Interview: Lin Tzou-yien – Minister of Health & Welfare of the Republic of China (Taiwan)



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In an exclusive interview conducted on the 22nd of December 2016, Taiwan's Minister of Health and Welfare Lin Tzou-yien discussed improving Taiwan's National Health Insurance (NHI), ensuring

that Taiwanese patients can access innovative treatments, and nurturing the development of Taiwan's thriving R&D-driven pharmaceutical and biotech industries.

Minister Lin, you became Taiwan's Minister of Health and Welfare on May 20 2016, after having held the position of Deputy Minister of Health and Welfare over the past five years. What is the healthcare vision you want to instill under your tenure?

Taiwan's National Health Insurance (NHI) system was implemented in 1995 with the ambition to set up universal healthcare in the country and ensure that our entire population can access quality and comprehensive healthcare services. In many regards, the NHI has already achieved this fundamental mission, and it is now proudly regarded as one of the best social security systems in the world and as a proud frontrunner in Asia.

Being affiliated to the NHI is compulsory by law, which explains why our single-payer, government-backed health insurance system now covers more than 99 percent of Taiwan's population. In the meantime, the NHI offers a comprehensive and ever-expanding coverage to our patients, while premiums remain extremely affordable and co-payments remain particularly low. All these aforementioned aspects, combined with the great quality of our overall healthcare infrastructure,

indisputably explain the utterly positive approval rates that the NHI has been continuously displaying over the past decade. As a matter of fact, our latest annual polls revealed that 83 percent of our population is satisfied with the delivery of the NHI. As Minister of Health and Welfare, consolidating these remarkable results and further improving the quality and comprehensiveness of our healthcare offering will clearly stand as one of my foremost priorities.

In the meantime, we see that many healthcare systems in the world have been facing economic difficulties over the past years, and the NHI unfortunately does not escape this trend. Taiwan's society is rapidly aging, and the share of our population above 65-year old is set to increase from 13 percent now to more than 25 percent in 2030. As our population is aging, we expect related healthcare expenses to soar accordingly, and accessing complex, long-term care services becomes a necessity for an increasing share of our society. In the meantime, patients suffering from catastrophic diseases require to be treated with the latest medical technologies and medicines, which are extremely expensive. This economic context has been critically altering the historically sound balance between NHI's revenues and expenditures, leading us to implement structural reforms that will ensure the financial sustainability of our health system while meeting the evolving healthcare needs of our population.

What are the upcoming reforms that patients, healthcare providers and pharmaceutical companies can expect?

The first set of reforms relates to our reimbursement schemes for healthcare services, products and treatments. Historically, NHI's reimbursement system was based on a fee-for-service approach. We now want to transform into a pay-for-performance basis, especially for chronic, non-communicable conditions such as hypertension, asthma, diabetes or chronic kidney diseases, among others.

Second, by the end of 2017, we will implement our so-called "Referral System Enhancement Measures" to foster a greater resources allocation between hospitals and primary care. In Taiwan, patients can freely choose to attend medical centers, regional hospitals or clinics to receive a given treatment, and – due to lack of incentives – it is not rare to see patients going to medical centers instead of attending clinics for benign afflictions.

As a consequence, it is extremely difficult to further specialize and optimize resources allocation between all different levels of care that our system holds. With the implementation of various enhancement measures, we want to ensure that our medical centers and hospitals can focus on their teaching and research responsibilities and exclusively concentrate their efforts on the

treatment of acute and severe diseases. In the meantime, patients with more basic ailments will be encouraged to first attend our primary care network before being eventually directed to the secondary and tertiary care levels if needed.

President Tsai has established the reform and the strengthening of Taiwan's long-term care as a priority. How do you plan to transform this vision into reality?

December 2016 marked the end of Taiwan's first, ten-year strategic plan for the development of long-term care. We are now about to release a new, second version of this strategic plan for long-term care enhancement, which will actually be effective as of January 2017. As part of this new ten-year strategy, we will invest 1 billion USD every year for the development and execution of long-term care.

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By prioritizing the strengthening of long-term care in Taiwan, the government will first ensure that the number of treatments and services reimbursed increases from 8 to 17 and notably includes the treatment of dementia. In the meantime, the share of the population eligible to receive these services will also increase from half a million people now to almost 3 quarters of a million. Furthermore, we plan to implement innovative, primary-care-based initiatives to detect and prevent the progression of life-altering disabilities, such as neurodegenerative diseases. In this regard, we will implement our own community care model, the so-called "ABC model", which actually is a combination of the US PACE system (Program of All-Inclusive Care for the Elderly, e.d.) and Japan's Integrated Community Care System. Taiwan's ABC model aims to reorganize the operations of all levels of care units according to their specialization, from "Grade A centers" for highly-specialized, tertiary long-term care services, (such as Day Care and Home Care, and the supervision and technical support of B and C Centers); "Grade B centers" for compound healthcare service centers to "Grade C centers" for primary care centers that focus on long-term care.

According to data collected by the Pharmaceutical Committee of the European Chamber of Commerce, it takes on average 417 days for new innovative drugs to be approved for reimbursement in Taiwan, while NHIA's drug approval rate as of June 2016 reached just 50 percent, with only 50 percent of the approved cases having been approved for reimbursement. What will be your strategy to ensure Taiwanese patients can access life-changing treatments more swiftly?

In addition to the recent set-up of Taiwan's Health Technology Assessment Center, we just opened our Centers of Excellence for Clinical Trials with the objective to guarantee that clinical trials'

review can be now completed within 21 working days.

Nevertheless, one of our foremost priorities remains to ensure that Taiwanese patients can more swiftly access new, life-changing treatments, which means further reducing both market approval *(at the TFDA level, e.d.)* and product reimbursement timelines *(at the NHIA level, e.d.)* and also making these timelines more predictable and transparent. In the meantime, the NHIA recently implemented reimbursement incentives for locally developed and locally manufactured products.

Regarding the pricing of new, innovative treatments, we are already well aware of the position of the pharmaceutical industry. Our regulations stipulate that the reimbursement price of innovative treatments should be determined according to the median price of a benchmark gathering from ten reference countries (*US, Canada, UK, Germany, France, Japan, Belgium, Australia, Sweden and Switzerland, e.d*). Nevertheless, studies found that the average price of new drugs in Taiwan is currently 51.8 percent of the median of the benchmark of these ten countries. We understand the importance of guaranteeing the sustainability of the research-based pharmaceutical industry in Taiwan, while these companies truly play a critical role in bringing innovative treatments to our patients. We then need to work hand in hand with the industry to find a sustainable and satisfactory way to equilibrate our pricing system, bearing in mind the importance to preserve the financial stability of an institution which provides more than 99 percent of our population with a vast array of health services.

Taiwan’s thriving local biotech industry starts to accumulate successes overseas while the pharmaceutical and biotech sectors were established by President Tsai as a strategic pillar of Taiwan’s new economic model. In this regard, how will the Ministry of Health and Welfare operate as a catalyst in supporting the development of these local, R&D-driven companies?

Taiwan’s new government just released 70 interdepartmental initiatives aiming to enhance Taiwan’s innovation ecosystem in general and stimulate internal R&D investments, bolster our country’s innovation clusters, and better connect Taiwan with international innovation-oriented resources and stakeholders in particular. Regarding the responsibilities of the Ministry of Health and Welfare in supporting the local, innovative pharmaceutical and biotech industries, one of our main priorities will revolve around the continuous development and strengthening of medical and clinical research centers of excellence across the country.

Furthermore, our aforementioned ambition to speed up market approval and reimbursement timelines will also contribute to sustain the development of local, R&D-driven companies, as most

of them look at bringing their products to the Taiwanese market in parallel to other key international markets, such as China or the United States.

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In the meantime, the upcoming amendment of Taiwan's Pharmaceutical Act will help to further facilitate medical R&D activities in Taiwan, whether they are conducted by local or international companies.

In which specific areas would you like to see Taiwan playing an increasing role in terms of cross-border medical cooperation?

Through building a world-class healthcare ecosystem, Taiwan truly established itself as a frontrunner in various medical fields, while the quality of our social insurance system could inspire other countries that want to follow Taiwan's path and implement efficient universal health care system for the benefits of their population.

Looking at some medical fields in particular, Taiwan has, for example, managed to build a remarkable prevention and management system for infectious diseases. Over the past two years, we have notably organized more than twenty workshops involving twelve other Asian countries and covering the treatment of life-threatening infectious diseases, such as Ebola and dengue, among many others.

Taiwan also proudly stands out as a frontrunner in microsurgery and transplantations, two fields where other countries could indisputably benefit from the experience and expertise. In 2017, for example, we will start the Global Surgery Training program and provide training opportunities to 50 surgical personnel from around the world within the next five years.

What would be your final message to our international readers?

Although Taiwan's health system is already regarded as a reference both regionally and internationally, we do not plan to rest on our laurels. As part of our fundamental priorities, we want to guarantee that our elders and their relatives can benefit from a better quality of life and receive highly needed healthcare services. Finally, we want to further improve the quality of the NHIA's healthcare delivery from a holistic standpoint, including prevention, treatment and patients' follow-up for both non-communicable and communicable diseases.

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