



## Study Tour to Korea

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This 4-day study tour was organised by the HK College of Health Service Executives from 29 April to 2 May 2009 to provide an understanding of the health care system in S. Korea. The programme was well received with a participation of 23 members from different specialties. The delegates were doctors, nurses, administrators and allied health professionals from both the public and private sectors.

The tightly scheduled tour, consisting of hospital visits as well as attending discussion forums with 2 academic institutions, was a great opportunity to an insightful update of the evolving Korean health care system as well as getting introduced to the exemplary hospitals in the region.

We visited one of the largest leading teaching hospitals in Korea, the Seoul National University Hospital which is closely networked among a number of affiliated hospitals in the capital. Their concept is very much like the cluster hospitals of HA in Hong Kong but the independence of each hospital is much higher and there are different modes of funding. This allows individual hospital to develop their expertise with a leading edge with the latest facilities and modern advanced equipment, within a competitively as well as complementary framework. During our short encounter, the hospital's presenter impressed us on their Mission - Vision - Core Value that leads their health care professionals towards creating Korea the tomorrow of health and hope.

We were able to meet Professor Soonman Kwon from the Department of Health Policy and Management of the School of Public Health of the University. Besides teaching, Prof Kwon also worked for consultancy for the WHO and various international agencies. He first briefed us on the history of social health insurance in Korea. With the political determination of the government, the slightly over 350 health insurance societies set up post-war were all merged into one under the health care financing reform by 2000. The reform was regarded as a milestone for Korea moving away from a tax-based public funding system to a relatively sustainable national health insurance model. The reform involved a certain degree of resources injection in order to address the issues of (1) inequality in the economic burden across various scheme operators despite similar benefit packages; (2) chronic fiscal instability of the rural health insurance with increasing aged population; (3) dis-economies of scale in some insurance companies with high administrative costs and limited risk pooling.

Prof Kwon further analysed lessons for achieving universal health care coverage through the reliance on the private sector to provide health care and the government playing the role of regulator rather than financier nor service provider. In this way the government engineered the gradual change towards social insurance rather than tax-based financing together with the vision of promotion a welfare society (e.g. enhancing the role of family) in stead of a welfare state. The Korean system started their population coverage with limited benefit package and incrementally expanded. The plans allowed enrollees of different sectors with more opportunity to experience the health insurance scheme within everybody's affordability. This approach minimised drop out rate in the initial critical years and maximised social marketing. However, the system is still entangled with problems due to non-comprehensive coverage. Although the Social Health Insurance has recently introduced a ceiling for out-of-pocket payment, the protection for catastrophic medical expenses is limited. The academics commented that such policy of benefit extension was based on financial concerns rather than a rational assessment on medical necessity or cost effectiveness analysis. There were physician oppositions to such extension of coverage because of price regulation under the insurance scheme, the health care providers perceived themselves to be exploited.

The College delegation also visited a first class hospital which deployed automation and I.T. in all levels of hospital operations. This is the Bundang Hospital situated in the newly developed township with 829 specialty beds and 60 ICU beds. At its opening in 2003, the hospital successfully introduced electronic medical record system (EMR) and adopted "*informatisation*" to all its clinical and support services. The vision was to create a hospital environment which was paperless, filmless, chartless, and yet easy access to all clinical data and extending their ability to conduct remote diagnostic and treatment plans. The digitalisation of the hospital services was further enhanced with the set up of a large clinical data warehouse, a clinical decision support system, clinical indication and hospital performance evaluation framework, and clinical pathway to maximise the quality of service and judicious use of resources. The CEO of the hospital informed us that 3-4% of the annual budget was allocated for I.T. They are also ambitious for "*next generation EMR*" where technologies are heavily emphasised. One of their priority projects is on the working for "Ubiquitous Health care" which includes the employment of real time resource management system to ensure cost is



linked with safety with appropriate knowledge support; the deployment of RFID at health promotion centres for profiling community health trends; the U-health pilot which automatically transmits patients' vital data to clinical teams at hospital for continuing assessment and just in time for advice; the extensive application of robotic surgery and mobile clinical assistant, etc.

In the evening, Prof Ok Ryun Moon, an expert in health policy from the Institute of Inje Advanced Studies presented his keynote speech at our dinner symposium. He gave an analysis of Korea's past performance as compared with the OECD group in terms of health care coverage, economic development, health outcome, health resources and access to care. All in all, Korea had been performing excellently as a developing country and becoming one of economic powers in East Asia within a fairly short period. The Korean government's health policy paradigm also shifted in the past decades: from a provider centred functions centred, from treatment oriented facility building to strengthening diseases prevention and health promotion; from public health care dominance to public- private partnership. He further talked about the future direction for a healthy, efficient and sustainable health care system. The system for Koreans would consist of:

- (1) Maintaining the basic frame to further reduce dead zone through "Medicaid", identifying the complementary role of private health insurance and introducing internal market for insurers;
- (2) Streamlining the role of government to focus on essential health service (e.g. emergency services), health promotion and safety in pharmaceutical & food;
- (3) Health reform through deregulation to achieve better service competitiveness; attract diversified capital financing, and ensure adequate consumer protection through quality care;
- (4) Health industries as new driving engine for the next generation. This refers to the facilitation for enlargement of the health market, developing R&D and high tech & complex medicine industries.

The night was such an intellectual enlightenment of discussion with Prof Moon, who spoke interesting illustrations and quite understood the HK scenario, as well as the good Korean food that the whole group enjoyed almost up to the closing hour of the restaurant. After the completion of the trip, the unanimous recommendation from this group was that the College should organise another trip to another region for "*comparative study*" and the author was made to convey the message that an equally good itinerary in Japan would be expected next time.

