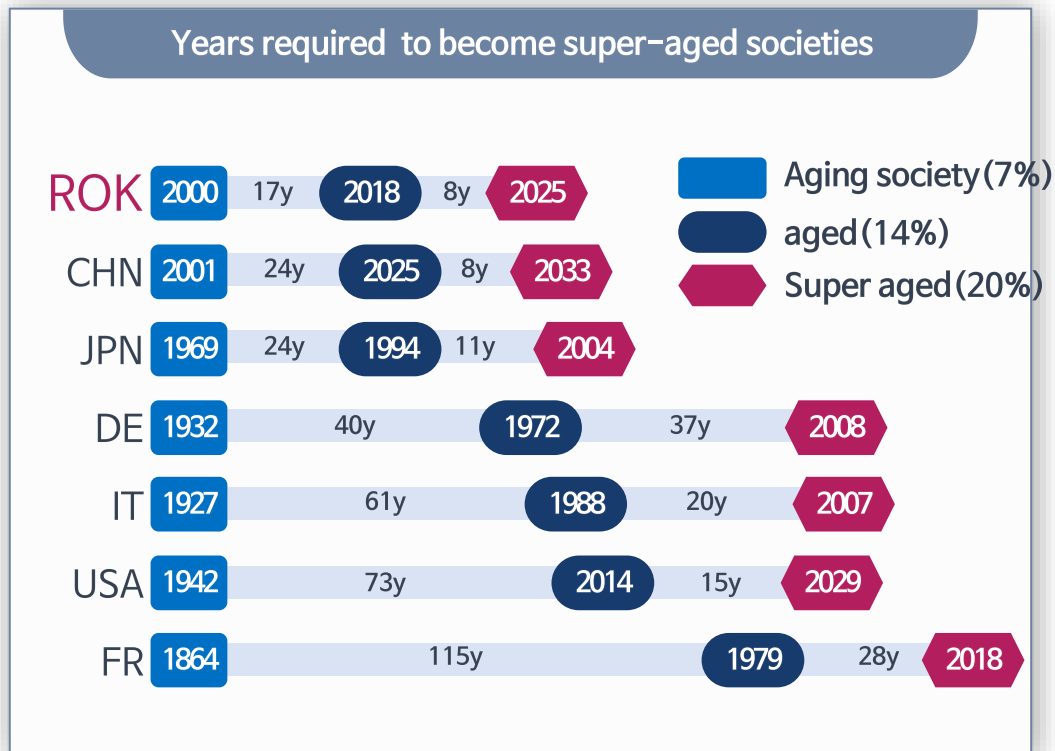*자료:통계청,출생통계 (2024),재가공

- ☑ '23 Total fertility rate: 0.72, Number of birth: 230 thousand
- ☑ Compared to a generation ago ('92, Total fertility rate: 1.76, Number of birth: 730 thousand) it is 1/2, 1/3 respectively

First

800→600 thousand
- Population control policy
- Rising age of first marriage
- Increase in artificial miscarriage

Second

600 → 400 thousand
According to the IMF
- Increase uncertainty about the future
- Avoiding marriage and childbirth

Third

400 → 260 thousand
- Marriage rate continues to decline
- Decrease In birth rate among married couples

870 thousand
3.43 people

1.01 million
4.53 people

The 1st demographic cliff

660 thousand
1.66 people

720 thousand
1.63 people

The 2nd demographic cliff

470 thousand
1.23 people

The 3rd demographic cliff

450 thousand
1.09 people

230 thousand
0.72 people

The High Birth Rate
(1955-1982)

The Low Birth Rate
(1984-2000)

The Ultra-Low Birth Rate
(2002-2015)

1983 Replacement birth rate(2.06)

2001 Ultra-low birth rate(1.31)

2017 Lowest birth rate(1.05)

1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2023

110
100
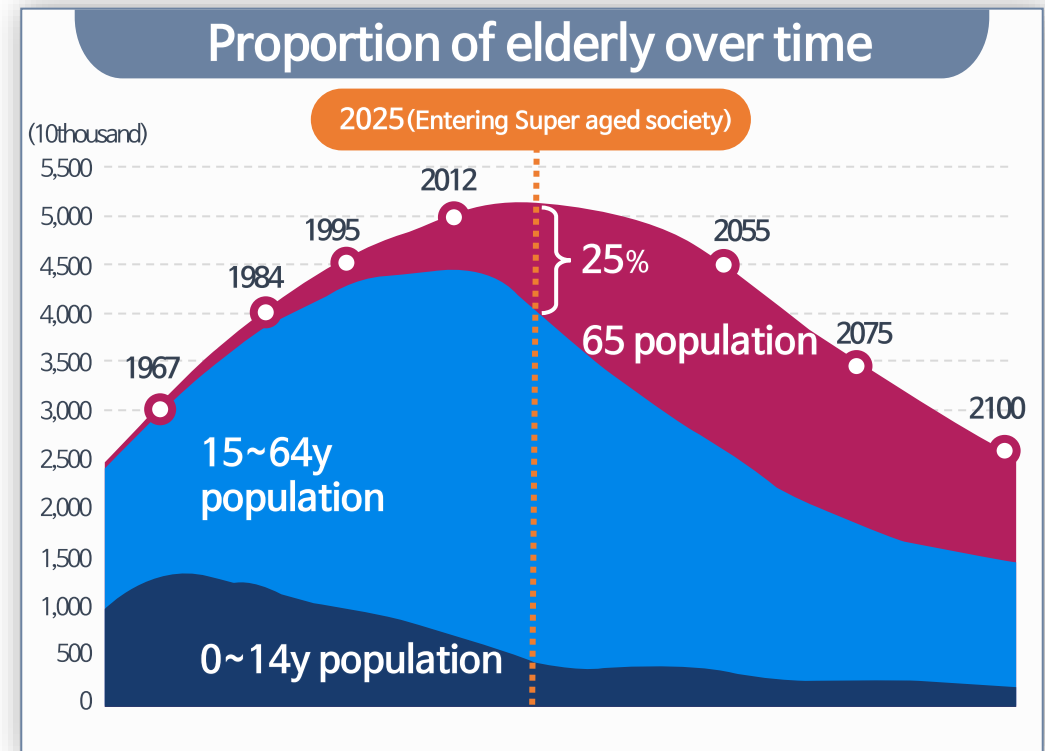90
80
70
60
50
40
30
20
10

(2) The World's Fastest Aging Population

☑ **The Baby Boom generation** (1955–1963, 7.1million) **entering the elderly population in 2020.**

☑ **expected to enter a super-aged society by 2025, with half of the population over 50 years old within the next decade.**

Years required to become super-aged societies

	Aging society (7%)		aged (14%)		Super aged (20%)
ROK	2000	17y	2018	8y	2025
CHN	2001	24y	2025	8y	2033
JPN	1969	24y	1994	11y	2004
DE	1932	40y	1972	37y	2008
IT	1927	61y	1988	20y	2007
USA	1942	73y	2014	15y	2029
FR	1864	115y	1979	28y	2018

Aging society (7%)
aged (14%)
Super aged (20%)

* 자료:통계청, 고령자통계(2022)

Proportion of elderly over time

(10thousand)

2025 (Entering Super aged society)

5,500
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0

1967
1984
1995
2012
2055
2075
2100

25%

65 population

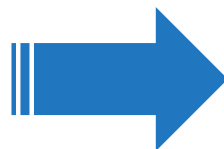15~64y population

0~14y population

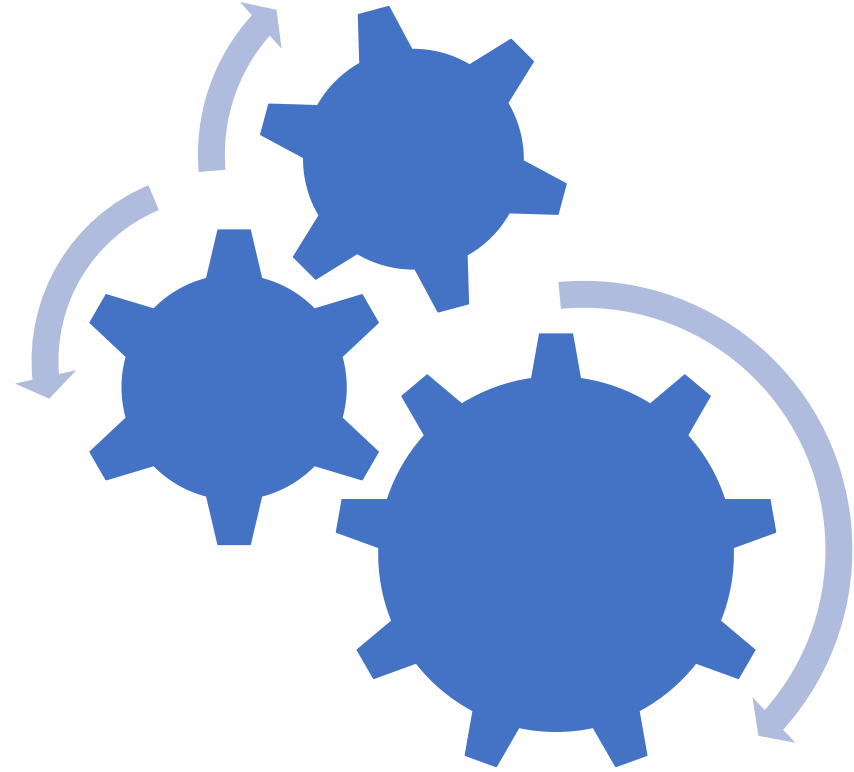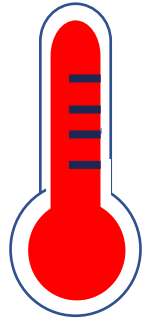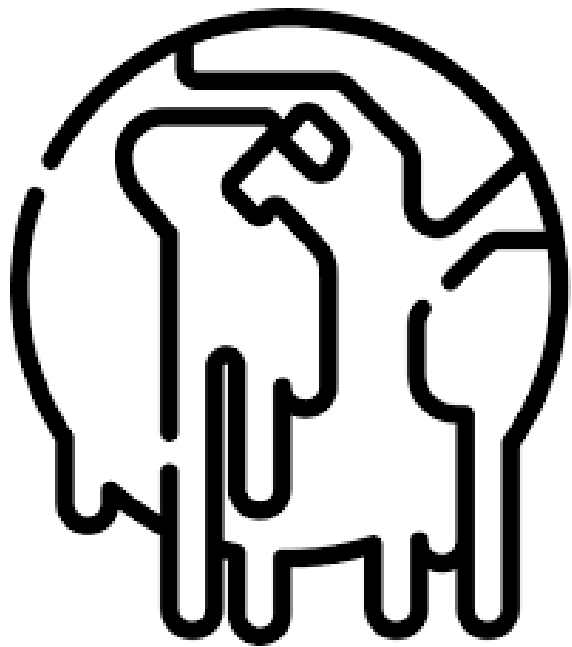* 자료:통계청, 고령자통계(2022)

4

(1) Infectious Disease Crisis

**Announcement of
the Lifting of COVID-19 PHEIC**
(2023.5.5.)
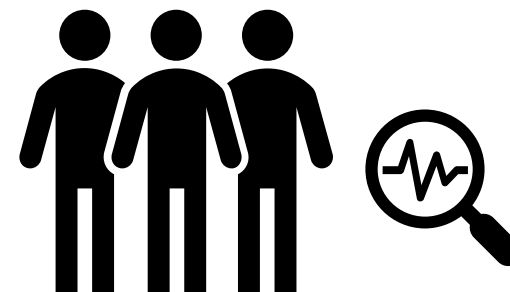
Occurrence of New Mutation
And the possibility of another
new inflectional disease

(2) Climate Change, Supply Change Fragmentation

(3) WHO GPW14

[**Strategic Objectives**]

| Climate change and Healthcare | Determinants of Health | Reduction of Inequality for Essential Health | Improve Health Service Coverage | Prevent · Mitigate · and Prepare for Health Emergency | Rapidly Detect Sustain an effective response to all health emergency |

II Korea's Systems and future Direction

(1) National Health Insurance

(2) Long Term Care Insurance

* future Direction
(4) Healthcare Reform

(3) Primary Healthcare Chronic illness management project

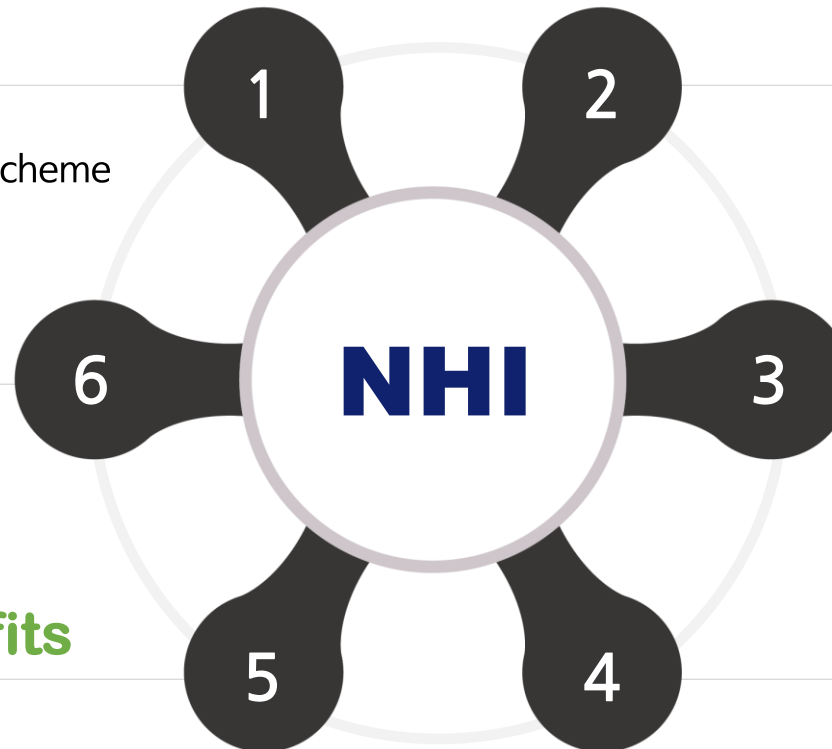# (1) Health insurance : Health Insurance Coverage

UHC

Healthcare coverage for all
by National Health Insurance (NHI) scheme

Low Healthcare Expenditure

9.3% of GDP
OECD average: 9.7% (2022, OECD)

Comprehensive Benefits

64.5% of coverage (2021, NHIS)

NHI

1 2 3 4 5 6

Single Insurer

- National Health Insurance Service (NHIS)
- Mandatory enrolment
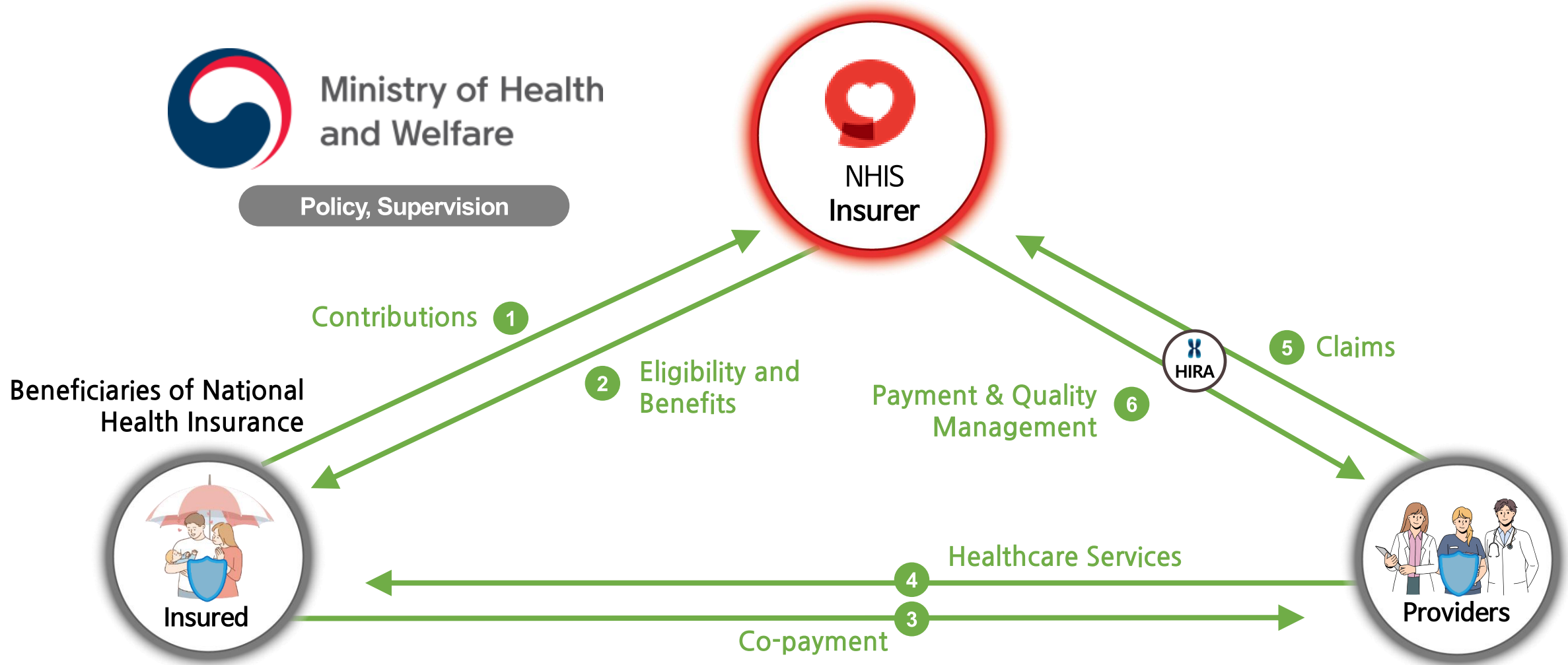- Contribution from the insured
- Monopsony purchasing power

Coverage

94.7% of Healthcare facilities (2023, KOSIS)
No. of Providers: 101,832 (2023.11, NHIS)

Mandatory

Mandatory participation & services provision

(1) Health insurance : governance

(1) Health insurance : Financial sources (1) – Contribution

- Contribution rate: Determined by the Health Insurance Policy Deliberative Committee (insured, providers, public interest representatives, etc.) economic conditions, health insurance income and expenses, etc.

- 2024 insurance rate: **7.09%** for the employee insured / unit price per point for the self-employed insured: **208.4 KRW**
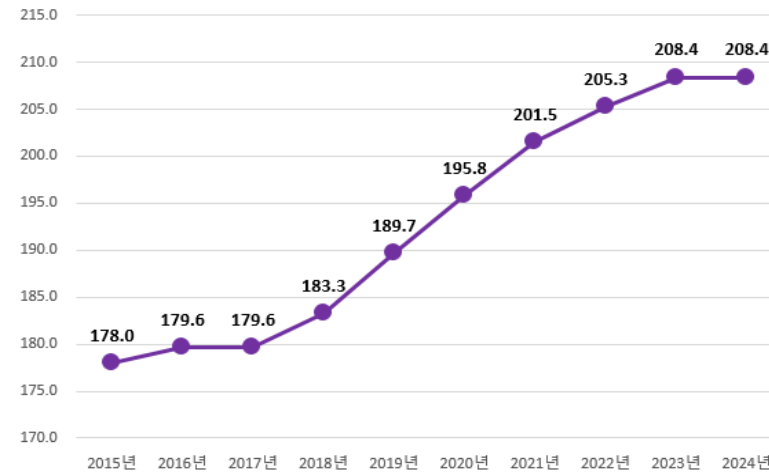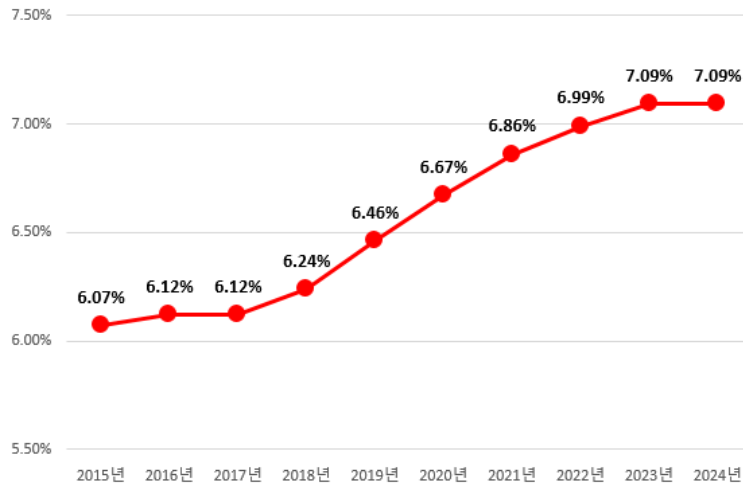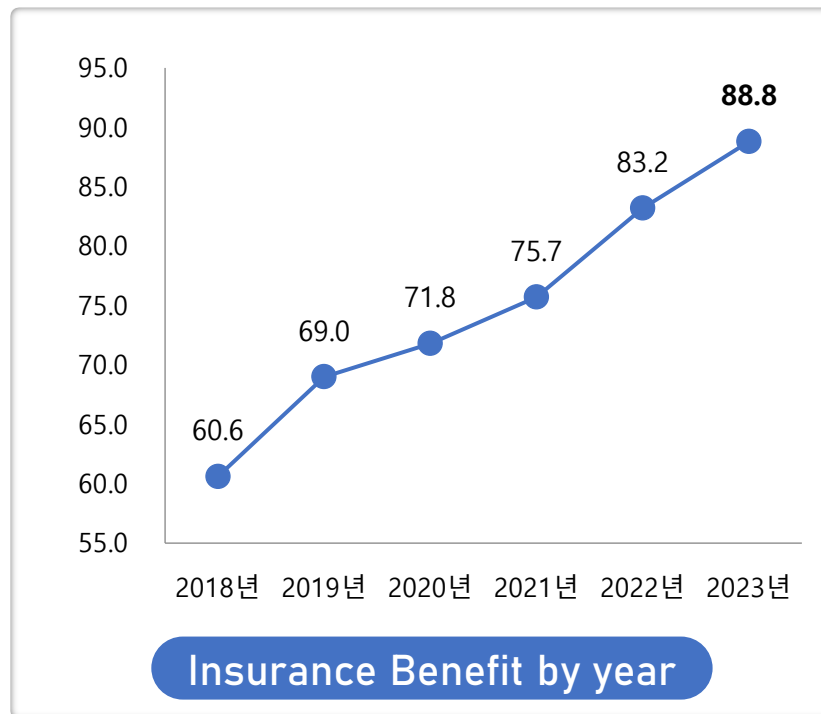

- Contribution rates in another countries

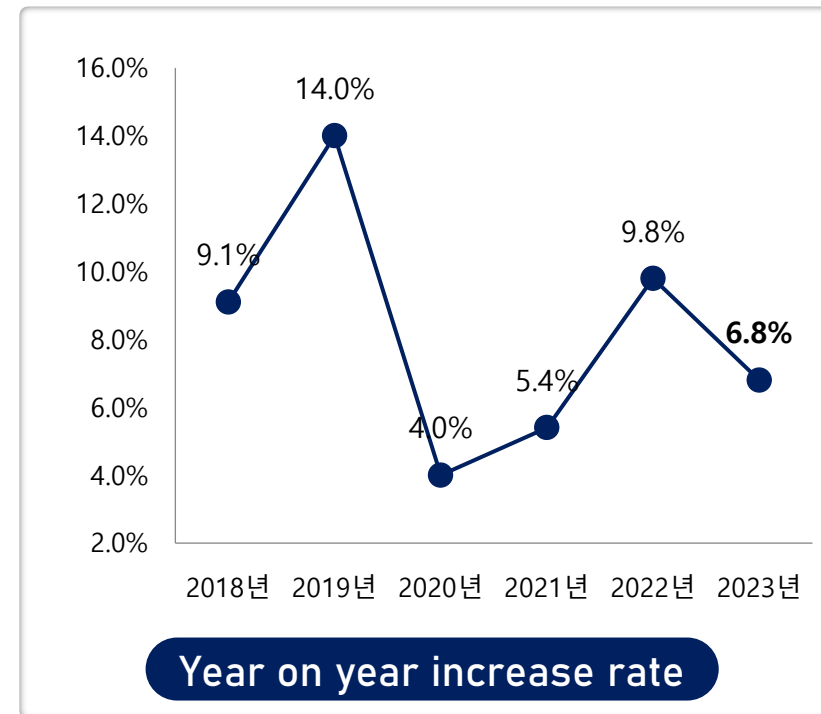|	Korea ('24)	Germany ('23)	France ('23)	Japan ('23)
Contribution rates	7.09%	16.2%	13.25%	10.0 ~ 11.82%

(1) Health insurance : Expenditure – Insurance Benefit

➤ Insurance benefit expenses in 2023 are 88.8 trillion KRW an 6.8% increase from the previous year

(unit : trillion KRW)

Insurance Benefit by year

(unit : %)

Year on year increase rate

(1-1) Achievement of Health Insurance System

1 (**Accessibility**) Health insurance coverage for the entire population
- Ratio of the population covered by health insurance to the total population

2 (**Healthcare Quality**) Continuous improvement of healthcare standards - Enhancements in life expectancy, infant mortality rate, and avoidable mortality rate, among others

3 (**Mitigation of Healthcare Cost Burden**) Reduction of co-payment rates, relaxation of benefit criteria, and the inclusion of non-covered services under insurance coverage.

4 (**Expand Medical Infrastructure**) Quantitative infrastructure growth to supply medical services, such as hospital beds and medical equipment

5 (**Improving System**) Reform of the contribution system to be income-based

Challenges

- Regional-Essential Healthcare Crisis

- Concerns about Sustainability of Health Insurance

- Change of Healthcare Services

- Supply-demand instability and healthcare innovation

(1−2) 2nd National Health Insurance Comprehensive Plan

Vision and Policy Direction

1

Providing Essential Health and Fair Compensation

Protection of the Public's life and health

2

Improvement of the healthcare delivery system and support for healthcare management

Reduction of healthcare gap and Assurance of healthy life

3

Enhancement of the financial sustainability of Health Insurance

Reduction of medical overuse such as unnecessary medical shopping, excessive treatment
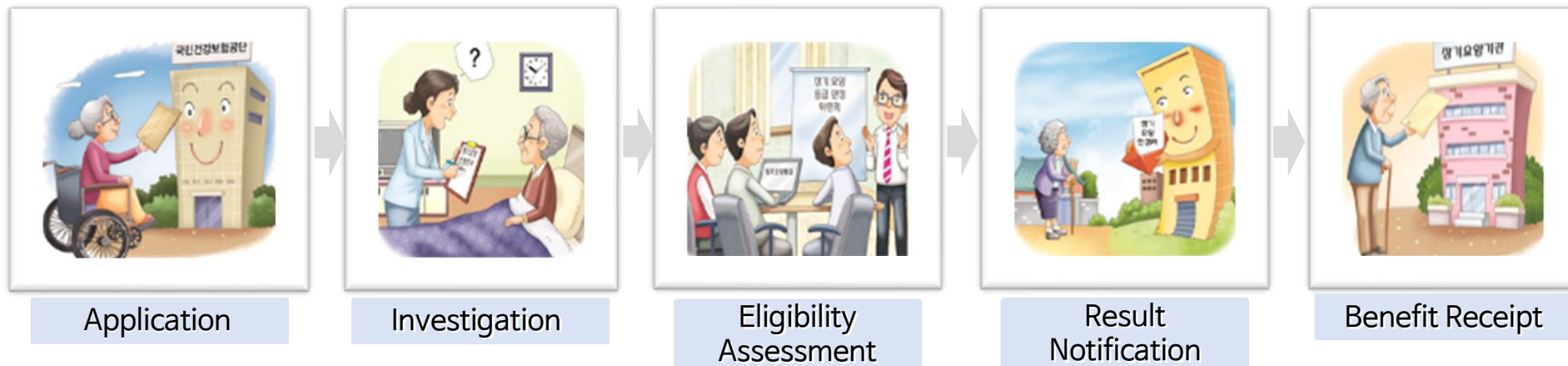
4

Establishment of a stable supply system and a virtuous cycle structure

Preparing upcoming Super−aged Society

(2) Long-Term Care Insurance System

▶ In case of 'The elderly aged 65 or older' or 'a person under 65 years of age with senile diseases such as dementia or cerebrovascular diseases who have difficulty carrying out daily life on their own for more than 6 months

▶ A system capable of receiving long-term care benefits, such as support for physical activities, household activities, and cognitive activities **by receiving a long-term care level**

▶ LCTI Process

| Application | Investigation | Eligibility Assessment | Result Notification | Benefit Receipt |

(2) LTCI: Governance

Ministry of Health and Welfare

h·well NHIS National Health Insurance Service

Local governments

Policy-making and Supervision	Policy Development and Implementation	Service Delivery
Long-Term Care Committee	Approx. 4000 employees & 227 operating centers	Si, Gun, Gu (local administrative unit)

- 16 to 22 members of govern ment officials, experts, stake holders
- Decision on the LTCI contribution rate and changes to the benefit types

- Collection of LTCI contributions
- Evaluation of eligibility
- LTC Service Claims Review & Assessment
  - ✓ Detection of fraud or illegal claims
- Payment

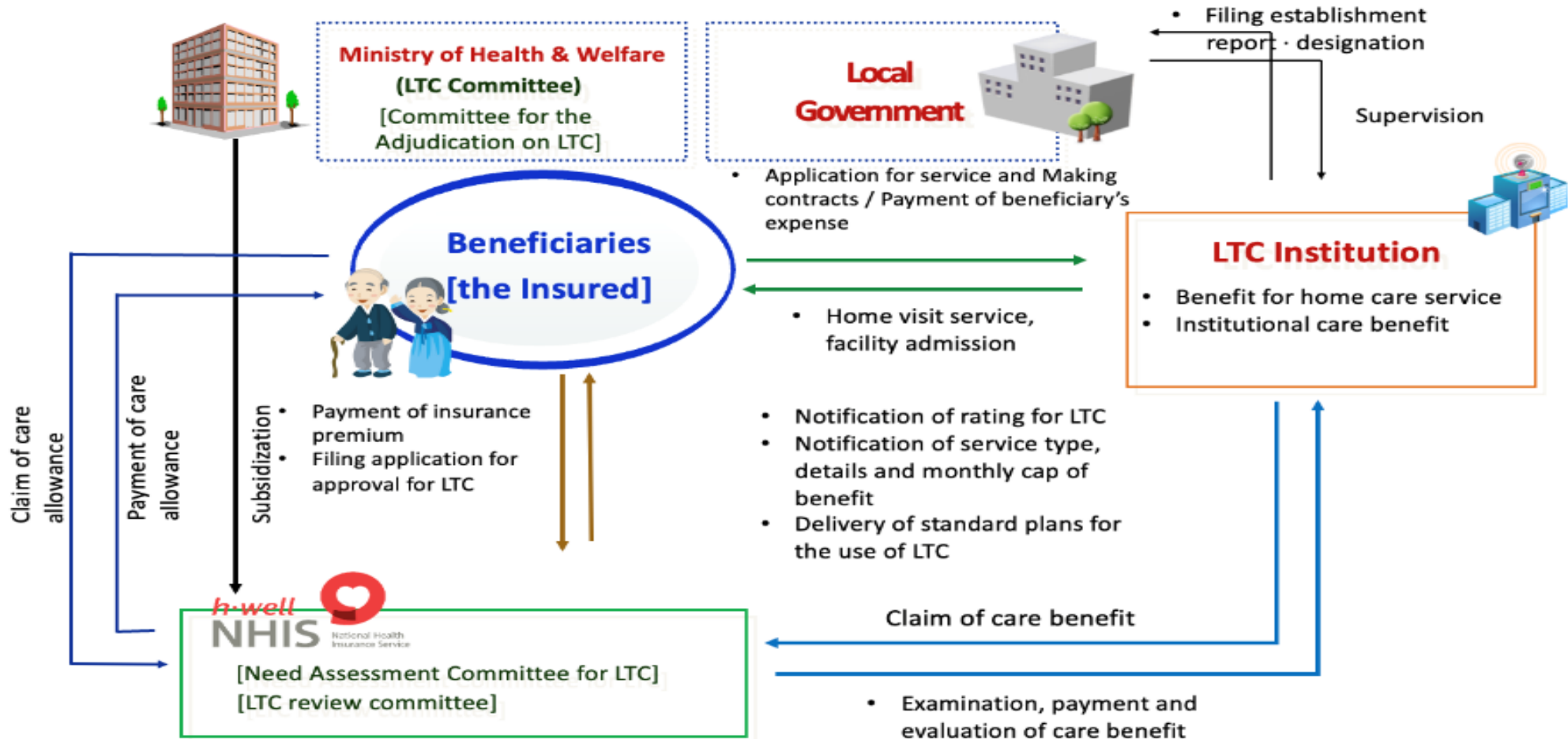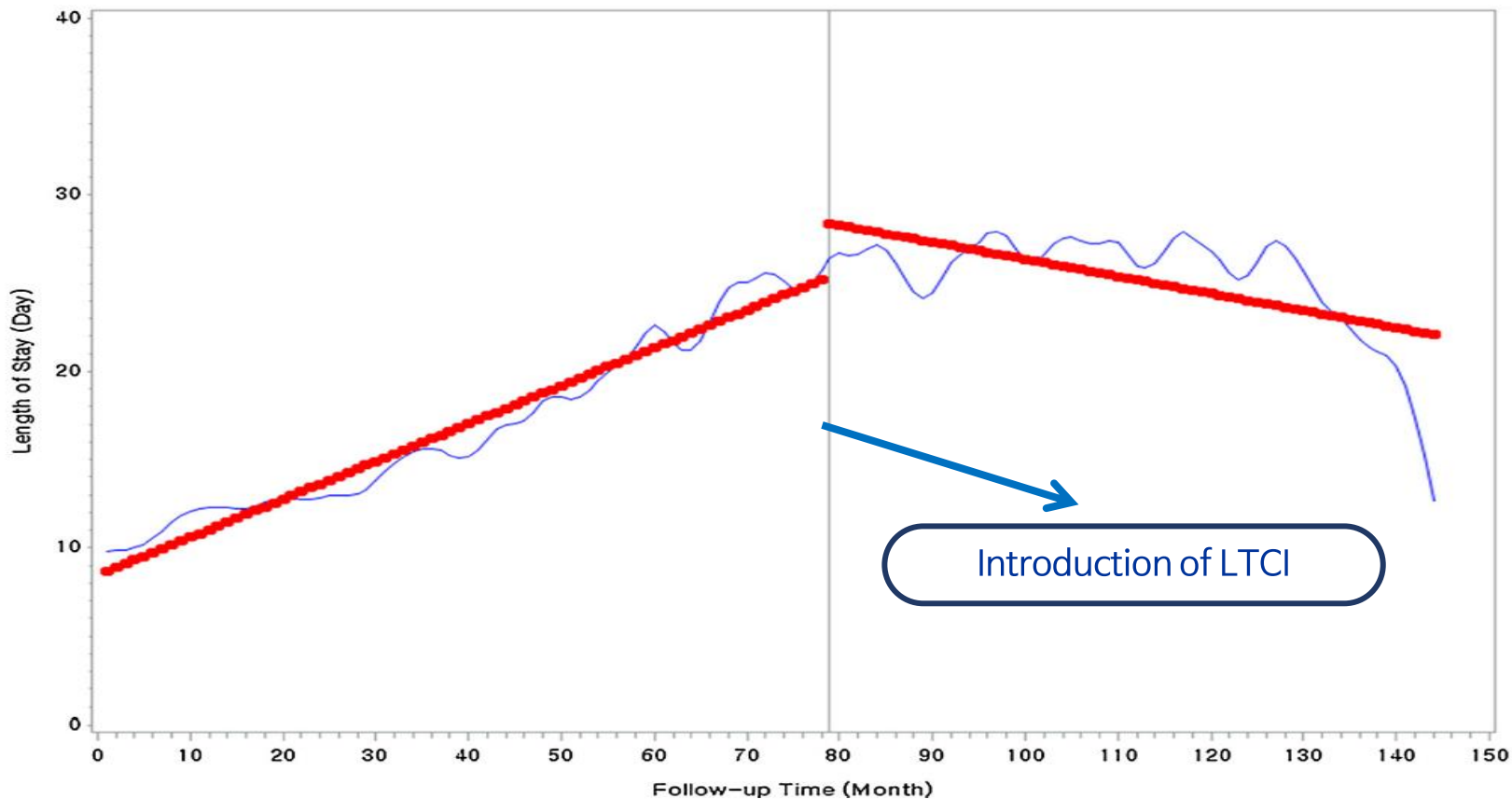- Designation of LTC facilities
- Administrative disposition against LTC facilities engaged in wrongful activities
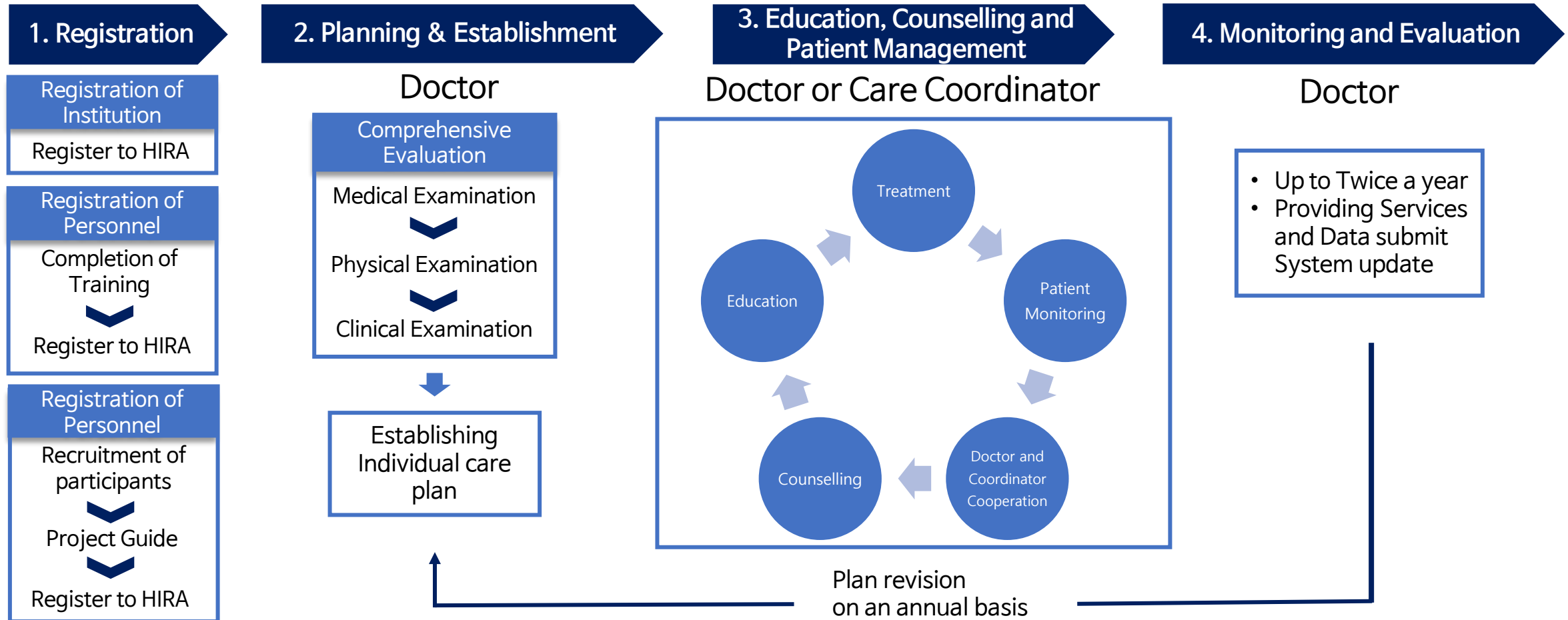
(3) LTCI: Operation

(2-1) LTCI Impact : Trends of medical expenses

⟨Trends of medical expenses of older persons⟩

Introduction of LTCI

Korea's policy (3) Primary Healthcare Chronic illness management project

1. Registration

Registration of Institution
Register to HIRA

Registration of Personnel
Completion of Training
Register to HIRA

Registration of Personnel
Recruitment of participants
Project Guide
Register to HIRA

2. Planning & Establishment

Doctor

Comprehensive Evaluation
Medical Examination
Physical Examination
Clinical Examination

Establishing Individual care plan

3. Education, Counselling and Patient Management

Doctor or Care Coordinator

Treatment
Patient Monitoring
Doctor and Coordinator Cooperation
Counselling
Education

Plan revision on an annual basis

4. Monitoring and Evaluation

Doctor

• Up to Twice a year
• Providing Services and Data submit System update

(3-1) Health Lifestyle Support Fund Pilot Project

Recruitment Participants ▶ **Healthy Lifestyle Practice** ▶ **Point Rewards** ▶ **Use of Points** ▶

Recruitment Participants

How to apply
- 'The 건강보험' APP
- NHIS Homepage
- Branch Visit
- Fax

Monitoring/Managing

Ministry of Health and Welfare

h·well NHIS National Health Insurance Service

Healthy Lifestyle Practice

Prevention Type
– Health Risk Group on General Health Examination

Step Count synchronization with 'The건강보험' APP

Management Type
– Patient on Primary Healthcare Chronic illness management project

Step Count synchronization with 'The건강보험' APP

Point Rewards

Participation Point
＋
Practice Point

Prevention Type
Step Count, Healthcare Program Certification

Management Type
Step Count, Self Count, Training and Counselling

h·well NHIS National Health Insurance Service

Advance Point

Prevention Type
Check General Health Examination

Evaluation Point

Management Type
Care Plan, Mid Term Check

Use of Points

Request of Point Conversion

⬇

Online Shopping mall

Healthcare Parctice Card (Management Type)

(4) Healthcare Reform

The Korean government promotes **Healthcare reform** to save lives and the region

(4-1) 4 Major Tasks of Healthcare Reform

1 | **Expand Medical Personnel**
- Expand Medical school capacity
- Transit to the Specialist-focused Hospital

2 | **Strengthen Local Healthcare**
- Establish Roles of Tertiary/General hospital, Hospital and Clinics
- Expand Regional Medical Human Resources

3 | **Establish the Medical accident Safety Net**
- Reduce the Burden of Medical Personnel
  : Enact Medical Accident Managing Special Act

4 | **Improve the Fairness of the Compensation system**
- Compensate Essential Healthcare
- Manage Non-payment(Improve Actual Insurance)

III Prepare for the Challenges：
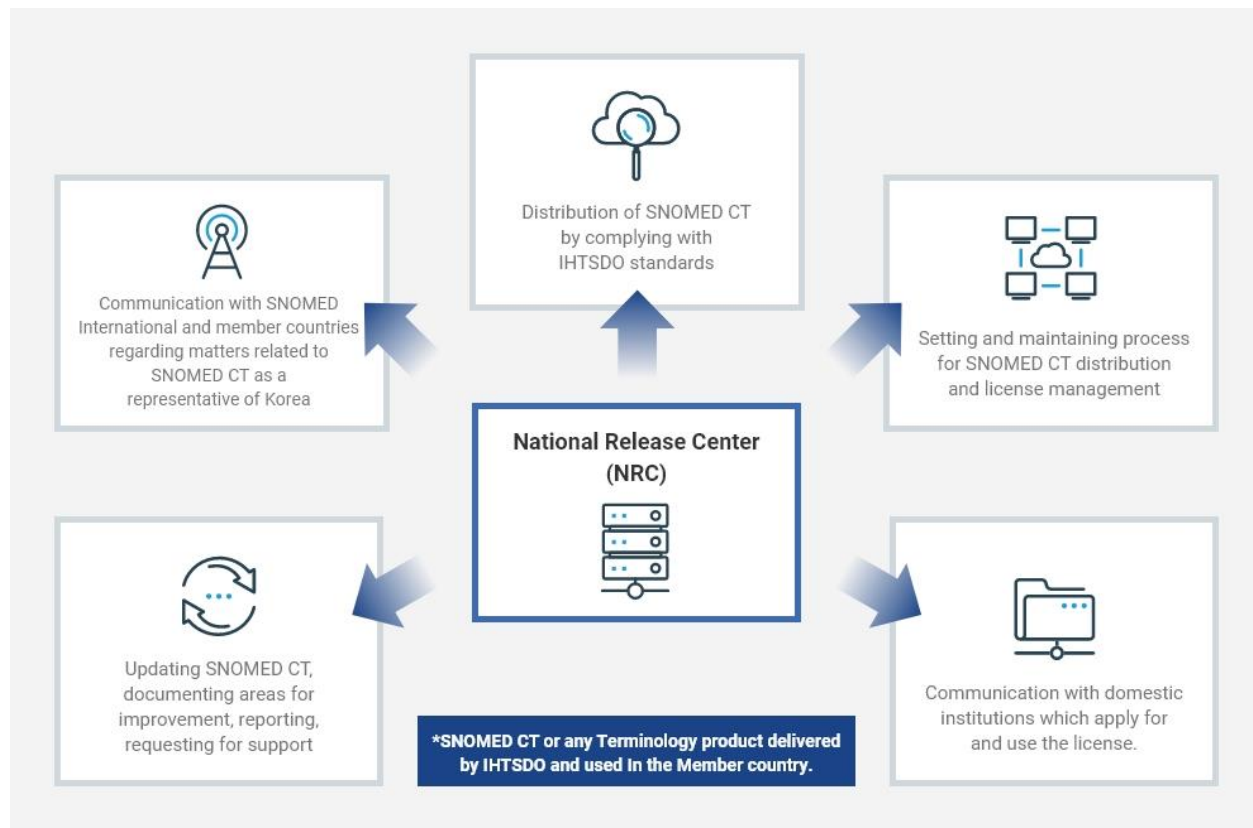# Digital Health

(1) Enhancement
for Accessibility

(2) Care Services

(3) Public Health
data Digitalization

(1) Enhancement of Accessibility: My Healthway
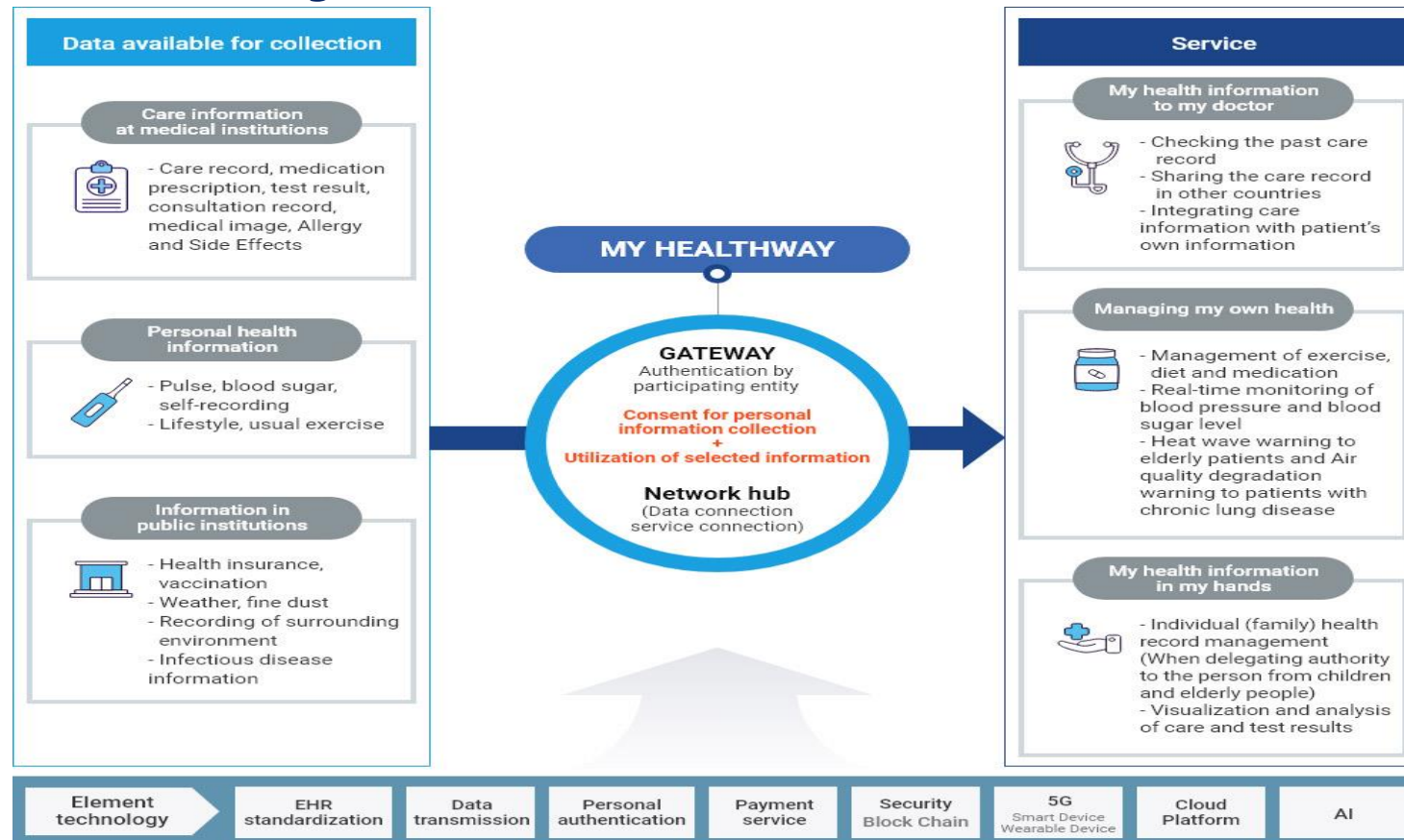
(1-2) Enhancement of Data Interoperability

(2) Enhancement Care Services by utilizing welfare technology

KARPA-H

(Mission-oriented R&D) Derivation of urgent national tasks for solving health challenges

→ Support for Mission-oriented R&D with high cost, high difficulty or ripple effect

→ PM(Project Manager)'s quick decision to achieve the goals

(2-1) Enhancement Care Services by utilizing welfare technology

Preliminary benefit Pilot project for long-term care welfare equipment ('23.7~)

Emergency safety services

(2-2) Enhancement Care Services by utilizing welfare technology

Social Service Investment Fund ('23~)

Smart Social Service Pilot Project ('24~)

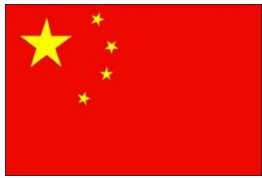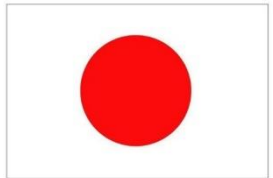## (3) Public Health data Digitalization
– ODA with AMS

Health Insurance

Medical Digitalization

Digital Health

Enhancing cooperation among ASEAN+3

Thank you!

Q&A : **elyon12@korea.kr**