Interview: Lee Po-Chang – Director General, National Health Insurance Administration (NHIA), Taiwan



"Our single-payer system has been consistently displaying high approval rates since its implementation, which clearly highlights the quality of the coverage we provide to the Taiwanese population."

20.04.2017

Tags: Taiwan, NHIA, Healthcare, Health Insurance, Insurance,

Lee Po-Chang, director general of Taiwan's National Health Insurance Administration (NHIA) details his main priorities to further strengthen the country's widely acclaimed single-payer health system, which already stands as one of the most advanced in the region, while adapting the NHIA to evolving healthcare needs and to the growing challenges of Taiwan's rapidly aging population.

In 2016, satisfaction ratings for the National Health Insurance (NHI) hit 83.1 percent, its second-best result since the NHI was set up in 1995. Given that Taiwan's population is rapidly aging, what would be your strategic priorities to adapt the NHI's delivery to Taiwan's evolving healthcare needs and maintain high satisfaction ratings?

Our single-payer system has been consistently displaying high approval rates since its implementation, which clearly highlights the quality of the coverage we provide to the Taiwanese population. When you consider the NHI was only implemented in 1995, these satisfaction ratings also truly showcase our country's success in rapidly building a universal healthcare system that can be considered as one of the most advanced in the world. In this regard, Taiwan's NHI truly stands as a case study, which could inspire other countries in the world.

Short waiting times and easy access to medical care have greatly contributed to NHI's success. In the meantime, NHI offers a comprehensive and ever-expanding coverage to our patients, while premiums remain extremely affordable and co-payments are particularly low. Furthermore, our

overall system’s infrastructure is technologically advanced and every citizen holds a NHI card, which serves as an ID to access the medical system. The medical data are uploaded on a daily basis to the centralized data bank for further information sharing and administrative purposes, such as disease surveillance, checking for abuses, forecasting the point values that are extremely important for the healthcare providers. Finally, being affiliated to the NHI is compulsory by law, which explains that our single-payer, government-backed health insurance system now covers more than 99 percent of Taiwan’s population.

As a transplant surgeon by training, I practiced for more than 37 years prior to my appointment at the head of the NHIA, being the health practitioner to become director general of this institution. Leveraging my long-standing experience honed among my medical teams and my patients, I want to ensure that increasing health outcomes and broadening the access to quality, life-changing treatments truly is at the core of our development vision for the NHIA.

The NHIA’s annual budget being fixed, a few members of the Pharmaceutical Benefits and Reimbursement Schedule Joint Meeting (PBRS Committee) may sometimes be hesitant to include new, innovative drugs or technologies within NHI’s reimbursement lists due to their substantial financial impact. This focus on budget containment creates a tricky situation, which could soon appear as unsatisfactory to patients, physicians, and healthcare providers as a whole. In this regard, how to work together to build a system that is both financially sustainable and ready to integrate the most needed innovations has become an urgent topic for us.

In the meantime we need to further streamline some processes and eliminate unnecessary costs, which would allow us to further expand and improve our health coverage without increasing our expenditures.

[Featured_in]

What are the opportunities that you identify to further streamline NHI’s processes?

In 2017, we implement our so-called “Referral System Enhancement Measures” to foster a greater resources allocation between hospitals and primary care. In Taiwan, patients can freely choose to attend medical centers, regional hospitals or clinics to receive a given treatment, and – due to lack of incentives – it is not rare to see patients going to medical centers instead of attending clinics for benign afflictions.

As a consequence, it is extremely difficult to further specialize and optimize resources allocation between all different levels of care that our system holds. With the implementation of various

enhancement measures, we want to ensure that our medical centers and hospitals can focus on their teaching and research responsibilities and exclusively concentrate their efforts on the treatment of acute and severe diseases. In the meantime, patients with more basic ailments will be encouraged to first attend our primary care network before being eventually directed to the secondary and tertiary care levels if needed.

We are also building on the IT capacity of our health system to deliver better outcomes to patients while eliminating unnecessary spending. As part of this effort, our administration started monitoring the use of six types of drugs — those used to treat hypertension, high cholesterol, hypoglycemia, schizophrenia and depression, as well as hypnotic sedatives and anxiolytics, in July 2015. Our plan is to better help patients take their medication properly and get their prescriptions refilled on time. In the meantime, we started to review the prescriptions dispensed by clinics and hospitals for those drugs and refused payment for unreasonable duplicates, in order to encourage doctors to be more cautious and prevent accidental overdoses or adverse drug interactions. As a result, the number of duplications has dropped by about 41 percent in 2016, proving the success of our PharmaCloud and MediCloud systems, which keeps track of all diseases, medical exams, prescriptions, and treatments received by all patients over the past three years.

Finally, I want to build a more accessible and transparent quality system, which will allow patients and healthcare providers to precisely know what are the best performing hospitals in Taiwan for specific medical services and therapeutic areas. This information will be particularly valuable to Taiwanese patients, especially for medical services requiring co-payments, and will contribute to ensure they receive the highest medical quality possible when they opt for services that are not fully covered by the NHI.

According to the data collected by the Pharmaceutical Committee of the European Chamber of Commerce, it takes on average 417 days for new innovative drugs to be approved for reimbursement in Taiwan, while NHIA’s drug approval rate as of June 2016 reached just 50 percent. What will be your strategy to ensure Taiwanese patients can more rapidly access a heightened number of life-changing treatments?

[related_story]

As a transplant surgeon, I deeply value the importance to access innovative products that make a tremendous difference in the treatment of life-threatening diseases. As I mentioned before, there was a tendency for the PBRS committees in charge of reimbursement evaluation to be essentially focused on the financial impact that the reimbursement of new treatments would have on our

budget. Ensuring the financial stability of our health system is a priority of the utmost importance, and we will continue to bring all the attention it deserves to this mission. Based on our recent data, the median duration of pricing process was 8.4 months during 2014~2015, which has been fasten a lot. Nevertheless, I however considered a relative mindset change was also needed and partially reshuffled these committees, bringing on board new experts and healthcare practitioners to add another perspective to our approval process.

In the meantime, the NHIA's reimbursement process is totally transparent. For example, representatives of pharmaceutical companies are able to attend the PBRS committee meeting; patient groups are also invited to join discussion in meetings, and all reimbursement prices and meeting records are open to the public via internet. Pharmaceutical companies can know precisely why their drugs are not granted reimbursement approval and on which criteria this decision was made. Although it is inevitable that discussions take longer within such democratic mechanism, the NHIA's new drug approval rate has increased to 89% in 2016.

Nevertheless, we will not be able to build a sounder health system without the collaboration of healthcare providers. In this regard, I am glad to see that an increasing number of pharmaceutical companies understand the necessity to offer price alternatives. Looking at hepatitis C for example, two out of the three leading pharmaceutical companies in this field have already accepted to significantly lower their prices to ensure these treatments could be included within the NHIA's reimbursement lists.

Currently, the average price of new drugs in Taiwan is only 51.8 percent that of the median for the benchmark A10 countries (a basket of 10 benchmarked developed markets). We understand some international companies may feel that innovation is not enough rewarded in Taiwan. What is your assessment of the situation?

Reimbursements prices typically stand as one of the main concerns of the pharmaceutical industry in almost all countries. Nevertheless, it is true we need to ensure pharmaceutical companies can receive a fair price for their innovative products. We understand that by continuously squeezing the margins of innovative products, these companies might consider leaving the country – which would negatively impact our patients.

In this regard, the average price of new drugs that were granted breakthrough designation is strictly equal to the median of the benchmark of A10 countries. On average, reviews conducted between 2013 to 2015 show that drugs demonstrating moderate improvement compared to the best commonly used drug currently available were priced at 76% of the A-10 median. On the other

hand, Taiwan’s thriving pharmaceutical industry should provide us with the opportunity to access locally developed treatments, reduce our dependence on imports and benefit from lower prices for treatments that display the exact same quality as international products.

You are the healthcare practitioner to be appointed at the head of NHIA. How does that make a difference?

As a transplant surgeon, I would follow my patients over decades. This specificity has truly enhanced a long-term vision of the healthcare system, which I now strive to instill to our country’s health insurance system. Throughout years of practice, I know how much a difference it makes for patients to be able to access needed treatments, products, and technologies. I want to build a stronger NHI and we will only reach this objective by involving patients, physicians and healthcare providers in the fulfillment of this crucial mission.

See more interviews