

**MOHW - Action Plan for 2023**

- To accelerate the debate on pension reform by bringing forward the announcement of the projected National Pension budget (from March to January)
- To draw up a plan to strengthen support for intensive care, emergency care, primary care, and the pediatrics area;
- To aim to create a global blockbuster level drug and be ranked 5th in the world for medical device exports by 2027

**<Key Tasks>****Expand seamless and intensive welfare for the weak**

(1) Sift through the households in crisis, (2) intensively protect the vulnerable people, (3) respond vigorously to the new welfare needs, (4) upgrade customized social services

**Reinforce essential healthcare that protects people's health and lives**

(1) Realize healthcare welfare for the weak and reinforce essential healthcare, (2) expand investment in smart healthcare designed according to life-cycle, (3) establish a medical response system for large-scale disasters, (4) improve the response system for new types of infectious disease

**Implement reforms for sustainable welfare**

(1) Secure sustainability through health insurance reform, (2) reform the National Pension for sustainability and coexistence, (3) take on tangible innovation in welfare expenditure management system

**Prepare for a better future**

(1) Shift population policy paradigm, (2) mitigate low fertility by supporting working parents, (3) cope with ten millions of elderly population, (4) lead the field of health security as well as the new markets by leveraging advanced technology, (5) provide full support for development of bio-health industry and its export growth

On January 9th (Monday), the Ministry of Health and Welfare announced its main action plan for 2023, with a vision to "Realize Sound Welfare State for a Leap Forward to the Future."

Designating 2022 as the first year of the welfare for the weak in which the government helps those in the welfare blind spot, the MOHW had taken various policies in such areas as welfare, caregiving, and health.

This year the Ministry is building on this effort, putting forth a plan that focuses on (1) expanding seamless and intensive welfare for the weak, (2) reinforcing essential healthcare that protects people's health and lives, (3) implementing welfare reforms for sustainability, and (4) preparing for a better future.

## **1. Expand seamless and intensive welfare for the weak**

Sift through the socially disadvantaged and provide due support, while vigorously responding to new welfare needs.

### **【Exhaustively identify households in crisis】**

Add new indicators for warning signs of crisis (from 39 to 44 types) in order to accurately detect the households in crisis; such data include records of support for catastrophic medical expenses, and payment defaults on water and gas bills.

Thoroughly find out households in crisis through private-public collaboration (among local governments, medical social workers, leaders of tong [urban village] and ri [rural village], general citizens), while at the same time connecting with points of contact to determine their whereabouts rapidly and establishing door opening procedures in emergency situation.

### **【Intensively protect the vulnerable people】**

Improve accessibility to welfare programs by raising (by 5.47%) the standard median income that serves as the criteria for various welfare programs including the living wage (e.g. Living wage for a four-member family: increase from 1.54 million won to 1.62 million won per a month).

Establish the 3rd Comprehensive Plan for Basic Livelihood Security Program (2024-26), which includes expanding the eligibility criteria for living wage (from an average of 30% to 35% of standard median income)

as well as easing the qualification for the Medical Aid Program, which is determined by the availability of family support.

Bring the adoption system up to the international standard in order to better protect children's rights, establish a roadmap for converting in stages the institution-based protection system to home-based one, and push for the enactment of the Child Act.

Operate a pilot Emergency Care Program (starting in April) that is designed to lighten the burden of guardians who care for persons with developmental disabilities, and; proceed to introduce a consolidated 1:1 care-giving service for profound developmental disability cases.

Raise the pension for the disabled (from a maximum of 388,000 won to 403,000 won/ month) and disability allowance (from 40,000 won to 60,000 won/ month), and phase in a Personal Budget to expand disabled persons' options of services they receive.

**【Respond vigorously to the new welfare needs】**

Expand support of income and case management to the youth who are preparing to become self-sufficient in order to provide customized solution to diverse welfare needs of young people in difficulties, and seek out, through schools and local governments, the young carers to offer customized services to assist in housework, nursing and relaxation.

Conduct a Focus Group Survey to grasp the state of the young people who are isolated or living in seclusion, and deploy specialists at the self-reliance support agencies to seek out those in high-risk group and provide due support.

At the same time, ease eligibility to open the Youth Tomorrow Savings Account to help young people build their assets.

\* Increase the number of account holders from 42,000 (in 2022) to 119,000 (in 2023); raise the program budget from 28.9 billion won (in 2022) to 157.4 billion (in 2023).

Establish a Basic Plan for Preventing Solitary Death based on the result of the factual survey on the solitary death and pilot programs for its prevention and management, while continuing the pilot program to provide sickness allowance, following last year

**【Upgrade customized social services】**

Upgrade social services to broaden the the range of beneficiaries from the

vulnerable class to the middle class (with deductible gradations), and offer high-quality service (converged, integrated).

Make up for the blind spots of the current system by delivering the Niche Care Service that complements the emergency care and general services(those for 32,000 young carers, etc.) to meet the new kinds of demand.

On the supply side, strengthen the capacity of the new or low-performing institutions by providing them with consulting and assistance in scale improvement and systematization.

In addition, working conditions are expected to steadily improve with the efforts for adherence to personnel expense guidelines.

Expand R&D, including on caregiver robots and assistive devices, and proceed with the formation of an investment fund (14 billion won) in order to cultivate the social services industry.

For systematic innovation, the First Basic Social Services Plan (2023-27) is to be established, by cooperating among related ministries and the number of public agency for social service will be increased with enhancement of their function.

## **2. Reinforce essential healthcare that protects people's health and lives**

Provide access to essential medical services, prolong people's healthy lives, and effectively respond to disasters and contagious diseases.

### **【Realize healthcare welfare for the weak and reinforce essential healthcare】**

Continuously strengthen essential medical areas that directly impact human lives and medical specialties with low demands and in shortage of doctors

Build a system for strengthening medical treatment for serious illnesses, emergency cases, childbirth, and children, and supplement the support plan by reflecting the opinions voiced at public hearings (Essential Healthcare Support Measure, January 2023)

\* Reinforce the systems for retrospective payment at children's hospitals (serious illnesses, hospitalization) and emergency medical care for children (emergency care), and pilot program for in-depth consultation on children (primary care)

In addition, the support will be stepped up (Additional Measures for Essential Healthcare Support, second half of 2023) in areas where providing proper medical care is difficult owing to a shortage of medical staff and facilities.

A series of policies will be established to enhance various aspects of the essential healthcare, to include securement of sickbeds (Sickbed Securing Policy), additional assignment of medical specialists, improvement of serious illness treatment (Emergency Care Plan, Cardio-cerebrovascular Illness Plan) and infrastructure (National Medical Center relocation and expansion, National Infectious Disease Hospital establishment).

Importantly, the implementation of key policies to systemize telemedicine and increase in medical school quotas will be accelerated by operating a standing consultation group that involves the medical community.

**【Expand investment in smart healthcare designed according to life-cycle】**

To prepare for the "Homo-Hundred Era", support will be provided according to different life-cycle stage, including by reinforcing physical examinations for infants, to enable all children to spend their entire lives in good health, as well as mental health examinations for the youth, and expanding the health examinations for elderly people that leverages artificial intelligence and the internet of things.

In addition, management of chronic diseases mainly through primary care will be enhanced by utilizing ICT-based health management platform.

**【Establish a medical response system for large-scale disasters】**

Improve the system for emergency medical care in all aspects, to include proactive readiness, communication systems, capacities(including through joint training among fire stations, public health centers, and Disaster Medical Assistance Teams), in order to rapidly and effectively respond even when a large-scale disaster strikes.

To constantly respond to disaster trauma, the number of regional trauma centers will be increased in stages at the city and provincial levels (from the current 4 to 17), while adding additional functions and staffs (by two persons per center) to the community mental health centers.

**【Improve the response system for new contagious disease strains】**

Entry of confirmed cases from China will be quickly blocked for stable

control of COVID-19, accessibility to treatment for outpatient and emergency patient will be improved (including by securing one-stop clinics), and hospital beds will be sufficiently secured.

Particularly, senior citizens will be prescribed with vaccinations and pills for prevention of severe virus deterioration, and intensified epidemic prevention and medical treatment support will be provided to vulnerable facilities including long-term care hospitals and others at high risk of exposure to virus spread.

**<Major epidemic prevention steps under review for easing (proposal)>**

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|---|---|
| <p>① Wearing masks indoors<sup>㉔</sup></p>                                | <p>▲(time) When spread is stabilized and the index is satisfied, lower from Mandatory to Recommended<sup>㉔</sup><br/>                 ▲(target) Does not include essential facilities at high risk of exposure, including healthcare, convalescence and welfare facilities as well as mass transportation. <sup>㉔</sup></p> |
| <p>② Lower the infectious disease rating (now at Level 2)<sup>㉔</sup></p> | <p>▲(time) When the endemic level is reached, to include a consistent spread pattern<sup>㉔</sup><br/>                 ▲(target) Easing of standards for monitoring, reporting, totaling, and isolating<sup>㉔</sup></p>  |

In addition, steps will be taken to preemptively supplement the existent medical and epidemic prevention systems, laws and institutions, and regional response system to ensure a rapid, early response to an outbreak of a new type of contagious disease strain.

**3. Implement welfare reforms for sustainability**

Implement reforms mainly on health insurance, National Pension, and welfare expenditure management to build a solid social safety net.

**【Achieve sustainability by reforming health insurance】**

Impose fair premiums on health insurance and prevent fiscal leaks in terms of fiscal efficiency, thereby achieving sustainability of the health insurance system. (Health Insurance Sustainability Improvement Measure, January 2023)

- \* Direction: (1) coverage based on the degree of medical necessity, (2) a fair system in terms of eligibility and premium payment (including on non-Koreans), (3) inducement of rational medical care utilization (monitoring excessive users), and (4) severe punishment of illegal activities, and monitoring of non-payable items

Going forward, a Health Insurance Reform Measures will be drawn up (in the second half of 2023) to continue to provide quality medical care services by having sound fiscal condition.

- \* Areas included: compensation (normalization of fee schedule), fiscal control

(improvement of transparency), health insurance premiums (enhancement of fairness), accessibility (to high-cost medicines, innovative medical care technologies)

An innovative payment system (retrospective payment, results-based gradations, unit based compensation for medical institutions) will be introduced, while tightening control over non-payable items, to ensure proper quality of medical treatment and fiscal soundness, in the face of soaring demand for medical care following aging society

### **【Reform the National Pension for sustainable coexistence】**

Pension reform will be conducted to ensure fiscal sustainability, intergenerational fairness, and income security for the elderly.

Considering the National Pension that is at the heart of the pension reform, the schedule of fiscal evaluation of National Pension Budget is will be brought forward (announcement of the evaluation result to be moved from March to January) to stimulate the debate on reform and support rapid implementation of the reform.

To give hope not only citizens but also to the youth, People's Pension Reform Plan will be established after transparently disclosing information and gathering opinions.

In doing so, National Pension system improvement plan and a comprehensive operation plan that takes basic pension into account will be submitted to the national Assembly (from October), and support will be provided for the National Assembly's gathering of popular opinions along the way.

### **【Take on tangible Innovation in Welfare Expenditure Management System】**

A comprehensive improvement and adjustment(bias, omission) plan will be established and carried out by identifying similarities and overlaps among the central government's Social Security Projects, while building a Data Base on a social security system.

Customized services will be expanded, including by establishing a government-wide strategy to shape a sustainable welfare state of Korean style, enabling application for welfare credit at the private institutions(hospitals and welfare center) via social security system, upgrading welfare membership.

## **4. Prepare for a better future**

Carry out population policy and strategy on bio-health industry that would contribute to turning crisis such as low fertility, super-ageing, slow growth into opportunity.

**【Population Policy Paradigm Shift】**

Focus of policy, which has been originally on low fertility, will be put on super-aging and population decline, and a structural change and adaptation plan to address those issues will be drawn up.

Accordingly, main agenda on each issue will be identified, and the 4th Basic Plan on Low Fertility and an Aging Society will be supplemented.

**【Address Low Fertility by Supporting Working Parents' Childrearing】**

Support will be strengthened to ease the childrearing burden on parents in the childbearing stage.

Starting from January, parents will receive benefit of 700,000 won/month during the first year of their child's life and 350,000 won/month during the child's second year of life.

A pilot programme, which is tentatively named Rest from Infant Care, will be implemented to offer classes for parents on childrearing by utilizing the comprehensive childcare support centers and daycare centers. In addition, hourly daycare support will be expanded to meet the emergency or temporary care demands of parents who raise their children at home.

\* From 958 classes (2022) to 1,030 classes (2023) to ~ (2024), with installation in at least one facility in each eup, myeon, and dong

Evaluation of daycare center will be enhanced by involving consulting firms to improve the quality of childcare services, and national and public daycare center will be expanded so that the government takes bigger burden. In the meantime, daycare center and kindergarten will be integrated to ensure high-quality daycare and education anywhere.

**【Cope with 10 million of elderly population】**

Support for elder income, work opportunities and leisure will be expanded so that people can enjoy energetic lifestyles in their old age.

\* (Income) raise the basic payment (from 307,500 won to 323,180 won/ month); (Jobs) increase employment opportunities, focusing on the private sector and social services



(from 845,000 to 883,000); (Leisure) greater support for programs at welfare centers and senior citizen centers, subsidies for air conditioning and heating.

cope with ten millions of elderly population, (4) lead the field of health security as well as the new markets by leveraging advanced technology, (5) provide full support for development of bio-health industry and its export growth

Convert the elder care system around the local communities.

To do so, increase the number of centers for home-based medical care (from 28 to 80 by 2026), provide support for medical care with a Family Doctor for Dementia Patient(a pilot program from the second half of 2023), and carry out Integrated Eligibility Assessment for Receipt of Medical and Health Care (a pilot program from March 2023).

In addition, home-living benefit expense will be increased for residential support in local communities, and the number of comprehensive home-living service institution will also be increased(from 31 to 50 locations).

Customized elder care services will be provided to an increased number of people(from 500,000 to 550,000 recipients), and smart care programs including the IoT-based emergency safety service(installed at a total of 300,000 households) will be promoted.

Programs are also being planned for those who live in local communities such as what is tentatively named Elderly Friendly Shared Housing, to offer comprehensive services that include caregiving, medical treatment, and leisure.

**【Lead the field of health security as well as the new markets by leveraging advanced technology】**

Investments in new bio-health technologies will be promoted in preparation for future paradigms and the treatment of rare diseases.

National health and security will be strengthened by localizing the production of essential vaccines, which until now have been dependent on import, and by developing next-generation vaccines and medicines.

\* Support for the localization of essential vaccines (215.1 billion won through 2029), mRNA vaccines (21 billion won through 2023), antiviral medicines (46.4 billion won through 2029).

\*\* Technology upgrades for the epidemic prevention and medical safety (85.7 billion through 2027), technology development for non-face-to-face treatment against the spread of contagious diseases (2.8 billion won through 2027).

At the same time, an innovative support system (Korean-style ARPA-H) will be in place to conduct strategic R&D agenda including the treatment technology for rare diseases.

Support will be provided, including for technology localization of artificial blood (joint ministry project, 47.1 billion through 2027) and xenotransplants (38 billion won through 2027), to address the essential problems of shortage in blood and organ supply.

In preparation for a medical paradigm shift toward digital and data-driven medical treatment, the Health Information Highway System will be run, and support will be provided to customize smart features in public and private hospitals.

Moreover, a clinical and genomic databank of one million persons will be built, use of bigdata will be stepped up to overcome cancer and other major diseases, and legal foundation will be established for safe connections and utilization of such data.

### **【Provide full support for development of biohealth industry and its export growth】**

Build a foundation for cultivating the bio-health industry.

Draw up a plan (first half of 2023) to nurture 110,000 people into production and research personnel, operate '[Global Training Hub for Biomanufacturing](#)' supported by WHO, and support entering of domestic enterprises into overseas markets by enhancing partnerships among domestic and foreign enterprises.

Continue to implement regulation reform that allows entry of new products before its assessment, including the comprehensive screening system for innovative medical devices and extended deferment of new medical technology assessments. In the meantime, compose governance that involves all ministries to provide effective support to all stage of production from basic R&D to finishing.

Strategic support will be provided to cultivate bio-health industry and boost exports, with the goal of developing two blockbuster-level new

drugs and making Korea the world's fifth-ranked exporter of medical devices by 2027.

Expand public-private investment for R&D for pharmaceuticals (25 trillion won through 2027) and medical devices (10 trillion won through 2027), start to make investment with the K-Bio Vaccine Fund and establish additional funds (an aggregate of 1 trillion won through 2025).

Actively respond to the regulation tightening of major countries' licensing and protection measures, while providing strategic support by industry and region to develop new markets.

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