

Taiwan



Taiwan's national health insurance (NHI) provides universal, mandatory coverage. The single-payer system is funded primarily through payroll-based premiums, although the government provides generous premium subsidies for low-income households, civil servants, and others. Health care services are provided mostly by contracted private providers. Covered services include preventive, primary, specialist, hospital, and mental health services. Long-term care, a more recent addition, is provided separately. Out-of-pocket costs include copayments for outpatient care and prescription drugs and coinsurance for hospital stays. Private health insurance consists mostly of disease-specific cash indemnity policies.

INSURANCE COVERAGE (% OF POPULATION)

0% 50% 100%

Public coverage: 99.9%

Mandatory national insurance funded by employer and employee payroll-based premiums, supplementary income-based premiums, government premium subsidies, other government revenues

**Private coverage
(no data on covered population)**

Voluntary insurance sold by mainly for-profit carriers, either as simple lump-sum cash payment or disease-specific cash indemnity policies

HEALTH CARE DELIVERY AND PAYMENT

General practitioners (GPs) primarily work independently in private clinics and are paid on a fee-for-service basis. No patient registration is required, although primary care networks are paid a small fee to register patients. *Patient cost-sharing:* Preventive services, such as prenatal care, checkups, and breast cancer screenings, are free except for a registration fee of up to USD 5.04.

Specialists, who work in private clinics and private and public hospitals, typically receive the same fees as GPs (except for psychiatrists and emergency medicine specialists, who earn higher fees). Patients have free choice among specialists. *Patient cost-sharing:* Copayments range from USD 1.68 with a referral to USD 14.09 without a referral.

DEMOGRAPHICS

23.6M

Total population

13.9%

Population age 65+

HEALTH SYSTEM CAPACITY & UTILIZATION

1.7

Practicing physicians
per 1,000 population

12.1

Average physician visits
per person

5.7

Nurses per 1,000 population

5.7

Hospital beds
per 1,000 population

All costs are in U.S. dollars, adjusted for cost-of-living differences.
Conversion rate: USD 1.00 = TWD 33.



Hospitals are a mix of public and private, nonprofit facilities. They are paid on a fee-for-service basis according to a national fee schedule and by diagnosis-related groups. *Patient cost-sharing:* Coinsurance varies by length of stay and type of bed (acute or chronic). In 2018, coinsurance per episode of stay was USD 1,275, with an annual ceiling of USD 2,175 per illness or condition.

Prescription drugs are covered. Patented drug prices are set according to the median price in a group of 10 other developed countries. The government adjusts prices if drug spending exceeds target expenditures. *Patient cost-sharing:* Copayments apply (except for those with rare diseases).

Mental health care in acute and ambulatory settings, such as private clinics and hospital outpatient departments, is covered. *Patient cost-sharing:* Copayments vary.

Long-term care is a work in progress, although Taiwan launched a 10-year plan in 2016 to build more capacity to deliver these services.

Care coordination within care teams is incentivized through pay-for-performance programs designed to improve outcomes for patients with specific diseases, such as diabetes and breast cancer. Primary care networks with five or more physicians receive a small fee for disease management, patient education, and preventive care services.

TOTAL HEALTH EXPENDITURES

In 2017, total health expenditures represented 6.4 percent of Taiwan's GDP. NHI accounted for 53.7 percent of that spending. Thanks to a global budget system, the average annual growth rate for national health expenditures is 3.87 percent, compared with 6–9 percent when NHI was first introduced in the 1990s.

RECENT REFORMS

- Taiwan launched its Medi-Cloud system in 2015 so providers can share medication records, examination reports, and other information more easily.
- The government has lowered the income threshold to make more people eligible for premium subsidies. It also offers interest-free loans and installment plans to help the unemployed pay for premiums.
- Since June 2016, the government has stepped up efforts to strengthen primary care through delivery system integration and the establishment of a referral system.

This overview was prepared by Tsung-Mei Cheng.

SPENDING

\$3,047

Health care spending per capita

HEALTH STATUS & DISEASE BURDEN

80.4

Life expectancy at birth (years)

Data: Taiwan Ministry of Health and Welfare (*2018 Health and Welfare Report*); some data from Tsung-Mei Cheng, Health Affairs Blog, 2/6/2019 (10.1377/hblog20190206.305164).