National Health Insurance Coverage Expansion Policy for Korean Medicine

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Introduction

World Health Organization (WHO) has categorized traditional medicine/ complementary medicine (TM/CM) healthcare system as an 'integrated system' and only four countries including China, the Democratic People's Republic of Korea, the Republic of Korea and Vietnam fall into the group that count on the integrated system [1]. Especially, Republic of Korea is highly evaluated to provide one of the globally recognized TM/CM healthcare systems because it is provided within and through national health insurance (NHI).

This paper aimed to explore the current status and expansion policy of NHI for Korean medicine (KM).

Current Status of National Health Insurance on Korean Medicine

In Korea, National Health Insurance Service System has fulfilled its country's needs for the basic medical service since it expanded to the national medical insurance system for the public in 1989, 12 years after its creation in 1977. Among others, KM was implemented in 182,000 residents in Cheong-won, Chung-buk Province as a pilot project in 1984 and since then treatment items of Korean Medicine such as examination, acupuncture, moxa and cupping had begun to be covered by the NHI system [2].

Medical expense for KM has steadily increased to 1 billion 860.4 million USD (1USD=1200won) in 2015, approximately 2.05 times from 907.7 million USD of 2005. This would amount to 7.88% on average increase on the yearly basis. Likewise, 13,270,000 patients treated in Korean medicine institution based on the 2015, which would translate into every one out of four people who visited a Korean medicine hospital or clinic [3].

Despite its external growth shown, there is a limitation to explain the firm stance at which KM has stood in the NHI system. As of 2016, the insurance covered items of KM treatment are 240 (3.78%) of 6,347 items in total [2]. Based on 2015, the medical expense for KM was 3.96% of the total medical expense on the NHI, which had remained on the 4% level for 10 years [3]. In addition, the NHI coverage rates of KM hospitals and clinics stood at 35.3% and 47.2% respectively on the same year. This still remains at such a low level given that those of the conventional medicine hospitals and clinics are 61.8% and 65.5% respectively [4].

Expansion Policy of National Health Insurance on Korean Medicine

Development of Korean medicine clinical practice guideline

The ministry of health and welfare launched G-KoM (guideline center for Korean medicine) on February, 2016 and spent the total of 250 million USD to develop KM clinic practice guidelines for 30 detailed diseases. This project is divided into two stages on three-year basis that include developing guidelines through systematic review on the first stage and supplementing the guidelines with clinical research on the second stage. The government is expected to utilize the developed clinical practice guideline for development of insured items of KM for the NHI. In this regard, it is evaluated as a policy with its significance of expansion in the KM health insurance.

Public infrastructure construction for Korean medicine

The ministry of health and welfare has spent 2,500 million USD in the coming three years on a public infrastructure to provide assistance for safety and validation of the KM since the year of 2017. More specifically, it is an infrastructure of herb medicine non-clinical research institution (GLP), manufacturing herbal preparation (GMP), and preparing a standardized decoction (GMP). By its establishment, the government is
desired to strengthen quality control on the KM, establish the same managerial process as the conventional medicine in which includes a pre-clinical research and a clinical research, then followed by post market surveillance in the long term and introduce the validated KM with its safety and validation into the NHI insurance system.

Discussion

In Korea, National Development Institute of Korean Medicine (NIKOM) was established as a national agency for promoting KM in 2016. Through this effort, the project for promoting KM is in its full swing. Moreover, President Moon Jae-In, on August 2017, announced so-called ‘Moon Jae-In Care’, it will be covered by NHI all the indispensable medical services. With much fanfare, this announcement is expected to attract a paramount change in the Korea public health system. On the front, KM should expand the basis for its medical service with standardization to ensure coverage of health insurance in large and great manner.

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