

Policy Changes in Taiwan

Ru-Liang Shih

**Senior Executive Officer
Medical Review and Pharmaceutical Benefits
Division
Bureau of National Health Insurance, Taiwan**

Key Facts

1. Population

 23 million

 Aging society

2. Parliamentary democracy

3. GDP per capita (nominal) - US\$17,000



Health Care in Taiwan

1. Total health expenditure - 6.4% of GDP
2. National Health Insurance

In order to make medical insurance applicable for the whole population, the National Health Insurance was launched in 1995.

Key Profile

1. Compulsory Enrollment of Nationals

All nationals have the obligation to enroll in the NHI.

2. Freedom of Access

Patients are free to choose any NHI-contracted medical institutions.

3. Equitable Medical Benefits

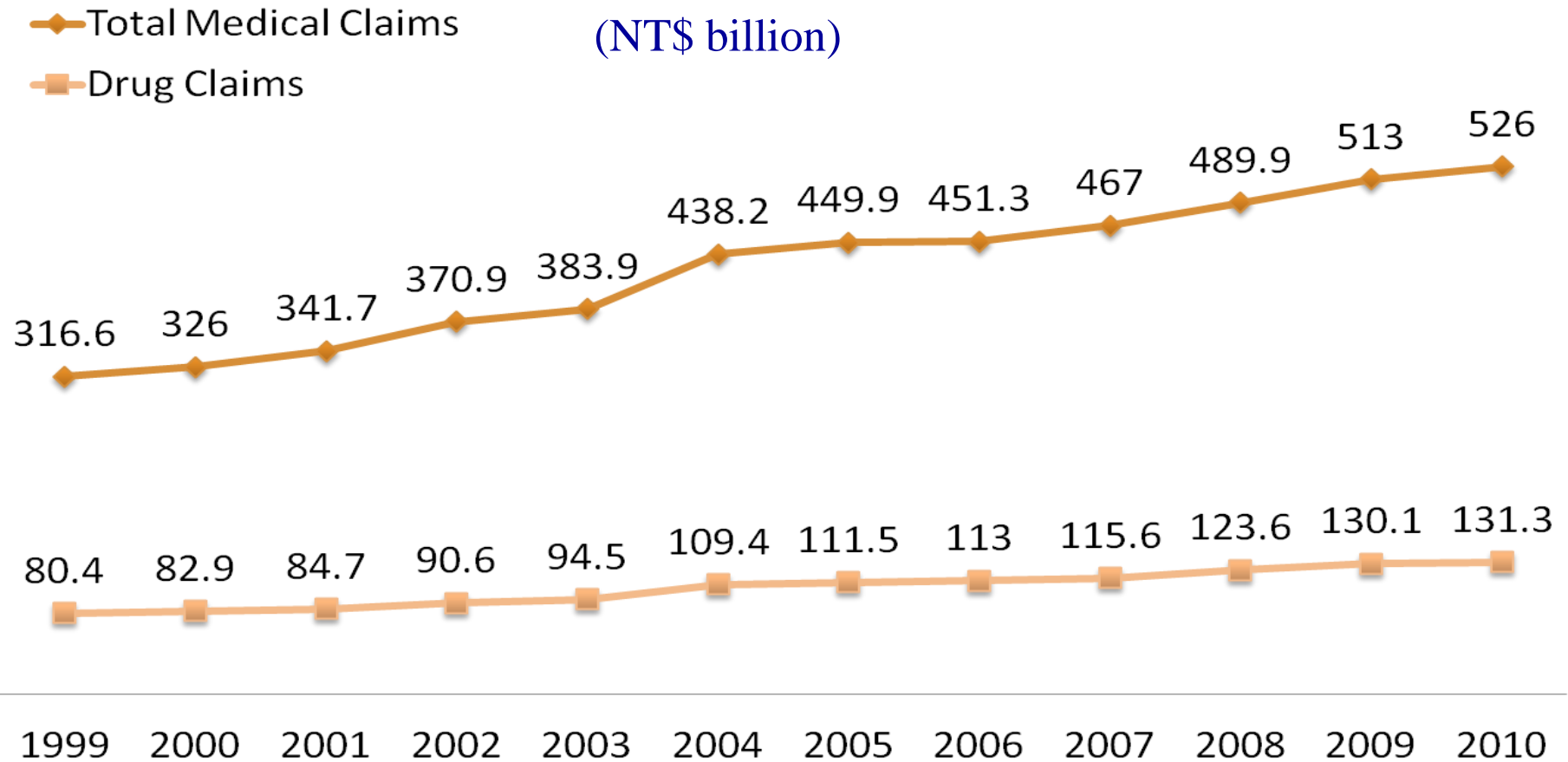
The equitable medical benefits are delivered and the uniform fees for medical services are paid for same medical practice and medication.

4. Comprehensive Coverage of Medical Services

Almost all medical services are covered under the NHI.



Medical and Drug Expenditures



Characteristics of PBS

1. All the products listed on the Pharmaceutical Benefit Scheme (PBS) are eligible for use. (The number of the listed products totaled 16,753 in 2011)
2. The reimbursement for drugs is paid to the medical institution on the basis of the NHI price listed on the PBS.
3. The NHI price for each product is uniform nationwide.

The Growth Trend of Drug Expenditures

- 1. With cost control measures, the drug shares of medical expenditures have maintained at around 25%.**
- 2. The annual growth rate of drug expenditures was lower than 1% in 2010.**

Future Prospective

The 2nd generation NHI Act **(2011/01/26 revised)**

(Executive Yuan shall decide upon the date of implementation)

Drug Benefit and Fee Schedule

1. It will replace the current Pharmaceutical Benefit Scheme.
2. It will be drafted by the *Drug Benefit Committee* and then reported to the Health Competent Authority for approval.
3. It will consist of the pricing rules, the covered items, the prices of pharmaceuticals and medical devices, the restrictions or guidelines, and the regulations for prior authorizations.

Expand Public Participation

1. The *Drug Benefit Committee* will be established. Its members shall comprise of representatives from relevant government agencies, experts and scholars, the insured, employers and medical providers.
2. Drug companies and patient groups may also be invited to express their opinions at the meetings.

Information Disclosure

1. The meeting minutes should be literally recorded and made public.
2. Self-disclosure of conflict of interest of the representatives and other relevant information should be made public.
3. The results of the health technology assessment (HTA) should be made public before the drafting process of the Drug Benefit and Fee Schedule begins.



Price Volume Survey and Adjustment

1. Drug prices should be reasonably adjusted on the basis of the market prices. **(current operation)**
2. Once a brand name drug falls off the patent cliff, the price should start being lowered within one year and gradual adjustment to reasonable prices should be done within five years. **(new)**



DET and Price Adjustment (1)

Background of the global budget setting:

No later than 3 months prior to the commencement of each fiscal year, the **Insurance Board** shall negotiate and set the global budget of the medical payment and the method of allocation, within the range of the total amount of the medical payment approved by the Executive Yuan.

DET and Price Adjustment (2)

The allocation ratio and a system of separating accounts for medical and drug expenses **may be established in regard to the budget for payment.**

If there is an allocated target for drug expenses, when the payment of drug expense exceeds the preset drug expense target (DET), the BNHI shall **adjust the Drug Benefit and Fee Schedule in the following year based on the exceeding amount.**

The Implementation of HTA

- 1. Part of the drugs may be chosen to be initially assessed before being evaluated by the decision makers.**
- 2. The scopes of the assessments include new drugs, medical devices, and medical services.**
- 3. The results of the health technology assessment should be made public before the drafting process begins.**

HTA Initial Proposal

1. BNHI will still commission CDE — HTA group to perform HTA at the initial stage.
2. During this period, we should propose research project plans and vie for more budget in preparation for the establishment of an independent HTA executive agency.

Future Plan

- 1.If budget permits, an independent non-profit organization will be established under the DOH or BNHI.
- 2.The mission of the organization:
 - 📖 Serve as the integration center and develop HTA rules
 - 📖 Collect HTA data, and make recommendations
- 3.This organization will cooperate with universities which will establish research centers to carry out HTA data collection and analysis.



Thank you
for your attention!