

2025 제22차 국제연수과정 NHIS UHC GLOBAL ACADEMY

Subscriber and Dependent's Entitlement Management



Contents

- ✓ **Current Eligibility Management**
 - Eligibility Management refers to the subjects of health insurance coverage, acquisition, and loss of eligibility.
- ✓ **History of System Improvements for Universal Health Insurance Coverage**
 - From the start of the system to the universal health insurance coverage.
 - The background of how universal health insurance was achieved in 12 years.
- ✓ **The Problem with Dual Entitlement Management**
- ✓ **Efforts to prevent free rides**

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01

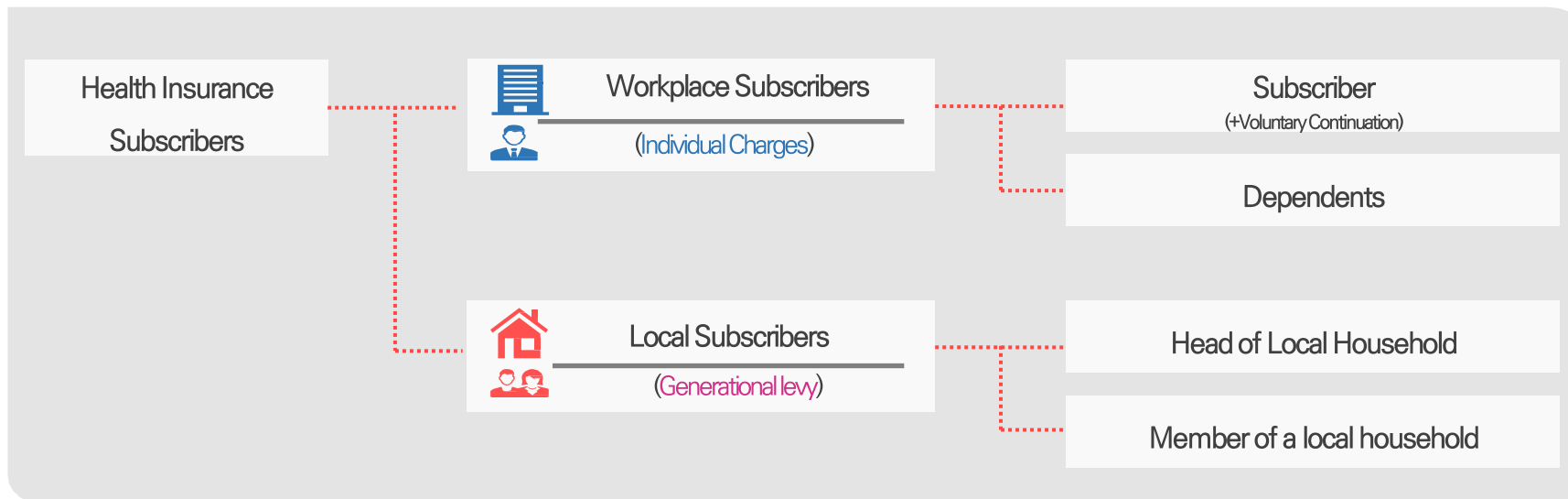
Manage your current entitlements

- Eligibility management is covered by health insurance
- Gaining and losing qualifications

Manage your current entitlements

■ Entitlement Management

- Managing who can claim health insurance benefits
- Universalism
 - Aimed at all nationals residing in the country, as well as overseas nationals whom the state is obligated to protect under the Constitution
 - Even if you are a foreigner residing in Korea, if you meet certain requirements, you can enroll in health insurance and receive benefits
- Those who should be directly protected by the state, such as low-income people, are protected by the Medical Benefits Act.



Manage your current entitlements

■ Health Insurance Coverage Eligibility



Employees and Dependents

(Workplace Subscribers)

Workers and employers, government employees and school staff at the workplace

(Dependents)

A person who is primarily dependent on a person for their livelihood



Local Subscribers

Excluding employees and their dependents.

Manage your current entitlements

■ Gaining and losing qualifications

- Businesses that employ one or more workers are eligible for workplace membership.
- Local subscribers are naturally acquired if they lose their employment qualifications.
- How to Manage Qualifications

Health Insurance Card Number + Social Security Number

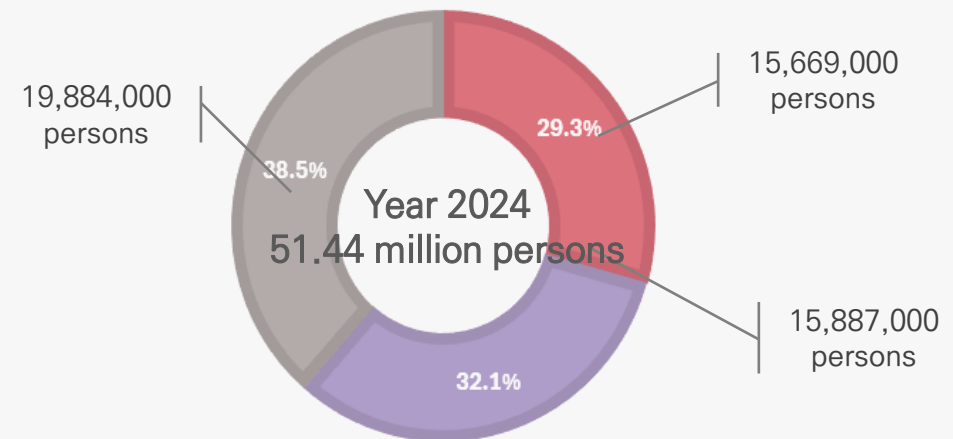
From 12 institutions
Linking 20 types of data

In 2024, the number of people covered by health insurance will be 52.30 million.

The number of people covered by health insurance is 51.44 million, which is 97.1% of the total population covered by health insurance.

Health Insurance Eligibility Status in 2024

- Employees
- Dependents
- Local Subscribers



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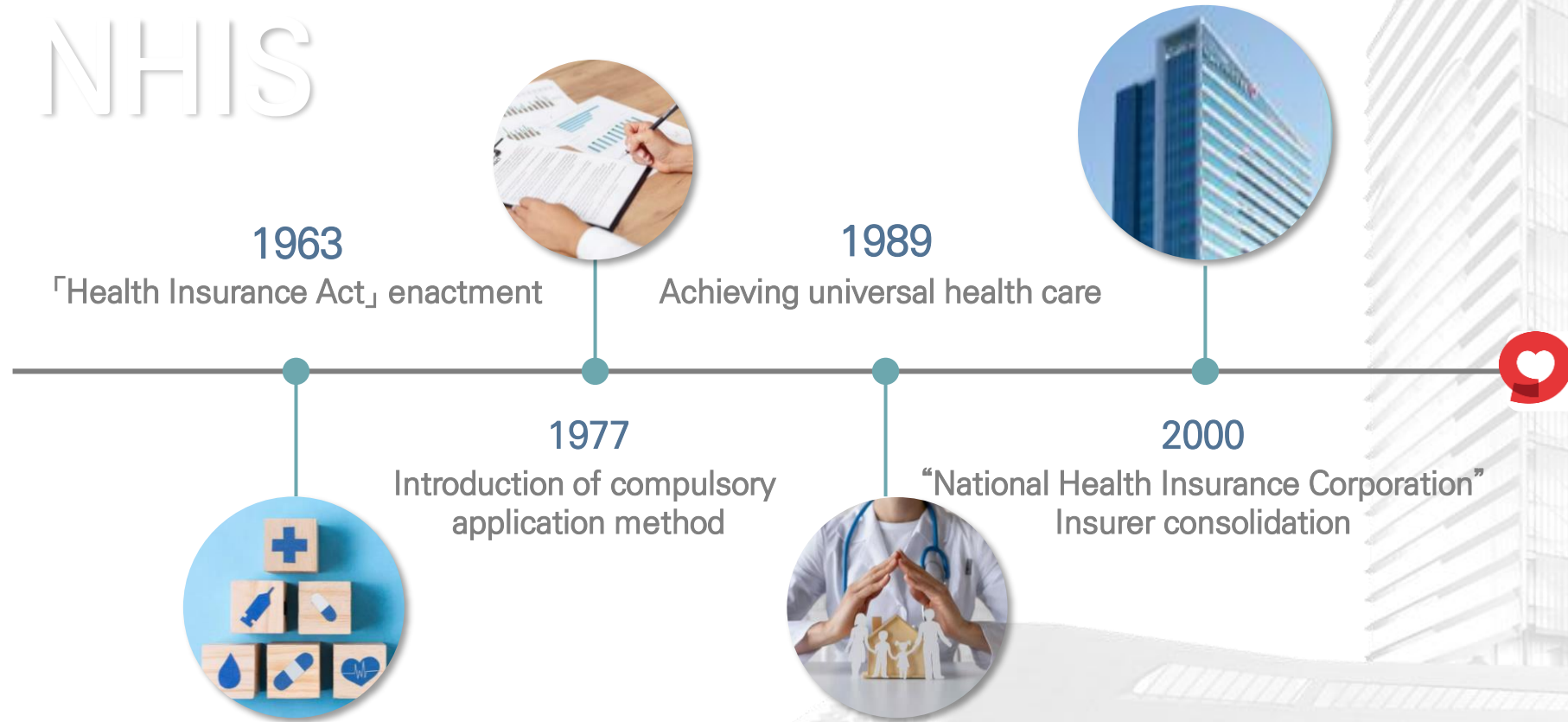
02

For universal health insurance coverage History of Institutional Improvement

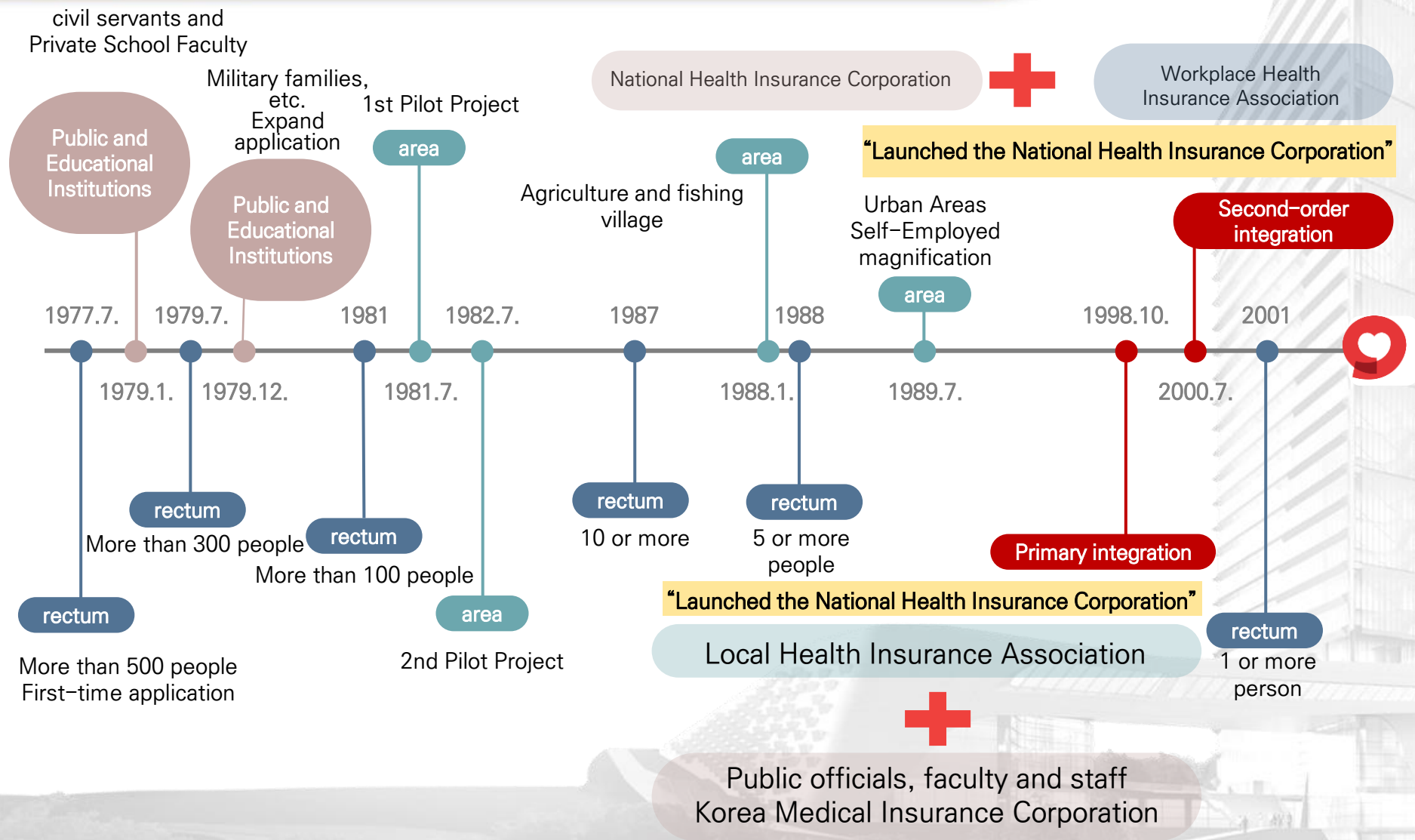
- From the start of the system to the universal coverage of health insurance
- How universal health insurance was achieved in 12 years

History of System Improvement for Nationwide Health Insurance Application

NHIS



History of System Improvement for Nationwide Health Insurance Application



History of System Improvement for Nationwide Health Insurance Application

■ The Beginning of Health Insurance

- (1963) The first health insurance law was enacted.
- At that time, there were a total of 12 officially recognized cooperatives (4 employee associations, 8 self-employed cooperatives)

Highlights of the Medical Insurance Act (1963)

(purpose) Article 1 “This law provides for the provision of medical insurance services under the Social Security Act, which is responsible for illness, injury, death, or childbirth caused by reasons other than the work of the worker, and the illness, injury, or illness of the worker's dependents, The purpose is to provide insurance coverage in case of death or delivery.”

(Dependents) Issue 2 “A person who is at least 60 years of age for a man and 55 years of age or older for a woman, a spouse (including those who are in de facto married) and minor children who are supported primarily by the income of the worker.”

(Voluntary establishment and voluntary application)

Article 8 “Employees are entitled to health insurance under this Act.”

(Voluntary Withdrawal) Article 10 “An insured person shall cease to be an insured person from the day following the date on which the cause occurred, when any of the following causes occur..... 4. When you resigned”

(Insurers) Article 12 “The insurer of medical insurance under this law shall be the medical insurance association.”

History of System Improvement for Nationwide Health Insurance Application

■ The first operation of the union was fraught with difficulties.

CAUSE

- The institutional flaw of voluntary enrollment Occurrence of reverse selection that favors only subjects with high health care utilization rates
- Low economic level of self-employed union members – The Problem of Low Premium Collection Rates
- Lack of fiscal capacity of the government
- Low sense of social solidarity
- Lack of system administration technology

Implications

Introduction of compulsory application method,
Set the direction of gradual expansion from the combination
of users who can easily secure resources



1976
Second Revision

History of System Improvement for Nationwide Health Insurance Application

The process of enacting the Medical Insurance Act

1959.8.	Korea Labor Hospital (formerly Busan Labor Hospital) recommends the introduction of the Korean Social Security System with a focus on medical security
1959.10.	Ministry of Health and Social Affairs 'Study Group for the Introduction of Health Insurance'
1960.12.	The Subcommittee on Employment and Living Standards of the National Economic Council proposed the establishment of the Social Security Review Committee
1962.3.	Social Security System Review Committee Passes Regulations
1962.7.	Memorandum of Instruction of the Chairman of the Supreme Council for National Reconstruction on the Establishment of a Social Security System(Issue 12531)
1963.2.	The Medical Insurance Group of the Social Security System Review Committee completes the first draft of the Medical Insurance Act
1963.11.	Medical Insurance Bill Referred to the Education, Education, and Social Affairs Committee of the Supreme Council
1963.12.	Presented to the Standing Committee of the 139th Supreme Assembly (equivalent to the plenary session of the National Assembly in a constitutional state)
1963.12.	Promulgation of the Medical Insurance Act (Law No. 1623)
1964.6.	Enforcement Decree of the Medical Insurance Act (Presidential Decree No. 1832)
1964.10.	Promulgation of Enforcement Regulations of the Medical Insurance Act (Bosa Ministerial Decree No. 145)

History of System Improvement for Nationwide Health Insurance Application

■ Workplace Health Insurance and Public and School Health Insurance

- (December 1976) Establishment of an institutional mechanism called 'compulsory application of workplaces'
- Local health insurance is still voluntary

Highlights of the Comprehensive Revision of the Medical Insurance Act (1976)

(Preparation of the three-way framework of the medical insurance legal system)

Article 5 "Citizens residing in the country are covered by medical insurance.

It becomes a target. However, the Public Employees Pension Act, the Military Pension Act, or the Private School Teachers' Pension Act or other

For those who are enrolled in medical insurance by law and those who are protected by the Public Welfare Act and their households.

Except those who belong."

– Medical protection by public assistance, medical insurance for general employees and self-employed, and public and school medical insurance for 3 won

(Class 1 Insured and Class 2 Insured)

In Article 6, the workers of the workplace are classified as Class 1 insured persons.

Other citizens, such as local residents, are defined as Type 2 insured.

(Compulsory and Discretionary)

In Articles 7 and 8, workers in workplaces prescribed by the Presidential Decree

In the case of other workplaces, it is possible to establish a union with the consent of at least two-thirds of the persons who will be insured, and it is specified that the residents other than the insured persons in a certain area are pure

Regulations to establish voluntary associations

History of System Improvement for Nationwide Health Insurance Application

■ Workplace Health Insurance and Public and School Health Insurance

- (July, 1977) Enforcement of revised medical insurance enforcement ordinance for workers in workplaces with more than 500 employees
 - Emergence of workers' medical insurance associations by compulsory application method, establishment and operation of 498 cooperatives
 - Approximately 3,000,000 people with 1,100,000 insured persons and approximately 1,900,000 dependents were included in medical insurance.
- (Dec. 1977) Public Employees and Private School Teachers Medical Insurance Act" promulgated and enforced
 - The institutional framework is similar to the Medical Insurance Act, and a nationwide union called the Public and Academic Health Insurance Management Corporation is established and managed.

Main contents of the Enforcement Decree of the Medical Insurance Act (1977)

(Naturally applied workplace)

In Article 4, workplaces employing more than 500 workers at any given time and the Ministry of Health and Social Affairs

Workplaces located in industrial parks designated by the Minister and workplaces that employ more than 500 Korean nationals at all times as foreign organizations in Korea are defined as workplaces that are subject to application as a matter of course.

(Jurisdiction of the Independent Employers' Association)

Article 12 stipulates that the area under the jurisdiction of the self-employed association shall be the city, county, or district, but the neighboring area

Loose regulations so that residents can also join

History of System Improvement for Nationwide Health Insurance Application

■ Workplace Health Insurance and Public and School Health Insurance

- (Jan. 1979) Medical insurance for public employees and teachers of private schools
- (July, 1979) Expansion of compulsory application to workplaces with more than 300 employees
 - A total of 238,000 employees from 728 sites were added
- (Dec. 1979) Revision of the Public and School Medical Insurance Act, Expansion of Scope of Application
 - Extended to family members of long-term sergeants and above, as well as employees of private school management agencies.
- (July, 1980) The 1st union unification(Incorporation or merger of 97 cooperatives)
 - Perception that the size of the medical insurance association established by the parent company of more than 500 employees is small
 - To expand the application of workplaces with more than 300 employees
- (1981) Expansion of application to businesses with more than 100 employees
 - A total of 316,602 employees from 2,014 workplaces were added.

History of System Improvement for Nationwide Health Insurance Application

■ Workplace Health Insurance and Public and School Health Insurance

- (1984) Expansion of application to workplaces with more than 16 employees
- (1987) Expansion of application to workplaces with more than 10 employees
- (1988) Expansion of application to workplaces with more than 5 employees
- (2001) Expansion of application to workplaces with more than one person

All workers in the workplace will be eligible for health insurance benefits.

History of System Improvement for Nationwide Health Insurance Application

■ Local Health Insurance

- Since January 1977, medical protection for low-income groups has been in place
 - Economically disadvantaged self-employed people still do not have access to health care
- Social problems such as surrogate examinations, undercover employment for medical purposes, and increasing demand for self-employed medical insurance
- (July, 1981) Pilot project for local medical insurance (Type 2 medical insurance) in some regions (3 regions)
 - Type 1 – Workplace Workers,
 - Type 2 – Local Residents and Occupational Organizations,
 - Type 3 – Private School Employees, Military Families, and Pension Recipients
- Revision of the Medical Insurance Act to Convert Local Medical Insurance to Compulsory Implementation of Pilot Project

Highlights of the Fourth Amendment to the Medical Insurance Act (1980)

(Compulsory Enrollment) Depending on the income level of the residents, the distribution of medical facilities, etc., the area determined by the Presidential Decree
Residents are insured as a matter of course (Article 7, paragraph 2)

(Arbitrary inclusiveness) In the case of a regional or occupational union, with the consent of at least two-thirds of the members of the union
If approved by the Minister of Health and Social Affairs, all persons subject to jurisdiction will be classified as Class 2 insured. (Article 2, paragraph 2 and Article 19, paragraph 1)

History of System Improvement for Nationwide Health Insurance Application

Local Health Insurance

- The purpose of the pilot project is to introduce medical insurance for rural residents and the common people.
Construct a model of financing, reimbursement levels, and health care supply and delivery systems to create a two-tier health insurance Thing to refer to for expansion
- We set up a cooperative branch office in the town, myeon office of the pilot project area, Residing at the branch office and performing duties such as qualification management

Implications

It was sluggish due to the low collection rate (average 52.3%), Measures to prevent false resident registration, downward adjustment of insurance premiums for large family households and island areas, etc. Suggest a variety of improvements*



Round 2
Pilot Projects
preparation

- Measures to prevent undercover transfers, lowering insurance premiums for large family households and island areas, Simultaneous notification of premiums for 3 months, introduction of a prepayment system, establishment of a premium payment stamp on the insured person's card, Restriction on unpaid benefits, deficit protection measures, increase in insurance premiums, expansion of designation of nursing homes, Strengthening the functions of public health institutions, strengthening public relations such as the formation of a central public relations team, changing the method of charging insurance premiums, etc.

History of System Improvement for Nationwide Health Insurance Application

■ Local Health Insurance

- (July, 1982)
 - Implementation of the 2nd pilot project(3 areas - 1 small and medium-sized city, 1 plains rural type, 1 island fishing village type)
 - Selected as an area with relatively high medical resources and income level
- Type 2 insured persons in the 2nd pilot project area are subject to the application of all residents except those insured by workplace insurance, public and school insurance, their dependents, and those eligible for medical protection.
- Type 2 insured persons do not apply the concept of support (dependents), Households in resident registration are considered as qualification management and insurance premium charging and collection units.
 - In the beginning, the concept of generation was given priority in resident registration, but gradually the concept of family, blood relation, and economic unit were introduced. In fact, if separate households are registered as one household, they are managed by separating them by application or one's authority

History of System Improvement for Nationwide Health Insurance Application

Local Health Insurance

Problems of operating a pilot project

- Residents in the area where the pilot project is being carried out avoid enrolling in medical insurance and move out of the precinct, Cases of moving in for the purpose of high-cost medical treatment



The need to strengthen qualification screening

- In the case of various reports such as transfer, birth, death, etc., the branch office personnel of the eup, myeon, and dong offices are in charge of qualification management.
- Each union conducts meetings, training, publicity, etc.

Implications

The operation method of local medical insurance is the operation method of the city, county, and ward local governments. Voluntary sign-up method is inappropriate – In case of a mixture of arbitrary and coercive, transfer or entry to a nearby area, etc. Reverse selection occurs in which premiums are avoided and benefits are paid only when necessary.



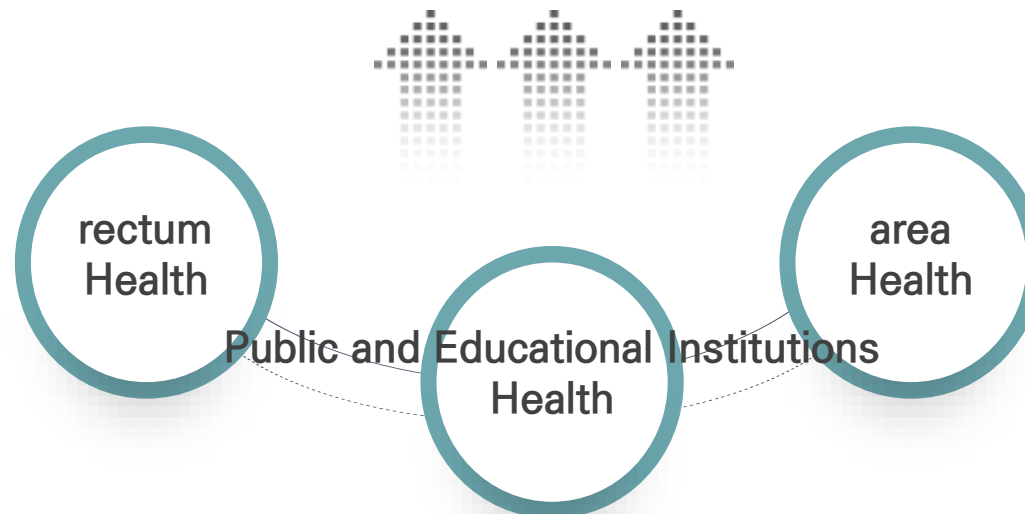
Area
Health
Incorporated
into the design

History of System Improvement for Nationwide Health Insurance Application

Local Health Insurance

- (Jan. 1988) Implementation of medical insurance in rural areas
- (July, 1989) Extended to self-employed people in urban areas

Implementation of medical insurance system
After 12 years "Universal Health Insurance"
Realize



History of System Improvement for Nationwide Health Insurance Application

■ How universal health insurance was achieved in 12 years

- The government's health care policy is determination to achieve and a low-burden, low-salary policy
 - Lowering the burden of insurance premiums to match the economic level of the time and increasing people's acceptance of the system
- Mandatory by law
- Gradual or widespread expansion of health insurance
 - Implementation of a pilot project for local medical insurance in parallel with the gradual expansion of workplace medical insurance, etc. Policies that broaden the scope of people covered by medical insurance in a short period of time are effective
- Existence of a social security number to manage subscribers
 - Identify and manage members using individual resident registration numbers and medical insurance card numbers
- Utilization of existing union staff for continuity of administration

History of System Improvement for Nationwide Health Insurance Application

■ After the implementation of universal health insurance

- (Dec. 1997) Enactment of the National Health Insurance Act
- (Oct. 1998) 1st integration (227 local health insurance unions and the Public Employees and Faculty Health Insurance Management Corporation)
 - "National Health Insurance Corporation" managed by this
- (July, 2000) Enactment of the National Health Insurance Act, 2nd integration (Workplace Medical Insurance and National Health Insurance Corporation)
 - "National Health Insurance Corporation" Launched Insurers that were 3 won were consolidated into one
- The National Health Insurance Act will be implemented. Subscribers include employees and their employers, government employees and faculty members. Others will be classified as regional subscribers and eligibility will be managed.
 - Multiple insurers are consolidated into one. The concept of jurisdiction of local health insurance, which operated on an independent settlement system, has also disappeared.

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03

Dualized Entitlement Management Issues



Problems of dualized qualification management

■ Manage changes in qualifications between occupations

- The current health insurance system is a combination of different systems (workplace associations and regional unions) with different starting points.
- Due to structural differences in the system, there are differences in the methods of levy and collection between the two sectors even after the unification.

➔ It is necessary to manage changes in qualifications between occupations that meet the base date

Voluntary Continuation Scheme

Prevention of confusion such as insurance premiums due to changes between occupations and
For qualification management without blind spots

Linking data related to changes in eligibility

Through data linkage with administrative agencies
Timely handling of entitlement changes

Even

Controversy over premium equity between employers and community members continues

- (Workplace Subscribers)
Personal levy for each business place
- (Local Subscribers)
Managed and charged on a generational basis

To minimize administrative costs such as imposition and notification of insurance premiums
We are maintaining the current management method,
For a fair and equitable premium burden
There is a public opinion that it should be improved to a unified qualification management system

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04

Efforts to prevent free rides



Efforts to prevent free rides

■ Strengthening the requirements for managing the qualifications of foreigners and overseas nationals and recognizing dependents

- By revising the voluntary registration method as a matter of course, the problem of reverse selection has disappeared.
The problem of free riding still exists
- abusing the dependents system to maintain eligibility as a dependent despite having the ability to pay, or Foreigners who take advantage of this to enter the country only when necessary and go to work after receiving high-priced medical treatment

Foreigners and Overseas Koreans

Occurrence of medical blind spots and

The issue of free rides has emerged as a social issue

(July 2019)

When staying in Korea for more than 6 months

Health Insurance Coverage System

(April 2024)

If you have lived in the country for more than 6 months
Dependent status is available

※ Spouses and minor children must be obtained
immediately upon entry.

Dependents

I have the ability to pay, but

Maintaining dependent status to avoid premiums

Gradually tightening the requirements for accreditation

Efforts to prevent free rides

History of tightening dependent recognition requirements

2000	Converting a person with a business registration into a local subscriber
2006	Financial income (interest and dividend income) exceeding 40 million won converted into local subscribers (notification)
2010.9.	Converting brothers and sisters with assets exceeding 300 million won into local subscribers (rules)
2011.8.	Conversion of property tax bill exceeding 900 million won to local subscribers (rule)
2013.7.	Those whose pension income exceeds 40 million won, and those whose annual total income exceeds 40 million won are converted into local subscribers
2018.7.	All combined income is not more than 34 million won per year, property tax is less than 540 million won, or Assets exceeding 540 million won but less than 900 million won with an annual income of 10 million won or less, Siblings' property of 180 million won or less
2022.9.	All combined income is not more than 20 million won per year, property tax is less than 540 million won, or Assets exceeding 540 million won but less than 900 million won with an annual income of 10 million won or less, Siblings' property of 180 million won or less

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Thank You

