Evidence-Based Decision-Making and Health Technology Assessment in South Korea

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South Korea's social security system is a social insurance system similar to those in France, Germany, Japan, and Taiwan [1]. By law, South Korean citizens are covered by health insurance. In addition, healthcare providers must contract with the National Health Insurance Corporation. This unified social health insurance system provides almost all South Koreans with health insurance.

During the last 50 years, medical breakthroughs and significant health-care advances have improved the quality of health care and the management of disease and chronic illness. With this progress has come markedly increased health-care costs. Currently, these expenditures are exceeding Korea's economic growth rate [2]. Consequently, there has been a significant amount of research on the rational use of health-care resources and interest in other countries' means of controlling costs [3].

Prioritization of reimbursement has become a major issue within South Korea's national health insurance system. The current presiding principle behind reimbursement is that all medically necessary health-care services are covered and reimbursed with the exception of those on the negative or noncovered list of health-care technologies.

Health-care policymakers decide whether a technology is medically appropriate for patients and therefore reimbursed as daily practice or not. Health-care decision-making for what are considered medically appropriate health-care services has been based on opinion or opinion-based information. Because reimbursement decisions are opinion-based, they are not only subjective, but can be significantly delayed by dissenting opinion [4].

Consequently, evidence-based medicine consisting of clinical expertise and patient preferences or values combined with clinical research is being introduced to make health-care decisions reasonably, objectively, and clearly as well as to reduce conflicts among stakeholders [5–7]. This process, combined with consideration of affordability, should improve reimbursement decisions.

The Health Insurance Review & Assessment Service (HIRA) also utilizes scientific evidence in the decision-making process. HIRA's goal is to maintain and improve national health through health-care review and quality assessment. HIRA is responsible for reviewing medical fees and evaluating at what level and cost health-care services are delivered to beneficiaries [8]. In addition to health-care services review and evaluation, HIRA supports government coverage decisions and pricing.

Since 2006, the evidence-based decision-making system has been introduced progressively. An Evidence Based Review Manual, with methods of appropriate questioning, searching, extracting data, classification of articles, and presentation, has been used by HIRA for policy coverage.

Another challenging issue for policymakers is the uncertainty with regard to how much improvement in health-care quality can be expected with the introduction of expensive new health technology. To address this issue, the South Korean National Assembly passed legislation that allows health technology assessment of new health technologies, with the exception of medications. Because this legislation is not part of the Health Insurance Act, health-care providers are not obligated to apply health technology assessment (HTA) to new technologies, but if HTA reports become mandatory for reimbursement, it is likely to become a requirement.

The legislature is establishing an advisory committee for new health technology assessment review (NHTAC) and a special subcommittee responsible for systemic literature review and draft reports. NHTAC will conduct the final review of the new technology and state the results of assessment based on its two major criteria for health technology assessment, safety and effectiveness.

For medications, Korean FDA (KFDA) focuses on safety and efficacy. Although there is a strong need for drug evaluation based on effectiveness and cost-effectiveness, the review process for new health technologies does not include new medications. However, South Korea has introduced pharmacoeconomic analysis for drug evaluation in the health insurance decision-making process.

South Korea has a relatively higher cost and growth rate of pharmaceutical expenditure than other coun-
tries [9]. While incorporating evidence-based decision-making into the health-care system will lower costs, South Korea will need to follow steps such as those taken in the United States, where efforts have been made to reduce variation and standardize what is considered “medical necessity” in health-care decision-making [10,11]. South Korea will need to find consensus on defining what is “medically necessary” for its citizens’ health care.

In conclusion, the health-care system in South Korea has been experiencing issues that are similar to those of other developed countries, such as the need for rational use of health-care resources, continuous improvement in the quality of health care, and patient safety. Evidence-based decision-making and health technology assessment are two major ways to achieve these goals. These methods incorporate quality patient care based on scientific evidence versus opinion, and base decisions on the country’s values and what the country can afford to pay.

References