

ATLANTIC CROSSING Uwe E Reinhardt

# Humbled in Taiwan

Taiwan's highly efficient system of national health insurance should humble and inspire the US

Tagging along with Tsung-Mei Cheng, an expert on Taiwan's health system, on her recent visit to Taiwan's Bureau of National Health Insurance, turned out to be a bit humbling for me as someone who focuses mainly on the US health system.

The bureau is the government agency that administers Taiwan's single payer national health insurance system. Its staff members fret when hospitals and walk-in clinics fail to submit completed claims within the required 24 hours after delivery of service. Private health insurance companies in the United States count themselves lucky if high priced actuaries can tell them in the middle of the year what the carrier ultimately will have to pay the providers of health care for services rendered in the previous year. Taiwan's bureau can track almost in real time what goes on in the nation's healthcare system. In the US even a vague idea of what has been going on a year or two ago can be had only with the aid of a multimillion dollar, highly sophisticated health services research industry. It is a safe bet that Taiwan will have an electronic medical record system that connects all providers of health care to the same data bank long before that will be feasible in the US's pluralistic and highly fragmented healthcare system—whose myriad computing platforms make for an electronic tower of Babel.

Taiwan introduced its national health insurance system on 1 March 1995, after less than a decade of planning that went ahead in textbook fashion. After visiting the health systems of numerous other nations, Taiwan's policy planners used the insights gained to develop what has been described as "a car made from many parts produced abroad but assembled in Taiwan." It took only 18 months for the plan to make its way through the legislative chambers in 1993-4. At the behest of Taiwan's then president, Lee Teng-hui, it was implemented in less than a year. Overnight, health insurance coverage

in Taiwan jumped from roughly 57% of the population before 1 March 1995 to virtually the entire population. For US policy makers and presidential contenders—who for half a century now have engaged in a perpetual "national conversation" on universal health insurance, only to see the number of uninsured people grow apace over the years—the speed of Taiwan's move to a national health insurance system seems downright surreal.

Taiwan's system is financed in roughly equal share by the government, employers, and households in a complex scheme that includes subsidies, payroll taxes, and premiums paid by self employed people. Health care is delivered by a mixed system that includes private clinics, private non-profit hospitals, and public hospitals, among which patients have full freedom of choice. The main tool for cost containment has been sectoral global budgets; while effective in the short run, over the long run they have triggered some untoward side effects and should be replaced with more flexible tools to control costs.

Although in opinion surveys some 70% of the population declares itself satisfied with the system—a very high satisfaction rate by US and European standards—the national insurance system has its critics, especially among doctors and hospital executives, who predictably chafe under its global budgets. The accusation is that the system begets low quality care. Often these claims are based on comparisons with top tier health care in the US, which now spends over 16% of its gross domestic product on health care (Taiwan spends 6.2%).

But the proper comparison is not between Taiwan and top tier US health care but between health care in Taiwan today and that before the national health insurance system was created. Without national health insurance Taiwan would today probably have a highly stratified healthcare system, with



“  
**Loss of health insurance and fear of bankruptcy over medical bills is a growing fear among millions of Americans; it has not been in Taiwan since 1995**  
 ”

top tier, US style care for the rich funded by private insurance, a social insurance system for the employed middle class with highly variable quality of care, and much less or nothing for millions of uninsured poorer citizens.

Taiwan could much improve its health system by allocating an additional, say, 1-2% of its gross domestic product to health care. Some of the additional funds could be used to reduce patients' own spending, which is still higher than that in most European nations. Furthermore, much more should be allocated to the administrative budget of the Bureau of National Health Insurance, which now accounts for only an inadequate 1.5% of total spending on the health insurance system, compared with the 10% to 12% that premium commercial insurers in the US spend on administration, in addition to another 8% or so for marketing and profits. Recent research indicates that Taiwan's healthcare system devotes too much of its tight budget to relatively trivial complaints, at the expense of upgrading the quality of more critically needed interventions. With its powerful IT platform it should be easier for Taiwan than it is in the US to enhance the cost effectiveness and the quality of Taiwan's health care.

Loss of health insurance and fear of bankruptcy over medical bills is a growing fear among millions of Americans; it has not been in Taiwan since 1995. In a globalised economy that subjects Taiwan's low skilled workers to ever fiercer foreign competition from low cost labour elsewhere in Asia, the safety net of the national health insurance system represents a major public asset.

**Uwe E Reinhardt is James Madison professor of political economy, Princeton University, Princeton, New Jersey reinhard@princeton.edu This article was coauthored with Tsung-Mei Cheng, of the International Forum at Princeton University, on whose work it draws.**

## MEDICINE AND THE MEDIA

# Sometimes it takes a loss of life to make a difference

Media coverage of one death from melanoma helped spur on Australian legislation on sunbeds, but the groundwork had already been laid, write **Craig A Sinclair** and **Jennifer K Makin**

Clare Oliver, aged 26, died in Melbourne from melanoma on 13 September 2007. This was just one of more than 1200 deaths related to melanoma that occur each year in Australia. However, in Clare's last month of life she decided to publicise the dangers of sunbed use, which she blamed for her melanoma. A 10 minute segment on a current affairs programme on national television soon led to a media frenzy, with television news, daily newspapers, and talkback radio picking up the tragic story of this personable, dying young woman. After only two days of intense media exposure the state of Victoria's health minister announced the need for legislation to control the use of sunbeds. A day later this was supported by the state premier and by the federal health minister and prime minister, who all stated the need for nationally uniform legislation. It seemed that Clare Oliver had achieved in a matter of days what others had been advocating for more than a decade.

## The press coverage

The Clare Oliver story broke on 21 August 2007. A retrospective search by a media monitoring company for mentions in the following month generated more than 100 press articles and nearly 400 broadcast items nationwide. The story leant itself to media attention by virtue of the key protagonist, an attractive, articulate, and determined young woman, described by headlines as a crusader, campaigner, or fighter. The tone of the articles was overwhelmingly in favour of Clare's "crusade" and encouraged public outrage at the cause of this "tragedy" rather than pity for its victim.

The timing and pace of the story were also ideal for maintaining media interest. Press headlines focused initially on the tragedy and the dangers of sunbed use, with taglines such as "A tan to die for" and "20 sessions in a sunbed . . . now I am dying." When legislation was announced within days of the story going to air, this then took over the headlines, featuring in around a third of the total number for the month. Days later, Clare's 26th birthday

celebrations were an opportunity to keep the story in the public eye, but this was followed in less than two weeks by her death. More than half the headlines reporting her death referred to her "legacy," thus refreshing the need for state and federal legislation. The media gave more attention to federal support for the legislation than to more concrete promises and timelines at state level. That the prime minister was trailing in the polls in the run up to the general election may have contributed to his willingness to speak out publicly on an emotive issue that comfortably avoided the key flashpoints of climate change, industrial relations, and the war in Iraq. In any case, headlines referred to him repeatedly, in the context of the initial demand for legislation and when he "paid tribute" to the "solarium campaigner" after her death. This undoubtedly expanded to a national level a story that otherwise could have been limited to local interest.

## The background research

A cynic might say that the Victorian government had merely been politically astute and saw a chance to respond to an issue that had engaged the attention of the public. However, the state government had, together with Cancer Council Victoria, been collecting data on sunbeds for more than 10 years, particularly in terms of compliance with the Australian standard for solarium, the sunbed industry's voluntary code of practice.

Research undertaken by Cancer Council Victoria had shown that, contrary to the requirements of the standard, 50% of sunbed facilities allowed access to teenagers who were younger than 18 years without their parents' permission and that 90% allowed access to adults with type 1 skin, which burns but does not tan (*Eur J Cancer Prev* 2006;15:424-30). The Victorian government had also conducted its own research to measure compliance, with similar results, and had

sent warning letters to operators and funded a campaign informing consumers about the dangers of sunbed use.

A regular summer sun survey in Victoria had shown an increasing desire for a tan among young people since the mid-1990s. Earlier in 2007 Cancer Council Victoria had published a study that mapped the growth of the sunbed industry over more than 10 years. The study showed an increase in listings in the yellow pages of sunbed facilities in Melbourne by more than 500% in the decade to 2006 (*Aust NZ J Public Health* 2007;31:191-2). Although the nature of the sunbed industry's contribution to the increasing desire for a tan was uncertain, the growth of the industry was undeniable. The study findings generated substantial media interest, with 15 press articles and 196 broadcast items in the nine days after its publication. Responding to the story, the then health minister first raised the possibility of drafting legislation within the year.

## Clare Oliver's legacy and implications

Clare's much publicised testimonial was the trigger the Victorian government needed to fast track legislation of the sunbed industry. Although at the time of writing the contents of the proposed legislation are still not clear, it is likely to follow World Health Organization guidelines and will also require the licensing of all sunbed facility operators and their staff.

Within a month of Clare's story appearing in the media, Standards Australia had decided to bring forward a review of the current Australian standard for solarium to build in stronger requirements to protect consumers' health. At the initial review meeting it was clear that the sunbed industry had experienced a serious blow to its business as a result of the story, with some operators having had a loss in income of as much as 75%. On the flip side, as a result of the media attack the industry had quickly realised it needed a more powerful united lobby group, similar to that in the United States, something it had never had in Australia.

The Clare Oliver story is a powerful example of one person's achievement in enlisting the media to shape public health policy. However, as the case illustrates, it is also important that the evidence base for determining policy is in place, thus enabling stories like Clare's to resonate, resulting in swift and

appropriate action by governments.

Craig A Sinclair ([craig.sinclair@cancerciv.org.au](mailto:craig.sinclair@cancerciv.org.au))

is director, prevention and screening, and Jennifer K Makin is SunSmart research and evaluation manager, Cancer Council Victoria, Victoria, Australia



**Clare Oliver: publicised the dangers of sunbed use**