

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Knowledge Sharing Between LAC and Korea In Healthcare Digital Transformation
▪ TC Number:	RG-T3498
▪ Team Leader/Members:	Luis Tejerina, Team Leader (SCL/SPH); Jennifer Nelson, Alternate Team Leader (SCL/SPH); Isabel Delfs Ilieva, Euisu Hwang, and Mihwa Park (SCL/SPH)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	05 Jun 2019
▪ Beneficiary:	Colombia, Chile, Perú, Uruguay, Costa Rica
▪ Executing Agency:	Inter-American Development Bank (IDB)
▪ IDB funding requested:	US\$ 500,000.00
▪ Local counterpart funding:	N/A
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Social Protection & Health Division (SCL/SPH)
▪ Unit of Disbursement Responsibility:	Social Sector (SCL/SCL)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality

### II. Objective and Justification

- 2.1 The objective of this technical cooperation is to facilitate knowledge sharing between South Korea and health workers in the Latin America and Caribbean Region through virtual and in person training in the use of technology in the provision of specialized hospital services and the purchase of health services from private providers to increase efficiency in public spending.
- 2.2 Digital transformation, meaning the combination of improved processes, people and technology have been proven to improve efficiency in many areas including the health sector. However, the complexity of the health sector and especially technology for health services has caused lagging progress in digital transformation, especially in Latin America and the Caribbean (LAC). Of the 19 countries included in a 2016 study by the Pan-American Health Organization (PAHO), only 52.6% have a national electronic health record (EHR) system and only 26.3% have legislation that supports the use of such systems. Furthermore, the data available are often of low quality and are fragmented across systems. This resulted in poor quality medical service and lowered the quality of life of people in LAC region. Latin American countries can increase the average life expectancy of people by four years while maintaining current health and medical spending levels if they have the efficiency of OECD countries. Asia and specifically South Korea has many world class experiences that could benefit the region in terms of knowledge transfer. Combined with a strong IT infrastructure, Korea's healthcare has achieved a high level of digitalization, which has led to improved quality and efficiency of health care services. All medical institutions in South Korea are contracted with a single state-run insurer, the National Health Insurance (NHI) and claims are reviewed by The Korea Health Insurance Review & Assessment Service (HIRA) which in 2017 handled 1.51 billion cases from 92,000 medical institutions and

executed US\$72 billion. Through the use of advanced algorithms, HIRA is able to identify unnecessary care and prevent fraud by health care providers that, if unchecked, would drive up costs. Through the careful use of digital technology, HIRA has helped save US\$ 1.19 billion, compared to only US\$ 34 million of savings from on-site visits. Big data analysis is used not only for payment of medical expenses, but also for quality improvement of medical services and patient safety management. Through such accumulated data, the government decides which healthcare services to increase and how much more to spend. At the level of health providers, South Korea also has successful experiences from which the region could learn. Since 2016, the country has created the legal base for the creation of Health Information Exchanges among medical institutions. In this environment, more than 90% of medical institutions have actively introduced Electronic medical records (EMRs). The hospital information system, built by Seoul National University Hospital Bundang (SNUBH), one of South Korea's top tertiary hospitals, was the first non-U.S. medical institution to receive Health Information and Management System Society (HIMSS) stage seven certification in 2010 and was recertified in 2016. SNUBH also has a training program through which about 300 people from 20 nationalities have already been trained annually in the areas of internal medicine, general surgery, obstetrics & gynecology.

### III. Description of Activities and Outputs

- 3.1 The Technical cooperation will be divided into three components: Component I will be an education program on how Korea's health insurance system and value-based payment system were designed. Component II will be a training program in hospital management in a digital hospital to share Korea's experience on how to create efficient health services and medical innovation. Component III will fund the evaluation and recommendations of participant countries. Additional countries may be added on the basis of interest and relevance of the training.
- 3.2 **Component I: Value-based purchasing in healthcare.** This component will fund the participation of 15 healthcare workers from LAC in the two-week education program run by The Health Insurance Review (HIRA) in Korea. and the National Health Insurance Corporation (NHI). Participants will learn about Korea's value-based purchasing experience and its implications from prominent experts inside and outside HIRA. The course will include sessions on how to apply the lessons learned bin LAC countries and visiting programs.
- 3.3 **Component II: CEO Leadership Academy.** This component will fund the participation of 20 hospital leaders in a one-week course. SUNBH, as a full digital hospital, will share its experience on how they have achieved digital transformation with LAC hospital leaders. Participants will see the streamlined hospital operation and management of SNUBH through lectures and visits to core departments.
- 3.4 **Component III: Recommendation and Evaluation.** After the training, each institution, HIRA and SNUBH, will write a policy recommendation for value-based purchasing in healthcare and digital hospital for selected 1-2 countries. A final evaluation of the experience will be funded at the end of the courses to document how learning was implemented in each of the countries that were able to benefit from the training. The evaluation will be conducted through interviews and focus groups of participants.

#### **IV. Budget**

##### **Indicative Budget US\$**

<b>Activity/Component</b>	<b>IDB/Fund Funding</b>	<b>Counterpart Funding</b>	<b>Total Funding</b>
Value-based purchasing in healthcare	150,000.00	0.00	150,000.00
CEO Leadership Academy	150,000.00	0.00	150,000.00
Recommendation and Evaluation	200,000.00	0.00	200,000.00
Total	500,000.00	0.00	500,000.00

#### **V. Executing Agency and Execution Structure**

- 5.1 The Technical Cooperation will be executed by the Bank.
- 5.2 The bank will execute due to its regional character and because the logistics for execution will depend on direct contact between the Bank and the Republic of South Korea.

#### **VI. Project Risks and Issues**

- 6.1 The project is based on knowledge transfer, for which it is very important to choose the right people in the right places and to follow up on trainees to ensure that training spreads beyond the trainees to other personnel and that lessons learned are actually implemented in the field. Among the main risks are that because the participants identified are not in areas where lessons learned are implemented knowledge does not directly transfer to improvements in the provision of services. For this reason, a competitive process will be implemented in which candidates will present short profiles of potential implementation of their proposed solutions. Another risk is that the training provided is not applicable to the realities in the region given the gap in the use of technology between South Korea and LAC. To mitigate this risk surveys will be collected from participants and shared with the trainers to ensure that material is consistent with the realities of LAC countries in terms of resources.

#### **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".