



ASIA PACIFIC
PANDEMIC
PREPAREDNESS AND RESPONSE
REGIONAL FORUM



WORLD BANK GROUP



Ministry of Economy
and Finance

SOUTH KOREA'S RESPONSE TO THE COVID-19 PANDEMIC

NATIONAL HEALTH FUNDING AND EXPENDITURE

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GOVERNANCE OF NHI IN KOREA



**MINISTRY OF HEALTH AND
WELFARE**
Legislation, NHI organization
supervision



**Health Insurance Review
& Assessment Service**

Expenditure/Quality Management

- Make rules for benefit ▶ List, Price, Coverage
- Monitor ▶ Cost(Claims review) and Quality
- Manage health system infrastructure



National Health Insurance Service

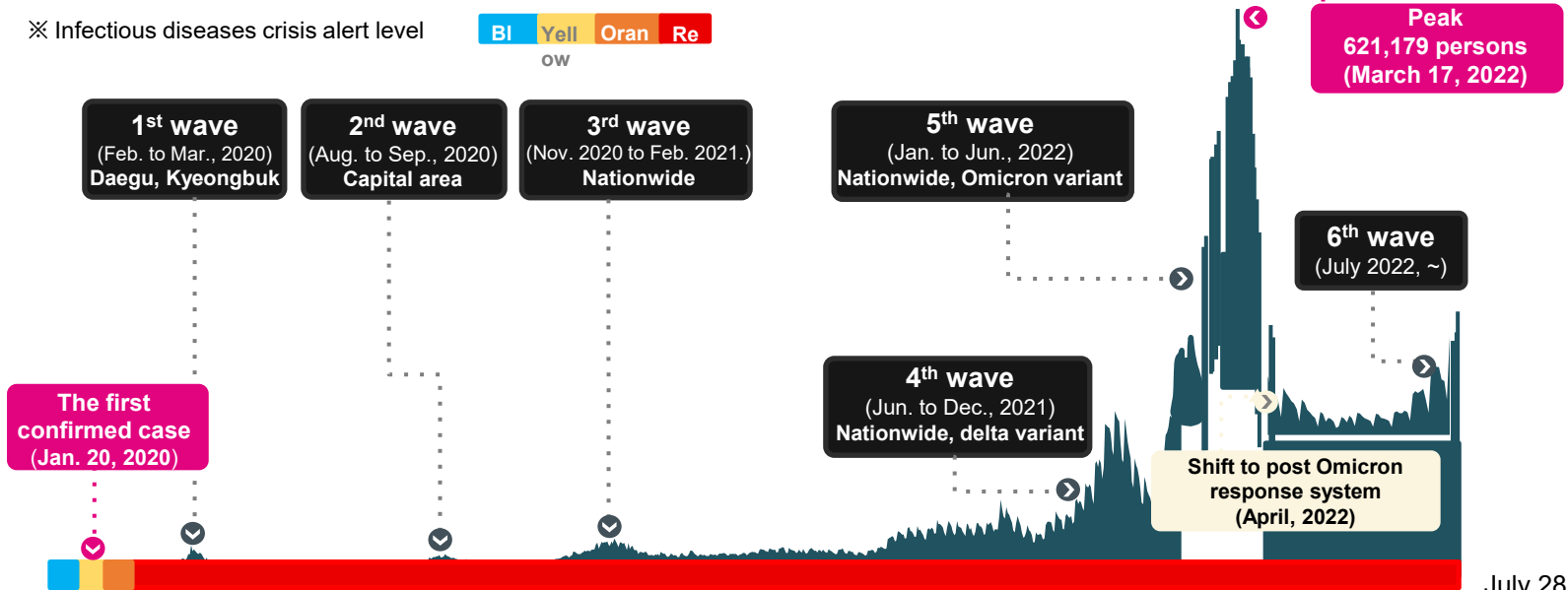
Collecting and Pooling

- Collect contribution
- Negotiate with providers for fee level
 - ▶ Conversion factor
- Promote health and prevent disease



PHASED DEVELOPMENT OF COVID-19 IN KOREA

※ Infectious diseases crisis alert level





HIRA'S Information system and response to COVID-19

HIRA's system

Drug Utilization Review(DUR) system

System for providing drug safety information in real-time when doctors and pharmacists are prescribing and dispensing

Providers Business Portal System

System to support healthcare providers tasks , including medical standard management, appeals processing, reimbursement settlement, claims review, etc.

Integrated Healthcare Resource Reporting System

System for reporting information about healthcare personnel, facilities and equipment to local government and HIRA

Korea Pharmaceutical Information Service

System to collect · investigate · process · use · provide drug distribution data such as production ·import ·provision · use details of pharmaceuticals

HIRA's other data and information system

HIRA's Big Data : claims data, non-benefit items' data, etc. Integrating dispersed infectious disease data

HIRA's response system against COVID-19

- DUR-ITS system
- Vaccine abnormal reaction response system
- Automatic data linkage system with epidemiological investigation

- 5-day rotation face mask distribution system (Currently transferred to health crisis response system)

- Negative pressure isolation room/ available bed Information System
- Designation and operation of special hospital for Covid-19 patient treatment
- System for compensating provider's losses, etc.

Health Crisis response system

- Patient management information system
- Medicine administration record management system
- Dispatch health worker management system, etc.

Data opening

Real world data of COVID-19 patient for research, API system

NHI benefit listing

COVID-19 STATISTICS

(Unit: number of cases, %)

Country	Confirmed Cases	Death	Mortality Rate
United States of America	108,126,837	1,173,819	1.09
India	44,997,173	531,930	1.18
France	40,138,560	167,642	0.42
Germany	38,428,685	174,352	0.45
Brazil	37,771,706	705,313	1.87

(Unit: number of cases, %)

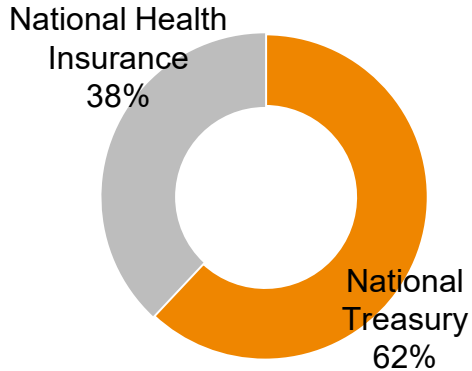
Country	Confirmed Cases	Death	Mortality Rate
Republic of Korea	34,436,586	35,812	0.10
Japan	33,804,284	74,707	0.22
Italy	25,955,703	191,276	0.74
The United Kingdom	24,671,491	228,707	0.93
Russia	22,989,632	399,983	1.74

(Source: WHO or MoH, '23.9)



HEALTH EXPENDITURE ON COVID-19

[National Treasury]

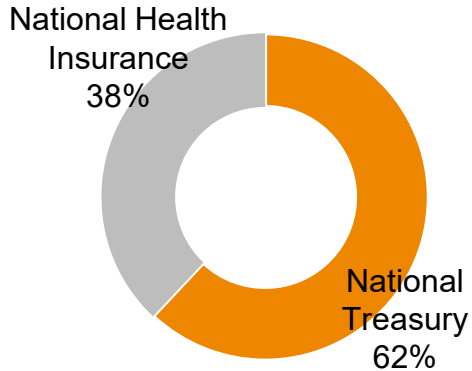


Type of expenditure	Details	Distribution
Compensation for healthcare institutions	<ul style="list-style-type: none"> • Direct costs (e.g., disposal of PPE wastes) • Opportunity costs (e.g., securing beds) • Site operation (e.g., on-site COVID-19 testing) 	60.5%
Facilities/ Equipment	<ul style="list-style-type: none"> • COVID beds / designated hospitals • Designated beds for severe cases • Designated hospitals for infectious diseases 	2.4%
Health workforce	<ul style="list-style-type: none"> • Labor costs • Emotional and psychological support to healthcare workers 	3.6%
Others	<ul style="list-style-type: none"> • Incentives for the efficient bed management • Quarantine supplies • Vaccines, etc. 	33.4%
Total		100.0%



HEALTH EXPENDITURE ON COVID-19

[National Health Insurance]



Type of expenditure	Details	Distribution
Prevention	Infection and Prevention control (incl. long-term care hospitals, mental health facilities)	3.8%
Diagnosis Test	PCR test (e.g., single/group test, fast-track test)	34.0%
Treatment	<ul style="list-style-type: none"> Inpatient care (the isolation rooms, negative pressure rooms, etc.) Mild patient treatment (community/residential treatment centers) Severe or Critical care 	43.4%
Non-COVID-19 treatment	Virtual clinics, Respiratory clinics, National Safe Hospitals, etc.	5.4%
Others	Overnight care, infection management for healthcare staff etc.	13.3%
Total		100.0%

COVID-19 FEE SCHEDULE

Type of Service	Fee Code	Allowable Fee	Effective Dates
Hospital-based Inpatient Care	Integrated care in an isolation room in the ICU	T: \$415, G: \$240, H: \$123	'22.7.22.~'22.12.31.
	Integrated isolation care in inpatient unit (e.g., general medicine ward)	T: \$207, G: \$123, H: \$76	
	COVID-19 Infection prevention and control (Acute care)	T&G: \$2.2, H: \$2.6, C: \$3	'20.1.4.~
	COVID-19 Infection prevention and control in LTC facilities	\$0.9	'20.3.24.~
In-person Care	Consultations&assessment	\$13~\$35	'22.4.4.~
	Medication prescription	\$4	'22.4.4.~
	Management of medication administration	\$2	'22.1.14.~
	One-stop comprehensive care	\$9~\$11	'22.7.27.~'22.12.31.

※ T: Tertiary Hospital, G: General Hospital, H: Hospital, C: Clinic

Type of Service	Fee Code	Allowable Fee	Effective Dates
Home Care	Consultations/Prescription via Telephone	\$16~\$22	'22.2.10.~
	Medical consultations via call centre		
Diagnosis Lab Testing	PCR Test	\$46~\$51	'20.2.7.~
	RAT Test	\$12~\$13	'20.12.14.~
Dialysis /Delivery	Isolated delivery room	\$921~\$1,549	'22.2.25.~
	Hemodialysis	\$154~\$170	'20.12.14.~
	Isolation room for Hemodialysis	\$49	'21.12.13.~

(Effective 2022.12.)

COVID-19 FEE SCHEDULE

Type of Service			Existing Fee Code	COVID-19 Fee Code		Combined
Out-patient Care	In-person visits (Office /Clinic Setting)	One-stop medical support on the day of tested positive	Assessment	RAT Test	Comprehensive Assessment	Total
			\$9~\$13	\$13	\$9	\$31~\$35
		In-person physician assessment from the next day onwards	Assessment	In-person physician assessment		Total
			\$9~\$13	\$18		\$27~\$31
	Virtual Care (Office /Clinic Setting)	Telephone consultations	Assessment	Telephone consultations		Total
			\$9~\$13	\$2~\$3		\$12~\$16
		After-hours/statutory holidays Telephone Consultations	Assessment	After-hours/statutory holidays Telehealth Consultations		Total
			\$9~\$13	\$9		\$18~\$22
	Pharmacy	Prescribing in person	Dispensing	Medication Administration		Total
			(for 7 days) \$5	\$4		\$10
Virtual prescription		Dispensing	Safe Management of Medication Administration		Total	
		(for 7 days) \$5	\$2		\$8	

Type of Service			Existing Fee Code	COVID-19 Fee Code		Combined
			Admission	Integrated care in an isolation room	Infection prevention and control	Total
Hospital-based Inpatient Care	ICU	Negative pressure isolation room	\$463	\$830	\$2	\$1,296
		Isolation room	\$373			\$1,206
	General Admission	Negative pressure isolation room	\$395	\$415	\$2	\$813
		Isolation room	\$208			\$626
Delivery/ Dialysis/ ED	Hospital-based delivery		Vaginal delivery	Isolated delivery room (300%)		Total
			\$538	\$1,347		\$1,886
			C-section delivery	Isolated delivery room (300%)		Total
			\$368	\$921		\$1,290
	Hospital-based dialysis		Hemodialysis	additional medical service (200%)	Isolation room in dialysis centre	Total
			\$77	\$154	\$49	\$280
	Hospital-based surgery		Surgeries	Negative pressure operating room		Total
			@	\$235 (<2 hours)		\$239+@
@			\$391 (>2 hours)		\$399+@	



OVERALL EVALUATIONS AND DIRECTIONS TO COVID-19

- ❖ **General payment and reimbursement approach to COVID-19 response**
 - The principle for treating COVID-19 patients is hospitalized care
 - The government introduced **an advanced compensation plans for hospitals treating COVID-19 patients to proactively prevent bed shortages** (provisional loss payment followed by subsequent post-payment)
 - Encouraging providers to treat patients with COVID-19 by establishing and **provisionally updating new fee schedule regarding the virus** (based on Fee-for-service)
 - There is **no issue of a health insurance deficit** against COVID-19
; It was attributable to stable insurance premium revenue and reducing financial expenditures by a decrease in regular patients
- ❖ **South Korea's expenditures (from the national treasury and health insurance funds) to COVID-19 were manageable and highly efficient**
- ❖ There were potentials for duplicate assistance, wherein the national treasury compensates healthcare institutions for their losses, while health insurance covers the treatment of COVID-19 patients