

# Health care in Taiwan

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# The airline tickets

- When they get so sick and need to see a doctor, they head for O'Hare and hop a plane for a 20-hour, cross-Pacific trip to Taiwan.
- "The airline tickets are less expensive than getting treated in the U.S."

# Ninety-nine percent covered

- Ninety-nine percent of Taiwan's 23 million population is covered; in the U.S., more than 45 million people remain uninsured.
- The administrative costs of Taiwan's system are a meager 1.5%, versus 20 to 30 percent for many U.S. insurance companies.

# Single-payer plans

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# One misconception

- One misconception is that single-payer plan eliminate free competition
- That's only true for the health insurance market, where the government becomes the dominant or only payer
- Health providers, on the other hand, work in a crowded market of both public and private facilities that compete for patients

- It's like a town of a hundred hamburger joints, where the price of a hamburger is set at \$1 —the restaurants would compete for customers based on how juicy, tasty and big their burgers are.

- Revenues from Taiwan's plan come from a combination of individual payroll deductions, employer and government contributions
- With additional funds coming from a "sin tax" on cigarette sales

- Every participant gets a “smart card” that contains their basic medical data. When swiped along with a doctor’s and hospital’s card, the smart card accesses a unified, national database
- Americans’ privacy concerns would likely prevent anything similar being adopted in the U.S.—certainly, not on a national scale.



Room for improvement

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- With co-pays so low, many Taiwanese—particularly the elderly—go see a doctor for every minor ache and pain
- “Where’s Old Mr. Lin?”
- “He couldn’t make it today, he’s sick.”
- People jam popular, university-run hospitals where they think they can get the best care

- The government has tried to raise co-pays at popular urban hospitals to encourage more use of local clinics, but **to little effect**
- A standard visit is less than 5 minutes in length. “In these brief visits, the physician’s focus is on treating symptoms and prescribing medications, not listening to patients,”

- One key achievement is financial security, especially for the unemployed or poor, who would otherwise be “catastrophically hit” if they had major diseases or health issues

A window of opportunity

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# How did Taiwan get there?

- The politics of health care
- Before 1995, those who did received health insurance through a patchwork of insurance plans that tacked on health coverage as an added benefit, usually for government employees or workers at state-run firms

# How did Taiwan get there?

- Taiwan's authoritarian KMT, rammed the health care reform plan through ahead of the island's first direct presidential election in 1996
- Contrast that to the politics in the US, where support for any health care reform could cause a lawmaker to lose mucho campaign dollars from big insurance companies and drug firms, ... from elderly Medicare recipients who fear any change to their benefits

# Attitudes toward government

- “Throughout Chinese history, one of our founding doctrines, [Confucianism] says the government has to take care of the people”
- This has bred fundamentally different attitudes toward government
- “The government is viewed as a paternalistic figure, ... People look to the government for help,”



# Listen to Taiwan

- “It’s easier to control costs with a single-payer plan, and the island’s system offers patients their choice of doctors and free-market provision of care”
- Fifteen years later, maybe it would be a good idea for America to listen to Taiwan