

# [Analysis on the national healthcare system in south korea](https://assignbuster.com/analysis-on-the-national-healthcare-system-in-south-korea/)

## Abstract

This paper explores the national health care system in South Korea. Main aspects covered in this paper are the people covered in the health care system, methods of funding, utilization of the system by the patients, management of doctors and institutions that work under the system, and South Korea’s standing in terms of health care results around the world. The paper scrutinizes the National Health Insurance program which is the core system that strives to provide Universal healthcare to all its’ citizens and people residing in the country. Funds used for the NHI are mainly self-provided by the contributors benefiting from the NHI with the assistance of tobacco surcharges. The NHI utilizes a Copayment system to regulate the rate of coverage provided to the insured based on their inpatient or outpatient state. The MIHWFA(Ministry of Health, Welfare and Family Affairs) works with the local government to provide local clinics and health centers to the public and regulates doctors, nurses, and other practitioners in the medical field by mandating certifications in order to practice medical skills. Over the span of 12 years South Korea has elevated its’ standing in terms of Healthcare results in comparison to other OECD countries. South Korea has maintained a relatively low health expenditure rate in terms of GPA while providing clear and broad data through the centralized and mandated system under the NHI. As a result, South Korea has seen an average to higher life expectancy compared to other global OECD countries with relatively minor costs. Studies used as reference are mainly studies conducted inside the country and provide clear insight on the formation and operation of the health care system in South Korea.

Key words: NHI(National Health Insurance), Universal Coverage, Health Insurance,

Single-player, Copayment

Analysis on the National Healthcare System in South Korea

Health care is one of the most essential social infrastructures that help establish a country and benefit the people. Various countries around the world have different forms of health care that operate in differently. South Korea with a population of around 51 million people implements a single-player system under the National Health Insurance Program to provide mandatory universal health care to citizens in the country. Also extending to provide healthcare to foreigners working inside the country.

Healthcare Coverage in South Korea

South Korea has put a strong effort into providing universal health care to all its’ citizens. The first health insurance law, the Medical Insurance Act was established on December of 1963. (Song, 2009) After this law was passed within the span of 12 years South Korea went from it first issued health insurance law to universal coverage for everyone in the country. Initially health care was provided through multiple insurance societies that provided coverage for employees and the self-employed separately. However, in the year 2000 all insurance societies were united into one integrated system that covered everyone in the country. This was achieved thanks to the establishment of The National Health Insurance Program, which is the core of the nation’s source in providing health insurance. Every person living in South Korea is eligible for medical insurance, regardless of nationality or profession. Foreigners living in South Korea who are registered with the National Health Insurance Corporation receive the same medical benefits and services as Korean nationals. As a result, the total number of people covered under the insurance program reached 47 million people, over 96. 3% of the total population with the remainder of 3. 7% were supported Medical Aid Program. Insurance provided by the NHI are divided into sectors the “ employee” and the “ self-employed” the “ employee insurance” is a family-based insurance as the program covers the insured person’s spouse, descendants, brothers or sisters, and direct lineal ascendants. (Song, 2009) On the other hand “ self-employed” are the people that are excluded from the “ insured employee”. As a result, Health care is a mandatory requirement in the country both for residing citizens and foreigners working inside the country. (Citizens living abroad are required to reside in Korea for at least three months before applying for the program)

Healthcare Funding System in South Korea

The Healthcare system mainly operated by the NHI(National Health Insurance) is funded through the contribution of the insured, the government subsidies and tobacco taxation.

Contribution of the Insured

The first and major source of the funding for the healthcare system is the payment made by those who are insured. Divided into the employees who are insured and the self-employed, the “ insured employee” are required to pay 5. 64% of their salary as a payment and this payment is removed from their monthly payment. However, the employer is required to contribute 50% of the payment with the employee having to pay the other 50%. In the case of government employees the government being the employer would contribute the 50%. (Kim, 2017)

As for the self-employed who may not a have a solid income to account for the contribution the amount is determined by their account income, property, living standard such as motor vehicles are put into consideration. For the insured living in rural or alienated areas like islands a reduced contribution system is implemented (Song, 2009)

Government Subsidies and Tobacco Taxation

Other sources of funding for the universal health insurance are the government subsidies and tobacco taxation. The Republic of Korea government provided 14% of the annual revenue. This government funding is comprised by the contribution of the insured. As for tobacco taxation this provides 6% of the total annual revenue for the project. (Song, 2009) It is no exaggeration to say that the program is self-paid for as the bulk of the revenue is provided by the insured with additional funding by the government, which is also sourced from the contributions of the insured. Only 6% of the funding is outsourced from the tobacco taxation. Mandatory participation and payment help uphold the system to provide universal healthcare throughout the country.

Implementation of the Healthcare System in South Korea

Ministry of Health and Welfare association with HIRA

The Ministry of Health and Welfare plays a major role in the implementation of Healthcare service to the people in South Korea. The Ministry along with local governments helps to provide accessible service to the public. The regional governments manage the medical centers and healthcare posts operating locally. Under the single-player healthcare system the government is also able to collect on the entire population. HIRA(Health Insurance Review and Assessment Services) has helped provide feedback to both the health providers and consumer through the collected database. Furthermore, other than the few new and expensive technologies most health care services like medical checkups, cancer screening and are included in the healthcare benefit package that is required for the entire population, these services are provided with high cost sharing. (Lee Tj, 2015)

Copayment System

The NHI utilizes a copayment system with a maximum copayment ceiling of 3 million won which would be around 2400 USD over a period of 6 months. Insured people in South Korea can use this system depending on their inpatient or outpatient condition. The copayment rate for inpatient care is 20% the copayment rate for outpatient care is 40%. This copayment systems covers basic healthcare not including cosmetics or other non-essential procedures. Patients may utilize private insurance companies to cover the rest, which helps reduce the copayment and other procedures that are not covered by the NHI.

Management of Doctors and Institutions under the Health Care System in South Korea

In South Korea, only authorized personnel are eligible to provide health benefits to patients. Doctors, dentists, nurses, oriental medical doctors, and midwives are regulated to be certified by (MIHWFA)Ministry of Health, Welfare and Family Affairs. While professions such as nurse aides and massage therapists are considered quasi-medical professions, as of 2007 according to an article published by the International Medical Community there was an estimated number of 91, 400 physicians, 23, 114 dentists, 16, 663 oriental medical doctors, 57, 176 pharmacists, 8, 587 midwives, and 235, 687 nurses in South Korea. (Song, 2009)

Global Comparison on South Korea’s Health Care results around the World

Low Health Expenditure as Percentage of GPA

South Korea has an overall good standing in terms of Health Care results in comparison to other countries around the world. The total health expenditure as a percentage of GPA was 7. 8% percent in 2013 making South Korea one of the lowest countries in terms of healthcare expenditures on GPA percentage. (Kim, 2017)

Data Collection through the NHI

In many countries due to the lack of a unified source of data there is relatively little information provided by the health system. South Korea utilizes the single player system through NHI program to integrate and mandate health care to all citizens and residents in the country. Making Healthcare mandatory allows the system to collect broad and accurate data on the health conditions of the nation.

Life Expectancy as a result of Universal Healthcare

In 2016 South Korea reached a life expectancy level of 85. 5 years for women and 79 years for men making a average of 82. 2 years. Almost 2 years above the 80. 6 average life expectancy rate in 2015 for countries in the OECD. With United States standing at 78. 69 years of average life expectancy in 2016. (Kim, 2017)

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