The National Health Insurance (NHI) program in Taiwan, launched in 1995, has successfully provided universal and quality healthcare to the people at affordable costs. The program has been focusing on ensuring care for the socially and economically disadvantaged people, making sure that everyone is covered, and improving on healthcare quality. The program is an incarnation of the virtue of “healthcare as a human right”, a realization of the WHO ideal of universal healthcare coverage. And its comprehensive coverage fulfilled the goal of the Declaration of Alma-Ata.

The Major Accomplishments of NHI in Taiwan

UNIVERSALITY

- Taiwan’s NHI is a compulsory program. Soon after its implementation, the NHI has extended its coverage from 59% to virtually all the population in Taiwan.
- For those who could not pay the premium, the NHI provides a pretty elaborate safety net to make sure that everyone is protected: the premium is 100% subsidized for the households below the poverty line; if you are unable to pay the premium for running into one of the vicissitudes in your life, interest-free loans are available or you can apply to pay on installments. Or, the NHI Administration can refer you to many of the charitable organizations for help. In the case when all these fail to work for you, you can simply take yourself to the hospital should an emergency occur and leave the financial problem to be taken care of later.
- With this safety net in place, no single individual on this land can ever be denied health care for lack of means or anything; there must be a way to get the help. And bankruptcies out of medical bills have become unheard of since.

COMPREHENSIVE AND UNIFORM BENEFIT PACKAGE

- The benefit package is comprehensive; all medically necessary services are covered. The package covers inpatient, outpatient, dental services, traditional Chinese medicine, and maintains a very long list of nearly 16,000 items of prescription drugs.
- Before the implementation of a long-term care insurance, the program also pays for home care, rehabilitative care, day care, and hospice care, provided that certain criteria are met.
- Some of the target therapy drugs are covered; many of the expensive drugs for rare diseases are covered too.
- To provide more options for the insured, some of the high-priced devices such as drug-eluting stents, intraocular lenses with special functions, are covered with extra billings.
- For new treatments or drugs, there is a prompt procedure to get those items on the reimbursement list, provided that they are cost effective.

FREEDOM OF CHOICE AND ACCESSIBILITY

- NHI is a single-payer program and therefore it offers no choice of the carrier; it, however, offers unlimited freedom of choice when it comes to the choice of the providers: you can choose your doctors and hospitals from more than 25,000 contracted facilities.
- There is no waiting line; normally, it would take just about a couple of weeks to get a major surgery at the location of your choice.
- For the people living in the mountainous areas and off-shore islands, the NHI pays extra dollars for the integrated delivery system (IDS) to deliver primary care and some of the specialty care. The co-payments are waived in those areas.

COST CONTAINMENT AND AFFORDABILITY

- Health care in Taiwan is quite affordable: total healthcare expenditure accounts only for about 5.9% of GDP, lower than most of the OECD countries, and slightly more than half of it were spent on the NHI.
- A family of four pays roughly US$100 per month as the premium, accounting for about 2% of the average household income. It is more efficient to run the daily operations of a single-payer program than any others; and a single-payer system with the aid of information technology can even be more efficient. Billions of transactions in claims and reimbursements are handled electronically.
- As results, the administrative costs for NHI have been controlled around 1% of the medical expenses.
QUALITY OF CARE

- Changes in life expectancy (currently 83.2 years for women, 76.7 years for men) testified to the quality of care in Taiwan.
- Health disparities among socio-economic groups and geographic areas had somehow narrowed.
- Another piece of information on the quality of care is the performance of organ transplants. The records of the kidney, heart, and liver transplantations are up to par by all international standards.

Key Factors Leading to Accomplishments

EFFECTIVENESS OF THE SINGLE-PAYER SYSTEM

- NHI is a single-payer system that has proved very effective in providing necessary care to all, particularly to those in poverty and other disadvantaged groups.
- Pooling all the risks in a single pool makes cross-subsidization among the different socio-economic groups very easy and effective.
- A single-payer system is flexible in that any newly added needs or newly added budgets can be incorporated into the program with ease, and the safety net can be continuously strengthened without structural changes.

INFORMATION TECHNOLOGY

- Taiwan might not have the best information technology, yet Taiwan might have a healthcare system that allows whatever information technology to be applied to its maximum.
- Each and every enrolled person is issued an NHI card, which serves as an ID to access the medical system.
- The data are uploaded on daily basis to the centralized data bank for further information sharing and for administrative purposes, such as disease surveillance, checking for abuses, forecasting the point values that are extremely important for the hospital administrators.
- In the case when an epidemic occurs, the NHI Administration can request data be uploaded in real time, and the suspected cases can be picked up in time before the disease spreads out.

GLOBAL BUDGET

- The single most important instrument for cost containment is the global budget system, which puts a lid on the overall annual NHI expenditure.
- In addition to the function of cost containment, the global budget system is meant to give incentive to the medical associations to rein in their members and ensure appropriate care.
- The global budget system has worked pretty well, able to control the increase rates between 3% and 5% annually, without compromising the quality of care over these years.

Financial Reforms for Sustainability

The NHI Act was recently amended to expend the premium base from regular payroll to many other incomes, including bonuses exceeding four months of salary, incomes from moonlighting and ad hoc jobs, interests, rentals, and dividends from the stock market. This reform will ensure the financial soundness of NHI for many years to come, and push toward better social equity.

International Partnerships

Delegations from all around the world come to Taiwan to study the NHI; Taiwan has offered training courses to high-ranking health administrators from countries as important as the Kingdom of Saudi Arabia, Thailand, Mongolia, the Philippines, Korea, Vietnam, Ghana, Malaysia and Indonesia, etc. Taiwan is happy to share its experience and expertise with the international community in good partnership.