In the past 30 years, Korea has gone from having a limited medical infrastructure, fragmented financing and limited population coverage, to a health care system characterised by universal coverage and one of the highest life expectancies in the world, while still having one of the lowest levels of health expenditure among OECD countries. Based on available OECD analyses, further progress is called for to address underlying causes of poverty and inequality, develop a stronger and scaled-up primary care system and foster effective prevention strategies.

### Improve access to care and comprehensiveness of coverage

**Korea reports the highest share of out-of-pocket (OOP) consumption allocated to medical care across OECD countries.** In 2013, the share of OOP spending allocated to medical care is 1.7 times higher in Korea than the OECD average.

<table>
<thead>
<tr>
<th>Share of OOP spending in total health expenditure (%)</th>
<th>Turkey</th>
<th>OECD</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.2</td>
<td>2.8</td>
<td>4.7</td>
</tr>
</tbody>
</table>

The burden of out-of-pocket spending may create a barrier to health care access and use. Households that face difficulties paying medical bills may delay or forgo needed health care.

### Promote appropriateness of hospital care

**Over-provision of hospital treatment is a major quality issue in Korea.** Korea has some of the highest levels of supply of hospital services amongst OECD countries. While other OECD countries have been bolstering community based-services and reduced the number of hospital bed, Korea has seen a major expansion of the hospital sector. In 2013, the country had the highest number of hospital beds and the longest average length of stay across the OECD. A patient admitted to a hospital in Korea is likely to stay twice the time a patient stay on average across OECD countries.

<table>
<thead>
<tr>
<th>Average length of stay (in days)</th>
<th>Turkey</th>
<th>OECD</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.9</td>
<td>8.1</td>
<td>16.5</td>
</tr>
</tbody>
</table>

The significant acute care capability in the Korean health system may not be appropriate at a time when the burden of disease is shifting towards chronic diseases. A major challenge for the Korean financing system would be to build better incentives for appropriate care.

**Potentially avoidable hospital admissions in Korea are too important.** Avoidable admissions for chronic conditions (such as asthma and diabetes) are significantly above the OECD average, suggesting unnecessary use of expensive hospital care.

- Improve appropriate care in primary care settings to reduce preventable hospital admissions
- Expand DRG-based payments across the entire hospital sector and across as many categories as clinically feasible
- Along with global budgeting, introduce selective contracting with providers based on performance
- Pilot the use of “bundled payments” that prospectively combine payment for a hospital admission as well as a reasonable number of pre and post-admission services
The suicide rate is the highest in the OECD area and has more than doubled since 2000. It is particularly high for men in older age categories, but it is also the number one cause of death among teenagers in Korea.

Excess mortality from mental health disorder (which is an indicator of the quality of care in the community) is also a source of great concern. Korea reports the third highest excess mortality rates from schizophrenia and bipolar disorder across OECD countries.

Early detection of psycho-social problems by families and health professionals is an important part of suicide prevention campaigns, together with the provision of effective support and treatment. Mental health services in Korea lag behind those of other countries, with fragmented support focused largely around institution, and insufficient support services provided to those who remain in the community.

Both men and women with low education are more likely to be hazardous drinkers than more educated ones. The probability of an average man aged 40, with low educational level, to engage in hazardous drinking is six times higher than in Canada for example.

The distribution of alcohol drinking is also heavily concentrated. In Korea, the heaviest-drinking 20% of the population drink 66% of all alcohol.

Address harmful use of alcohol, in particular in individuals with low education

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Address gaps in mental health

Address harmful use of alcohol, in particular in individuals with low education

Reduce smoking rates

Although the male smoking rate has fallen over the last ten years in Korea, it is still amongst the highest in the OECD. Tobacco is a major risk factor for at least two of the leading causes of premature mortality: cardiovascular diseases and cancer.

One in five deaths among adults aged 30 years and over are attributable to tobacco in Korea, almost twice the proportion reported in the Western Pacific region.