

Bureau of Health Industry - Ministry of Health and Welfare of Korea, Bae Byoung-Jun, Director General



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Bae Byoung-Jun, director general of the Bureau of Health Industry at Korea's Ministry of Health and Welfare, outlines the history and structure of the Korean healthcare system and highlights the country's traits as a model for others to follow.

What is the importance of foreign attractiveness as Korea becomes an increasingly popular hotspot for medical tourism?

Despite their excellent technology and capabilities, Korean medical institutions have expressed difficulties establishing and expanding their global presence due to a lack of institutional frameworks and funding.

In this context, on August 1, 2014, the Korean government made and distributed the "Guidelines for Medical Institutions' Global Expansion" that provides legal clarification of the scope, method and procedures for medical institutions in pursuit of global expansion. The "Global Healthcare Fund" was also created to provide better funding for hospitals who seek to move overseas.

What competitive advantages does Korea offer in terms of healthcare service, cost, quality of pharmaceuticals and medical technology?

The best thing about Korea's medical services can be summed up as "advanced medical technology, low cost and short wait times". Korea ranks higher than other advanced countries in

terms of success rates of liver transplantation and five-year relative survival rates of seven cancers. The costs of medical operations range from one-third to two-thirds of those in other countries. Wait times in doctors' offices are quite short, and big-sized hospitals provide patients with one-stop medical services. Korea is proud of having a pharmaceutical industry which has a 120-year history, its own manufacturing facilities, advanced technologies and a relatively higher market share in its domestic market.

As the Korean government involves reimbursement pricing and the private sector increases its R&D investment, Korean drugs have proven cost-effective. IMDs, biosimilars, quality generic drugs made by its local makers contribute to enhancing public access to medicines and saving the nation's healthcare expenditures.

Due to expensive prices of original drugs, population ageing and consequently increasing chronic disease, governments around the world are witnessing an increase in their healthcare spending. Under such circumstances, our quality drugs at competitive prices can become a great solution.

IT-based medical equipment, like ultrasound imaging systems and healthcare wearable devices, is another sector where Korea has global competitiveness. As for 3D ultrasound imaging devices, Korea has made a remarkable achievement: it is the first country that has successfully commercialized ultrasound imaging systems in the world. Korea also secures the highest market share in the global OB/GYN markets. As for healthcare wearable devices, Korea is expected to become a global leader since it has advanced technical prowess in the IT sector like consumer electronics and smartphones.

What are your current priorities today?

As I said earlier, Korea's healthcare industry has just entered a phase where it begins to produce tangible outcomes out of its overseas expansion: there is an increase in the number of foreign patients coming to Korea and of Korean hospitals going abroad. What is now left to be done is to create a virtual cycle involving R&D, commercialization and global expansion in a holistic manner to ensure that the private sector for itself can build on this momentum in this sector. To this end, the government is working on expanding R&D investment, building legal frameworks and healthcare infrastructure, and formulating policies for deregulation and incentives that will help the industry's global expansion.

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