

# The Korean medical system: What does the future hold?

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**Abstract:** The Korean medical system faces some challenges. Recently, the government enforced a medical reform drawing a clear line between prescribing and dispensing of drugs. As a result, the National Health Insurance System plunged into a financial crisis. The number of medical practitioners is increasing rapidly. The integration of western medicine and traditional medicine may be another issue for the future. The future of the Korean medical system relies on how we overcome the challenges and conflicts.

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**Key words:** health care reform, health insurance, Korea.

## Introduction

The Korean economy has progressed rapidly over the last 30 years, and its health status and medical level have improved to an even greater extent. The Korean medical system, however, faces some challenges. Several issues will be discussed briefly in this paper:

- the insurance system
- medical reform
- the increasing number of doctors
- primary health care
- traditional medicine
- the subject related to re-unification of South and North Korea.

## The National Health Insurance system

Within a short time period, Korea has successfully established the National Health Insurance (NHI) system which provides universal health coverage for the people. It was initiated in 1977 and completed in 1989. The NHI has expanded its coverage from the employees of large corporations to those of small companies and the self-employed. Low-income groups

who could not afford an insurance contribution were also provided with a benefit through a government medical aid program.

The NHI system is however, now facing, an unprecedented financial crisis. This is partially due to the expanded utilization of medical services and increases in expenses after the recent medical reform, which separated drug prescribing from dispensary work, and from a sharp increase in payments to medical providers. The Korean government has kept the so called 'low premium and low benefits' policy since the late 1970s. As the payment to the health providers was under strict control from the government, there was a need to balance the premium against the reimbursement. A high co-payment rate by the users with limited benefits has created an imbalance of equitable access to health care for economically disadvantaged groups.<sup>1</sup> In this regard, it is crucial that government financial support be increased at the same time as stipulating a reasonable premium.

## Reforming access to medicines

In the past, due to the shortage of doctors, Koreans were able to buy medicine at a local pharmacy without a prescription. In order to avoid drug abuse, in 2000 the government enforced a medical reform drawing a clear line between prescribing and dispensing of drugs. It caused an unprecedented prolonged doctors' strike. An estimated 90% of the nation's hospitals and clinics closed at one time or another for several months. However, after the new system was introduced, pre-

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scription rates of antibiotics and injection medicine did not drop and utilization and expense have increased. Difficulties, thus, are expected in implementing the new system successfully.

### An increasing medical workforce

The third issue is the increasing number of doctors which have doubled in the last 10 years. A further increase is expected over the next 20 years which may be fivefold the increase in the general population.<sup>2</sup> The increase has mainly resulted from an increase in the number of medical colleges during the 1980s. The oversupply of doctors is concerning its relation to quality of healthcare and high medical costs. Reducing the number of new medical students, accreditation of medical schools and the introduction of medical professional graduate schools are options being considered.<sup>3</sup>

### Primary care is evolving slowly

The fundamentals of primary care are not really strong in Korea: 70% of current doctors are specialists, with less than 10% of new doctors taking residency to be family physicians.<sup>4</sup> In 1979, for the first time, the Seoul National University Hospital initiated a family medicine residency in Korea.<sup>5</sup> The Korean Academy of Family Medicine was established in 1980 and has grown and improved steadily. The Wonca Asia Pacific regional conference was held in Seoul in 1997. Now we have more than 100 family medicine residency programs and 4600 family physicians. However, the proportion of family doctors is still less than 10%. In order to reduce overall medical costs, the government is planning to strengthen primary health care by

a registration system of primary care doctors and establishment of a medical transfer system.<sup>6</sup>

### Integrating traditional and western medicine

One of the distinguishing features of the Korean medical system is that it acknowledges two different kinds of medicine, western and traditional medicine. There are colleges of Korean traditional medicine and they have a board for traditional doctors. Although this has encouraged the development of traditional medicine, it has also caused confusion among the general population and increased expenditure. The integration of two different medical systems may be another issue for the future.

### The influences of re-unification

Korea is still divided into two, although current government policies have improved the relationship between South and North Korea, and preparation of reunification is discussed actively. It is suggested that medicine should have a priority in terms of humanism in the South–North communication. South Korea has provided many medicines to North Korea, and is considering construction of hospitals in North Korea. Integration of two medical systems will be one of the major topics for re-unification.

### Conclusion

It is difficult to predict the future of the Korean medical system. It depends on how we overcome the challenges and conflicts.

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