

Health Care for the Public, Innovation through Communication

2018 HIRA Sustainability Report



About This Report

Since the first Sustainability Report in 2008, this marks the 3rd HIRA Sustainability Report following 2010. This report serves to disclose HIRA's main sustainability management activities and performances to stakeholders in a transparent manner and to reflect diverse opinions of stakeholders in its implementation of sustainability management in the future.

Reporting Scope

This report covers sustainability management activities and performances conducted by HIRA's headquarters and 10 domestic branch offices.

Reporting Period

This report is based on the fiscal year of 2017 (Jan. 1 ~ Dec. 31, 2017) and some of the main activities and performance may include the first half of 2018. Also, it covers the performances of the last 3 years for some of the quantitative performance to allow for development of changes.

Reporting Standards

This report is prepared in accordance with the core option of the GRI(Global Reporting Initiative) Standards, global report guideline to publish a sustainability management report. In addition, it also encompasses the 10 principles of the UN Global Compact for global sustainability management initiative and the UN SDGs goals. The financial information presented in this Report conforms with IFRS (International Financial Reporting Standards).

Independent Assurance

This report has been assured by DNV GL, an independent assurance agency, to ensure the accuracy and transparency of its contents, preparation process, and disclosed data. For details on assurance, you can refer to page 81, 82 of this report.

Contact Information

This report is disclosed on the HIRA website(<http://www.hira.or.kr>). If you have any comments or inquiries, please contact us as below:

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Health Care for the Public, Innovation through Communication

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CEO Message



“ Health Care for the Public,
Innovation through Communication ”

Welcome, dearest stakeholders!

I would like to extend my sincere gratitude to all stakeholders who possess great interest and care about HIRA.

HIRA strives to improve the national health and social security through a fair review of medical claims and the quality assessment of medical services.

All of HIRA's employees make a concerted effort to realize a world where every citizen leads a wholesome and happy life with our sustained innovation and endeavors. Thanks to this effort, we've received a top rating(A) in the government's assessment of the management of organizations, amassed a national wealth of KRW15.5 billion with the exporting of HIRA systems, demonstrating the excellence of HIRA's system that has become the object of envy of the world.

I am certain that had it not been due to the support that we received from our stakeholders and citizen, none of what we have accomplished would have been possible. HIRA avoids becoming complacent due to its current success but chooses to take bold steps forward to produce better performance by channeling the efforts of all its employees and does its best to fulfill its social obligations.

With the recent growing interest in health, we face some volatile changes in the internal and external environment such as low birth rate and aging population, increase in chronic illnesses, demands for broadened health insurance benefits, sustainable operation of organizations, and more. In response, the government is implementing a policy to provide the general public with a sufficient level of medical insurance coverage under the name of 'a reliable nation free from concerns about medical costs, where no one would be left out of medical benefits'. On the other hand, Korean society puts more and more emphasis on social values to enable sustainable development in terms of human rights, safety, environment, labor, public health and welfare, and job creation, etc.

I deeply feel that the role and obligation of HIRA against the backdrop of a complicated and challenging social environment are of utmost importance, largely due to the fact that medical care is directly related to the quality of life of stakeholders and citizens.

Thus, HIRA aims to think outside the box. We will communicate with stakeholders from their viewpoint and continue to achieve innovation. We will create sustainable value and strive to take the initiative in conducting socially responsible management.

The re-issued sustainability report this year covers our effort and performance to create a healthier and safer society by dedicated undertakings and to meet our responsibilities for society as a whole. I am ecstatic to be able to introduce HIRA's socially responsible management at the point where it is entering its 2nd phase of taking a bold leap forward towards further growth after moving its headquarters to Wonju.

We will strengthen review and assessment based on autonomy and expertise.

We will also seek to undergo a quality-oriented transition to analysis and review system by different subjects building on medical feasibility and health care autonomy from quantity-oriented practices that required the inspection of every claim for medical expenses. Furthermore, we will reinforce the assessment and reward scheme to promote quality improvement in medical services. By doing so, we will introduce and establish an environment whereby quality medical service is available for citizens at reasonable costs with an autonomy-based review and assessment system for medical and pharmaceutical institutions.

We will broaden healthcare coverage felt by the people.

In line with turning uncovered services into covered one, which is the key project of the government's policy of 'Expansion of Health Insurance Coverage', HIRA will assiduously support and implement the government's policy to expand health insurance coverage. We will remain fully committed to mitigate the burden of medical costs for the general public to the extent that they can see the difference with various measures including more hospice service, solving the problem of uncovered services due to benefit limits, introduction and expansion of the new Diagnosis Related Group System, disclosure of uncovered service fees, etc.

We will realize caring medical services for people and society.

We will take the lead in establishing a patient-centered safety infrastructure and a health care safety net for the underprivileged. We will strengthen the review system with a particular focus on patients' safety and service, while preventing infectious diseases and inappropriate use of drugs with the Drug Utilization Review (DUR). We will also endeavor to ensure the improvement of drug safety and distribution transparency through a real-time drug history tracking system.

We will generate high-quality Jobs based on innovative growth.

Facing the looming transformation of social and labor environments due to the emergence of the 4th Industrial Revolution, increased minimum wages, and reduced labor hours, HIRA will contribute to the generation of economic prosperity while creating high-quality jobs in the healthcare field. It will also be committed to facilitating private-sector job creation by spurring innovative growth with various efforts including Healthcare Big Data analysis support, and reform in medical equipment regulations so as to ensure local community development and to execute future innovation projects.

My dearest stakeholders!

HIRA's management slogan is 'Health Care for the Public, Innovation through Communication'. Based on proactive communication and engagement, we aim to undertake a new challenge by mobilizing our enterprise-wide capabilities to ensure everyone is able to lead healthy lives. Just like the simple truth expressed in the phrase, 'a rolling stone gathers no moss', we will be committed to continuously achieve management innovation and communicate with open hearts.

We would be ever so grateful to be able to receive your sustained interest and support.

Thank you.

November, 2018

KIM, Seung-Taik, President of the Health Insurance Review & Assessment Service



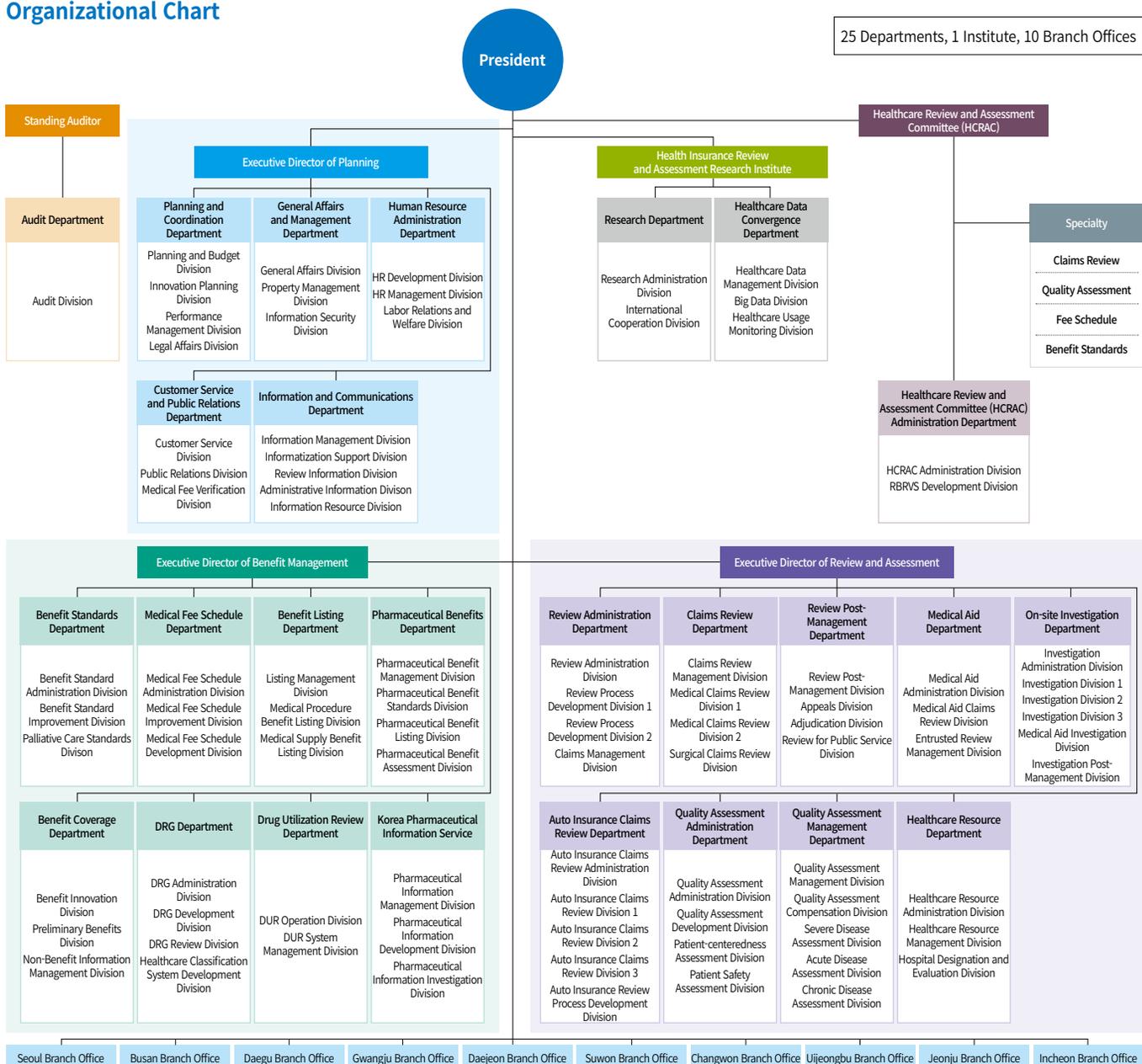
HIRA Profile

In accordance with Article 62 of 「National Health Insurance Act」 the Health Insurance Review and Assessment Service was established to contribute to the improvement of national health and to elevate social security by carrying out the reviewing benefit costs and assessing the appropriateness of benefit in a fair and effective manner. It fulfils its social role and obligation as a public organization to execute and support various tasks related to public health care policy development including review of medical claims submitted by health care institutions, benefit quality assessment, the management of medical materials, and the development of health insurance fee schedule, etc.

HIRA Overview

Name	Date of Establishment	Basis of Establishment	Classification	President	Key Business	No. of Employees
Health Insurance Review and Assessment Service	Jul. 1, 2000	Article 62 of 「National Health Insurance Act」	Quasi-government agency	KIM Seungtaik	Medical claims review, healthcare quality and safety assessment, health insurance policy support	3,222 people (As of the end of September, 2018)

Organizational Chart



Management Strategy

HIRA serves to fulfill its inherent purpose, the improvement of national health through health insurance and the development of medical services, while establishing a new mid & long-term strategic system to reinforce the medical inclusivity of the socially deprived, and to realize social values through management innovation based on communication.

Mission **HIRA Contributes to Better Health by Further Developing National Health Insurance and Healthcare Sector**

Vision **A Quality Assessment Agency that Ensures Sound and Safe Culture of Healthcare System**

Slogan **“Health Care for the Public, Innovation through Communication”**

Strategic Objectives

Strengthen Review and Assessment based on Autonomy and Expertise	Broaden Healthcare Coverage felt by the Public	Realize Caring Medical Services for People and Society	Realize Social Values via HIRA Innovation
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Target Indicator (KPI)

Appropriate healthcare rate 70% Medical service quality improvement rate 30%	Achieve 100% of phased implementation rate for a wider coverage	Prevent over 32 million cases of the use of inappropriate drugs	Attain 100% social value implementation goals
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Strategic Objectives

Induce appropriate healthcare by increasing the medical autonomy Improve the quality level of medical service based on quality assessment Medical feasibility and the patient-centered review and assessment innovation	Broaden the scope of insurance coverage for universal health coverage Improvement in the fee schedule through participation and cooperation Treatment information analysis for easily perceived coverage enhancement	Fortify drug safety net to protect national health Foster a medical environment for social cohesion Bolster the public and medical infrastructure	Generate high-quality jobs based on innovative growth Win-win cooperation and regional development through management innovation Realize open service via a smooth communication with customers
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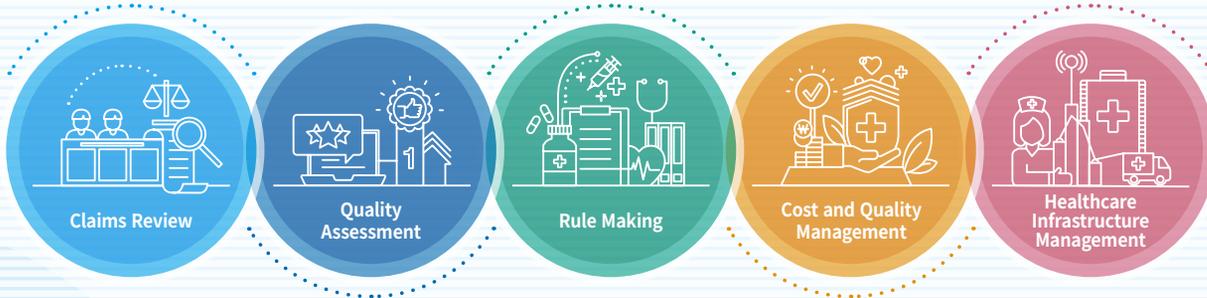
Core Value

- People First
- Communication Pathway Fostering
- Fairness and Balance
- Access to Open Expertise

Business Review

HIRA reviews and assesses medical expenses via a cutting-edge IT-based 'HIRA system' in a fair and objective way and intends to contribute to the enhancement of national health by ensuring increased medical service quality and appropriate medical costs.

Key Businesses of HIRA



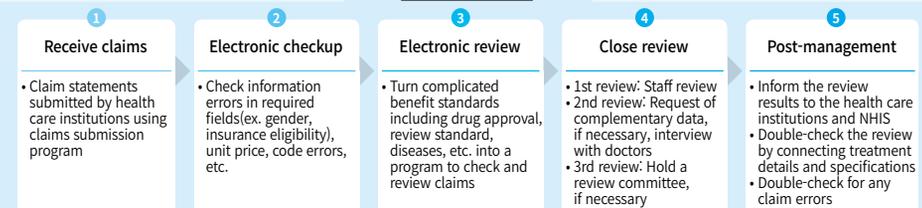
Right Review

Claims Review



In keeping with the standards set by the National Health Insurance Act and others, HIRA makes an impartial determination over whether or not the medical costs and treatment details claimed by the health care institutions such as hospitals, clinics and pharmacies have been properly charged, performed to be medically and pharmaceutically relevant, and in a cost-effective manner. It helps to ensure patients to seek suitable treatment within the context and intended purpose of medical insurance and to prevent any inappropriate medical charges from being imposed.

Review Process



Right Assessment

Benefit Quality Assessment



HIRA conducts Quality Assessment on medical services by health care institutions over examination, operation and the use of drugs against medical and pharmaceutical aspects and cost-effective aspects to improve inappropriate medical practices and to induce health care institutions to provide patients with the appropriate treatment. Also, it discloses useful information including the level of medical service of health care institutions, assessment results, medical costs, etc. to guarantee the people's right to choose their medical services based on informed decisions.

Assessment Items

Acute diseases	Chronic diseases	Cancer	Drugs
Long-term care hospitals	Intensive care unit	Psychiatry	Patient-centered care
General quality assessment	Infectious diseases	Patients' safety	Dentistry

Drug Management



HIRA reviews the listing of drugs and sets proper price and benefit standards. In particular, it deliberates on if a drug's clinical treatment value is high, and/or if it is cost-effective to manage around 21,000 insured drugs and ensure the safety of the public and appropriate pricing for medicine. In addition, it is enhancing follow-up services such as the management of 'shortage prevention drugs' and decrease drug prices based on market prices so as to ensure a suitable level of price compensation and stable supply of essential medical materials and drugs.

Medical Material Management



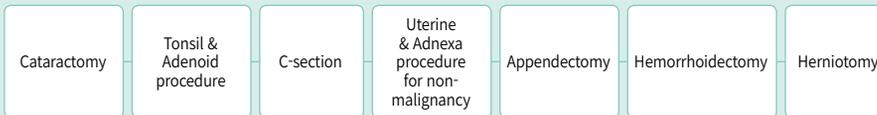
HIRA assesses the substitutability compared with the existing covered materials and cost-effectiveness, considers to cover the material used for treating patients in hospitals and clinics, and sets appropriate price and benefit standards. It also carries out regular reevaluation of the all notified item groups for every three years to ensure effectiveness of medical material management. This allows every Korean citizen to receive treatment with safe medical materials and the list of medical materials found on HIRA's website.

Diagnosis Related Group(DRG) System Development



The Diagnosis-Related Group(DRG) payment system reimburses health care institutions pre-defined and fixed amount of medical fees for the cost incurred during from their admission to discharge. Patients categorized as one of 7 disease groups including C-section, Cataractomy, etc. are included in this payment system. The system helps alleviate burden of medical expenses of the public. In addition, HIRA adopted the expanded version of DRG combining DRG system and Fee for Service, New DRG.

7 Disease Groups for DRG



Development of Patient Classification System



HIRA is developing the Patient Classification System (PCS) that divides outpatients and/or inpatients into similar groups in terms of medical resource consumption and clinical aspects based on operation, sickness, etc. To compare the medical costs and service quality between different health care institutions, the composition of the patients should be identical. PCS is among the most widely used tools to rectify this issue. The PCS developed and used in Korea includes inpatients and outpatients of health care institutions, rehabilitation, inpatients and outpatients of Korean medicine clinics, etc.



Rule Making

Business Review

Cost and Quality Management

Review under Consignment



HIRA reviews and assesses based on consignment agreements for medical costs in accordance with laws other than the National Health Insurance Act such as medical aid costs and medical expenses for patriots and veterans, and others.

Types of Review under Consignment



Drug Utilization Review(DUR)



Drug Utilization Review (DUR) is the only drug safety check system in the world that can review the patient's drug history on a real-time basis. It supports the advance review of inappropriate drug use by offering drug safety related information such as contraindication for prescriptions/dispensing with the established information network connecting health care institutions and pharmacies nationwide. Also, patients are able to check safety of the drugs they're taking and have prescribed by hospitals and pharmacies for the past year via HIRA website and mobile app(Health Information).

Customer Service



HIRA offers a variety of customer services ranging from those tailor-made for people including medical fee checking, hospital assessment information, etc. to those for health care institutions including how to submit a claim statement and to report institution status, etc. In addition, it makes the most of its Customer Center, the civil complaint handling system linked to the e-Voice system of the Anti-Corruption and Civil Rights Commission to inform the overall businesses of HIRA including review and assessment while reflecting diverse Voices of Customer(VOC) to improve its operations.

Medical Fee Checking Service



It also operates a remedial service for people by confirming if the uncovered service fees that people paid for the health care institution were properly charged according to what's specified in relevant laws, and help them to return any extra charges back. Medical Fee Checking Service can be accessed by HIRA's website, mobile app(Health Information), mail or visit in person.

The Procedure for Medical Fee Checking Service



Healthcare Resource Management



HIRA digitizes and manages reported healthcare resource data(healthcare workforce/facility/equipment, etc.) of the domestic healthcare field.

Workforce

Healthcare worker, pharmacist, medical technician, etc.

Facilities

In-patient rooms, wards, the number of beds

Equipment

Examination device, treatment and operation equipment, etc.

Korea Pharmaceutical Information Service



HIRA assigns national standard codes for all drugs distributed in Korea and manages the entire distribution process from manufacturing, importing and supply performance to offer reliable drug distribution information. In doing so, it increased the distribution transparency and contributes to a safe drug environment for the public by preemptively blocking harmful drugs via the Ministry of Food and Drug Safety's harmful drug alarm service for distributors.

Government Policy Support



HIRA helps the government in establishing healthcare policies and in conducting relevant work including 'On-site Investigation of Health Care Institutions', 'Benefit Standard Management', and more. In accordance with 'Coverage Expansion Policy' announced in 2017, it works toward turning uncovered services into covered one to broaden the scope of insurance coverage for universal insurance coverage and supports government's policy/notice developments.

HIRA System



HIRA system is a value-based healthcare purchasing system which guarantees medical service quality improvement and cost appropriateness through efficient use of healthcare resources. This system has three roles to play. 'Rule Making of Medical Service' to manage benefit standard for reasonable purchasing activities, 'Monitoring and Feedback' to check if the provided services are proper through claims review and quality assessment, and 'Infrastructure Management' to manage healthcare information including healthcare resources. In addition, the export of HIRA system is one of examples to cooperate with the international community to improve the value of universal healthcare.



Investigation and Research



Review and Assessment Research Institute is responsible for improving the quality of HIRA major functions such as claims review and quality assessment, R&D for healthcare policy, analysis of current issues, and provision of supporting documentation.

Healthcare Big Data Analysis



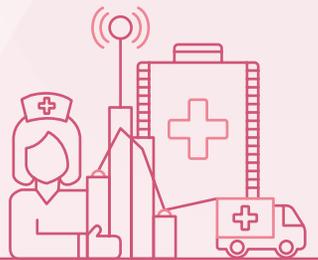
HIRA discloses Healthcare Big Data custom-made for people. These data are the accumulation of nationwide healthcare information on treatment, drug, healthcare resources, etc. and utilized for the development of evidence-based government healthcare policy and academic research.

Healthcare Big Data Open System

Specialized portal service in the Healthcare industry

Healthcare Big Data Analysis Center

Offer the infrastructure to support Healthcare Big Data analysis



Healthcare Infrastructure Management

HIRA Story

As there is greater social responsibility being imposed on public organizations in tackling overarching social and economic issues and solutions, HIRA explored social values generated by its own business and aligned it with its mid & long-term management strategies and established a basis for social value realization.



HIRA will be fully committed to achieving management innovation by proactively communicating with various stakeholders based on its management goal, 'Health Care for the public, Innovation through Communication', and to operating its business in a manner that fulfills its social responsibilities covering review and assessment based on autonomy and expertise, and expansion of national health coverage, etc. These endeavors will serve to realize social values in providing inclusive medical service for all citizens.



MATERIAL TOPICS

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Material Topic. 2

21 Broaden Healthcare Coverage felt by the Public

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27 Realize Caring Medical Services for People and Society

Material Topic. 4

33 Generate High-quality Jobs based on Innovative Growth







KRW 296.2 billion

Saved Amount from Preventing Claim Errors



369 people

No. of Participants in Health Care Quality Improvement Training



KRW 37.4 billion

Detected Fraudulent Claims Amount through On-site Investigation

MATERIAL TOPIC

1

Strengthen Review and Assessment based on Autonomy and Expertise

From 2018 the government is working on the policy of ‘Expansion of Health Insurance Coverage’ announced in 2017. Against this backdrop, it is important for HIRA to reform its claims review system and strengthen quality assessment system in line with the policy, which is highly related to HIRA’s sustainable management. Accordingly HIRA is converting its review and assessment system into an autonomous review and assessment system based on each topics within the wider framework of ‘medical autonomy’ and ‘medical feasibility.’ Also, with an increasing demand to widen its scope of assessment for increasing the medical service quality in a balanced manner, it has become more important to establish a reasonable reward system to induce health care institutions to maintain the appropriate level of treatment.

★ Materiality of Topic

HIRA’s Management Approach

Induce Appropriate Treatment in the Entire Process of Review and Assessment

Qualitative Improvement of Medical Services

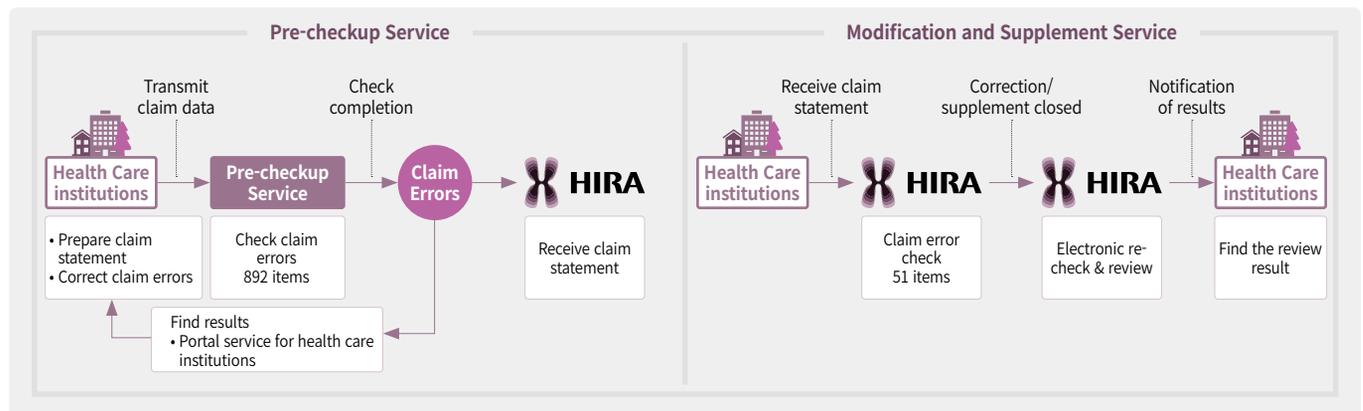
Ensure Proper Medical Service and Promote a Medical Autonomy by Improving the Review and Assessment System

Induce Appropriate Treatment in the Entire Process of Review and Assessment

Claim Error Check Service

HIRA offers a pre-checkup service that allows health care institutions to inspect any omission or error of the claim statement prior to applying for the claim and a modification and supplement service that helps them to correct and supplement the identified claim errors prior to the assessment. HIRA expanded the check focusing on items prone to having errors such as claims with high frequency of appeals, revision of claim method in 2017 and, as a result, it prevented claim error costs from occurring for a total of 1.84 million cases worth KRW 296.2 billion and completely blocked any fraudulent claims amounting to KRW 425.1 billion with claims transparency and improved functions.

In addition, it further reinforces the support-oriented activities to prevent claim errors by stimulating custom-made/field-centered PR efforts such as round-table meetings, briefing sessions organized by branch offices, reinforced PR for medical and pharmaceutical communities, portal banners and publishing in publications, etc.



Induct Rightful Claims with Review Case Disclosure

Various review case disclosure helps HIRA to induce health care institutions to voluntarily improve their quality of service by increasing review transparency and predictability while maintaining the consistency of review by sharing cases among review staffs. When claims requiring clinical judgement receive consultation from members of Healthcare Review and Assessment Committee for review, they are later categorized by types and examined by the Claims Review Case Disclosure Deliberative Committee before opening to public via portal service for health care institutions and HIRA Plus system.

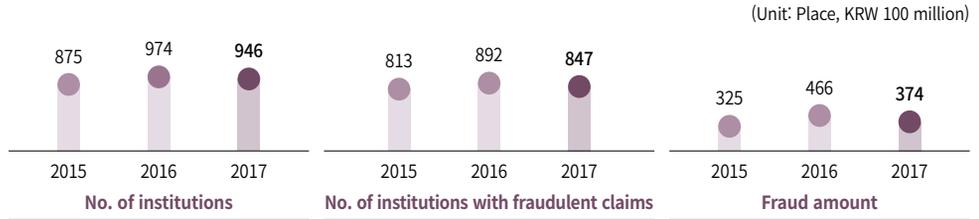
Process and Target of Review Case Disclosure

Process	Disclosure Target and Site
Disclosure Target Excerpt	Target — Items subject to frequent application errors of review standard, newly established or modified items, etc.
Base Review for Disclosure Standardization of Review Cases	Method — Segmented by the different types of review cases and disclose after deliberation of the disclosure deliberative committee
Claims Review Case Disclosure Deliberative Committee	Contents — Disease, gender, age, length of stay, patient's condition, main claims detail and review results, benefit standards, the basis of review decisions, etc.
Review Case Disclosure (Internal/External)	Types — Disclose by types of health care institutions
	Period — Once a month
	Disclosed Site — Portal service for health care institutions and HIRA Plus system

Establish Sound Claim Order with On-site Investigations

HIRA conducts on-site investigations to achieve the following objectives, to protect health insurance subscribers' right to benefit and reputable health care providers, and to avoid unnecessary leakage of health insurance funds by fostering an environment to make just claims for benefits by health care institutions and by inducing the institutions to offer appropriate treatments. On-site investigations involve a system for confirming, verifying facts and legitimacy of reimbursed benefit costs based on detailed treatment, and are divided into periodic, special, urgent investigations and enforcement monitoring, and depending on the method of investigation, there are on-site and off-site investigations.

On-site Investigation Status

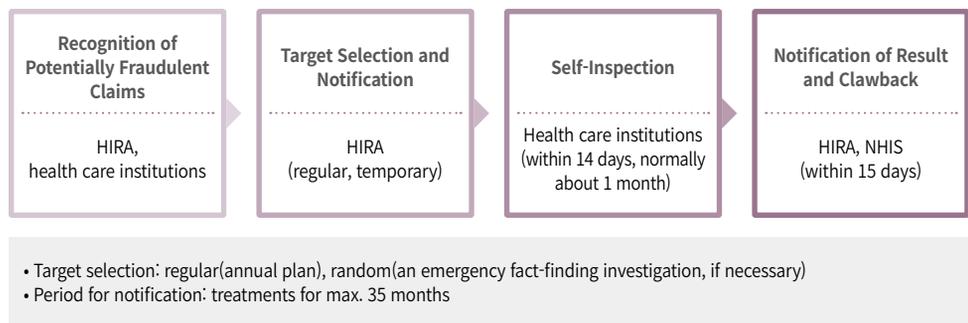


Self-Inspection System

HIRA has introduced a self-inspection system for health care institutions in order to affirm the preventive features against fraudulent claims, and to induce voluntary proper claims. With this system, HIRA notifies health care institutions of contents susceptible to fraudulent claims for benefit costs and the institutions report those claims in a voluntary manner. Health care institutions that sincerely report fraudulent claims are rewarded with the exemption of on-site investigation and lessened administrative penalties for the relevant items. It helps to increase the effectiveness of the on-site investigation and protect health insurance budget by preventing unnecessary expenditures and contributes to the protection of good medical care providers.

HIRA is planning to develop the items subject to self-inspection and increase the number of the notified, and to aggressively conduct training and PR on the operative guidance of the self-inspection system.

The Process of Self-Inspection System



Off-site Investigation

Off-site investigation refers to the methods of investigation into the legitimacy of the claimed benefit costs via report on the benefits or relevant documents without visiting the institution in question. As of 2018, HIRA has increased the number of institutions subject to the investigation to 2.4 times for it allows HIRA to effectively broaden the scope of investigation and mitigate burden on health care institution posed by the investigation and consequently more acceptable for the medical and pharmaceutical communities. HIRA intends to raise the effectiveness of the off-site investigation by identifying various items and by improving the methods through the virtuous cyclical cooperation generated by the feedback between item selection(operation team) and investigation results(investigation team).

Reinforcing Review Follow-up Management

HIRA has improved the effectiveness of this task by digitalizing the review follow-up management in response to the emerging needs for management of patients and health care institutions based on accumulated data to ensure greater review accuracy. It increased the re-check of the items, including development and application of new items, where statements by patients and institutions did not match in the review stage, and minimized the recurrence of the fraudulent claims by shortening the duplicated claim check cycle between auto insurance and health insurance for institutions frequently implicated in duplicated claims and sending a notice letter to instruct how to file a claim correctly.

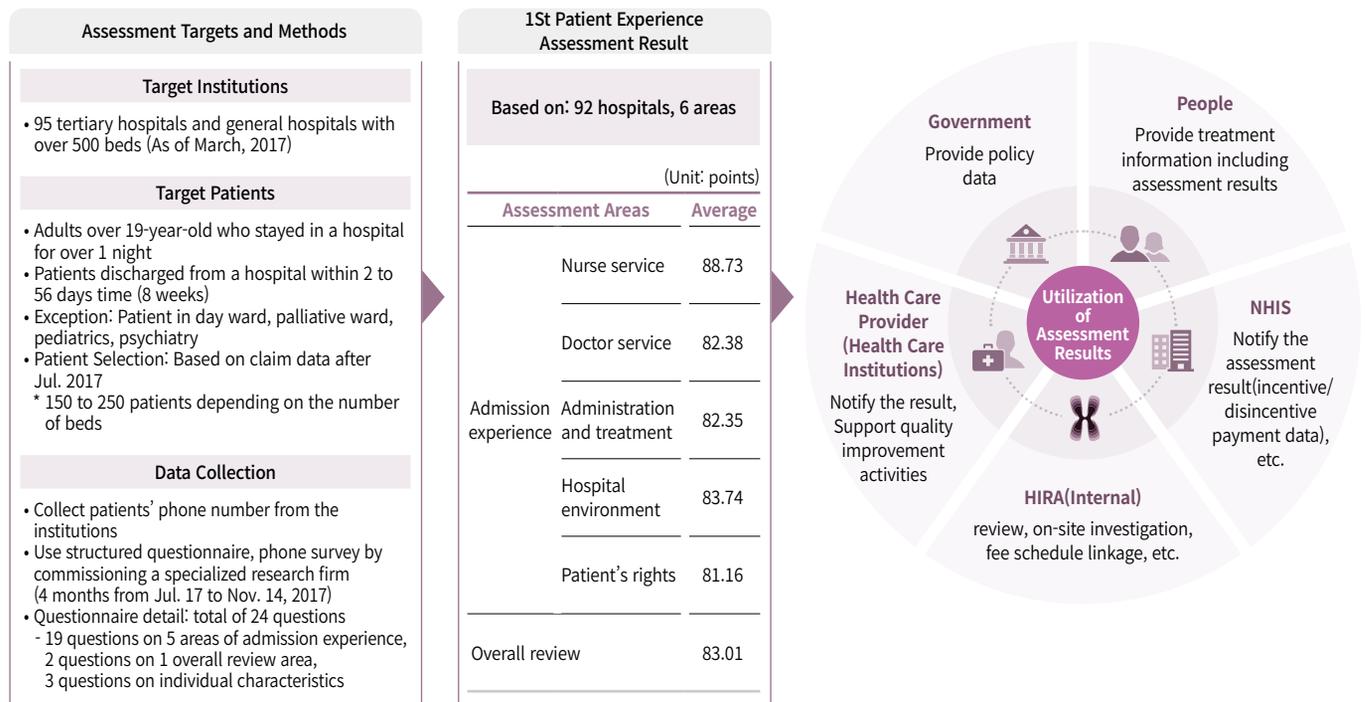
* Note 1) Review Follow-up Management: study the appropriateness of the previously made review/payment of medical expenses according to relevant laws and disclosed review standards to enhance the review accuracy and to achieve better financial soundness of insurance expenditures

In addition, against the growing awareness in the right redemption of health care institutions, the number of appeals continues to grow. To effectively manage the soaring appeals, HIRA prepared for the automation of the service through a computer-based reception system. In addition, the analysis of the type of filed claims, HIRA has reduced the average handling period for appeals to 104 days in 2017, 53 days shorter than the year before. HIRA will keep making efforts to shorten the handling period.

Qualitative Improvement of Medical Services

Building Patient-centered Healthcare System with Patient Experience Assessment

HIRA has adopted a Patient Experience Assessment in 2017 to improve quality of care from the perspective of healthcare consumers and to assist in cultivating the patient-centered medical culture by assessing the level of care quality based on reports from patients. The assessment tool was constructed based on a social agreement via consensus building among medical circles, academia, consumer associates and advice from specialists, and discussions of the Assessment Subcommittee, etc., and to have 24 questions over 6 areas. As the result of the 1st assessment showing the scores of 92 hospitals of 95 hospitals for each assessment area (total of 14,970 respondents participated in the survey) was posted on the official website, it helps the public to access useful information to select their hospital, while supporting the institutions' efforts to improve patient experience. HIRA plans to continuously complement and operate the patient experience assessment to ensure patients' value to be respected in the healthcare sector and to establish a patient-centered healthcare system.



Enhanced Medical Ecosystem Sustainability with Health Care Quality Improvement Service

Health Care Quality Improvement Training

HIRA bolsters the quality management capabilities of health care institutions by offering a healthcare quality improvement training to help them to understand Quality Assessment and QI and to apply their new knowledge to practices. The training consists of Healthcare Quality Assessment trends, and Quality Assessment direction, the Quality Assessment indicator management scheme, Quality Assessment and QI activities and case studies, etc., and offered to a total of 369 participants by 2017. With this training, HIRA can not just elevate the capability of the participants' quality improvement and their awareness of its significance but also ultimately contribute to healthcare quality enhancement.

Aside from this, as HIRA identifies and rewards excellent quality improvement activities conducted in health care institutions, it motivates them to be more actively engaged in the activities. HIRA also provides them with various benchmarking information.

Health Care Quality Improvement Consulting

HIRA especially supports small and medium hospitals for which generally lack quality improvement to identify their problems regarding the level of health care and to be involved in planning and execution of the improvement activities. Under the subject of 'Total Process of QI Activities regarding Quality Assessment by Health Care Institutions in Progress,' it further increases the region-based field support using region-based specialist advisory committee and intends to lay a foundation for quality improvement in the regions. Since the initial pilot operation of consulting sessions in 2011, it has been expanded to 8 institutions in 2017 and encourages institutions to be continuously committed to sharpening their medical service quality by offering the improvement recommendation for the relevant institutions.



Health Care Quality Improvement Training



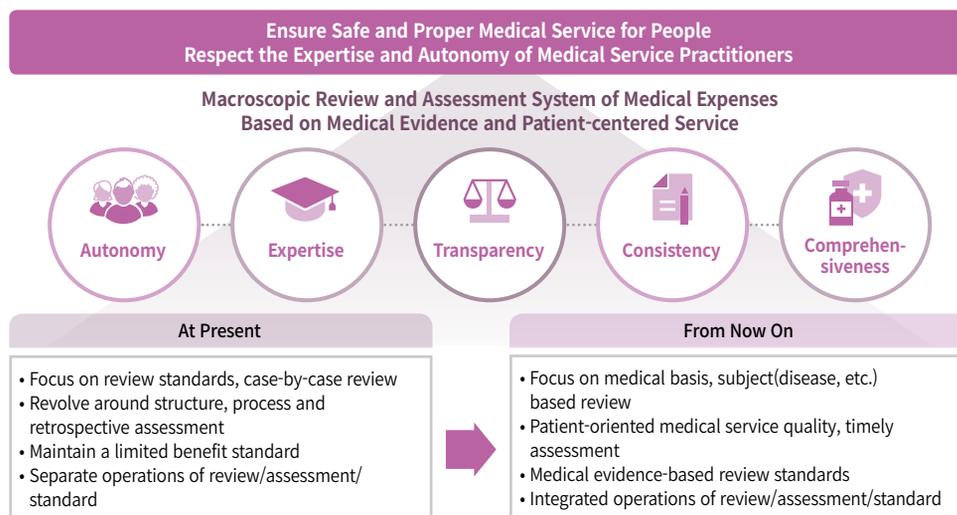
Health Care Quality Improvement Consulting

Ensure Proper Medical Service and Promote a Medical Autonomy by Improving the Review and Assessment System

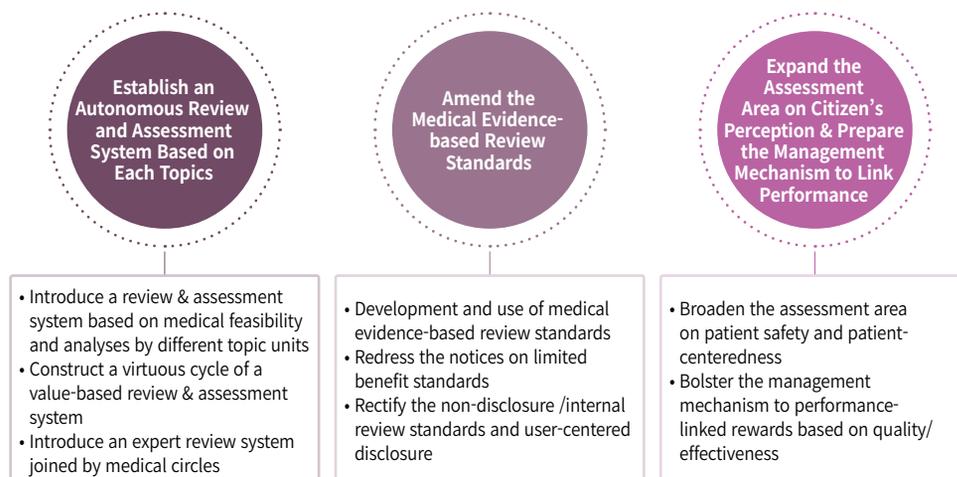
HIRA is revamping the Review and Assessment System to provide a foundation for successful implementation of the Coverage Expansion Policy such as conversion of uncovered services into covered ones, and to cultivate the medical environment whereby medical consumers may fully receive the needed medical services and the providers to offer optimum treatment.

With the organization of the dedicated agency concerning the issue on May 14, 2018, HIRA prepared the revision plan(draft) after discussions with the review system reform TF of the Ministry of Health and Welfare and an expert consulting council. Internally, HIRA built a consensus over the direction for implementing the Review and Assessment System reform through briefing sessions and opinion collections and organized the consultative body for the reform of national health insurance review and assessment system joined by health care providers, subscribers, academia(experts), etc. in Sep. 2018 to share the underlying goals and directions of the reform, and is carrying out social discussions. In the future, the organization is planning to prepare the review & assessment system reform plans from the social consulting body and to bolster the reform starting from a preliminary(pilot) operation.

Direction



Key Detail





142 institutions

Hospice Service Participating Institutions
(Used by 17,946 People)



88 items

Covered Drugs Converted from
Conditionally Uncovered Ones



56 institutions

New DRG Participating Institutions
(559 Disease Groups)

MATERIAL TOPIC

2

Broaden Healthcare Coverage felt by the Public

In response to a rapid change in the government's insurance coverage policy paradigm such as 'conversion of uncovered services to the covered' and greater demand to expand the coverage by the public, HIRA put to priority on fulfilling its social role and responsibility as a national healthcare assessment organization by supporting and implementing the government's policy to broaden insurance coverage.

★ Materiality of Topic

HIRA's Management Approach

Implementation System for Coverage Expansion

Continued Growth of Recipients Entitled to Benefits

Reasonable Improvement of the Standards for Health Insurance Benefits

Implementation System for Coverage Expansion

Establish the Implementation Plan to Widen Coverage of the Uncovered Services Reflecting Public Opinion

HIRA has established a widened coverage of uncovered services to strengthen the health insurance coverage rate. In particular, it added the process of listening to public opinion in setting up a plan. In 2017, HIRA collected the opinions on diseases and recipients, which take precedence over other medically uncovered services in terms of insurance coverage. Also, it listened to the opinions of academic, civil associations, patient groups and reflected them in the detailed action plan and direction of the roadmap. The activities can be seen as an example of HIRA’s endeavor to directly communicate with the people, who are both medical consumers and recipients of the system. In the future, HIRA will be committed to securing the fairness and legitimacy of the coverage of uncovered services through various activities including ‘Consultative Body for Uncovered Services Management Policy’, ‘Citizen’s Council’ to heed various voices of stakeholders regarding uncovered service policy.

Implementation Plan to Widen Coverage of the Uncovered Services

Year	Key Areas/Subject	Consideration
2018	Diseases related to medically vulnerable groups such as the elderly, children, women, etc.	Relieve the burden of the medically vulnerable groups
2019	Serious illness	Increase the perception of people and lift the burden of medical costs
2020	The spine & musculoskeletal system/ pain disease	Lift the burden of medical costs by widening coverage to frequency used medical services
2021	Chronic illness	Reinforce essential medical services close to people’s lives
2022	Ophthalmology/Otorhinolaryngology, etc.	Despite its less perceived status, necessary for managing widen coverage.

* Subject to government policy changes

Improve Insurance Benefits Standards Reflecting National Demand

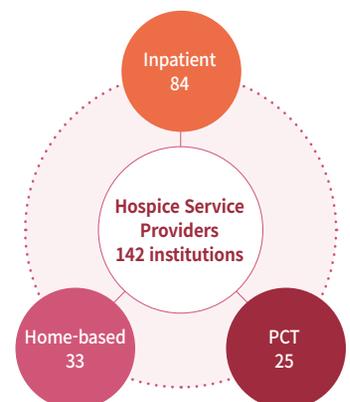
HIRA has improved the standards of health insurance benefits by proactively embracing public opinions and demands. HIRA actively collected public opinion in the process of improving the standards of health insurance benefits by means of online participation system for benefit standards, e-Voice system, application for medical fee checking, etc. through on/offline channels. As a result, we were able to identify 390 items required for improvements and expect to reduce the burden of medical expenses to around KRW 207.7 billion.

Continued Growth of Recipients Entitled to Benefits

Increased Hospice Service

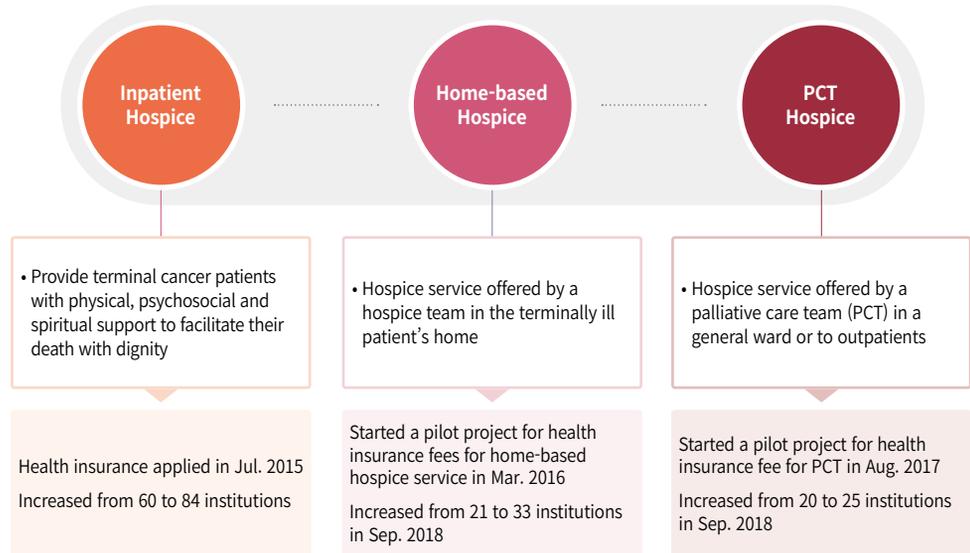
HIRA continues to increase a hospice service that actively controls the arduous symptoms and pains of terminally ill patient and alleviates the psychological, social and spiritual pains of patients and their families. HIRA also adopted a pilot project for health insurance reimbursement for home-based hospice and palliative care team (PCT) to ensure terminally ill patients’ rights to select treatment site and to maintain the consistency of care for discharged patients. In particular, HIRA has broadened the scope of the service not just to those with terminal cancer but also to those with AIDS, COPD, chronic hepatocirrhosis, etc. Home-based hospice is provided to patients who want to receive the service at home, and started from 21 institutions in 2016 and increased to 33 institutions in 2018. The palliative care team (PCT) offers hospice service in a general ward or to outpatients, and grew from 20 institutions in 2017 to 25 institutions in 2018. As HIRA has diversified the hospice provision systems including inpatient, home and PCT and widened the targeted diseases eligible for hospice, the number of insurance service users have increased from 6,265 in 2015, 15,292 in 2016 to 17,946 in 2017.

Hospice Service Providers



* As of the end of Sep. 2018

Hospice Service Types



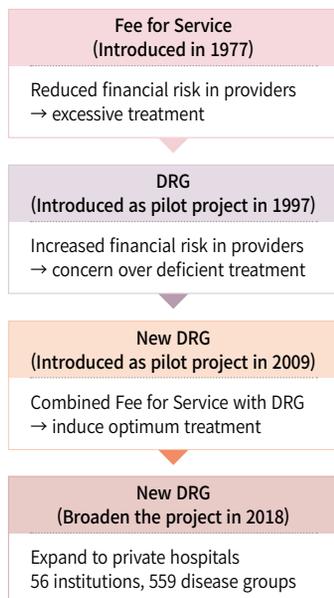
* Note 1) New DRG:
A system to group basic services as a diagnosis-related group system during the hospitalization period and make a separate calculation of the operation offered by doctors

Introduction and Enlargement of New Diagnosis Related Group System

HIRA has undertaken the pilot project of 2009 New Diagnosis Related Group System¹⁾. In 2018, HIRA is assessing the feasibility and possible application of new diagnosis related group system as a new payment model by further implementing it from public hospitals to private ones and seeking the ways to improve the system based on 'Measures to Broaden Health Insurance Coverages' proclaimed in 2017.

The pilot project of new diagnosis related group system started from 20 disease groups from 2009 to 559 disease groups in 56 institutions(including 12 private hospitals) in 2018. In this way, the portion of uncovered service fees has plummeted from 13.4% to 8.5%, thereby contributing to the increased coverage rate.

Background for New DRG



Status of New Diagnosis Related Group System in Progress

(Unit: institution, disease group)

Classification	Apr. 2009	Jan. 2016	Aug. 2018
No. of institutions	1(Ilsan Hospital)	42(public hospitals)	56(including 12 private hospitals)
No. of disease groups	20	559	559

Application Status of Diagnosis Related Group System in 2017

Total (case, KRW 100 million)		New DRGS (case, KRW 100 million)		Application Status (%)	
No. of cases	Medical costs	No. of cases	Medical costs	No. of cases	Medical costs
337,485	6,709	231,555	5,977	68.6	89.1

The Performance of the New Diagnosis Related Group System Project

(Unit: %)

Classification	Uncovered Service Fees		Coverage rate
	2012	2016	2016
Ilsan Hospital	16.1	10.4	79.4
Public hospitals (42 institutions)	13.4	8.5	77.9

Promoting the Coverage of Conditionally Uncovered Service

HIRA seeks to reduce medical expenditures of people and to reinforce health insurance coverage by covering conditionally uncovered service²⁾. Such as frequency, the number of diseases, indications, etc., HIRA has widened the insurance coverage focusing on essential medical services for 57 items out of in as many as 400 items by September 2018. In particular, as MRI and ultrasound are in the highest demand from the public to be covered, HIRA organized a task force to implement their insurance coverage by stages. The rest will be subject to a phase-out review by 2022 in continued consultation with medical circles.

As for drugs, HIRA promotes the coverage of conditionally uncovered service. The gist of the plan lies in reducing the medical expenses charged to patients to 30% from 80% for the all drug costs in items payable by patients. The targets for the coverage of the conditionally uncovered service include a total of 415 items (48 anticancer drugs, 367 general drugs). As of 2018, 101 items(17 anticancer drugs, 71 general drugs) have completed the review, It will be continued in stages by 2022 in consideration of the priority order by years. Furthermore, HIRA is involved in collecting opinions by holding a briefing session for relevant academia, health care organizations, pharmaceutical groups, and related agencies to promote sustainable benefits.

Disclosure of Uncovered Service Fees

In accordance with the Article 45 paragraph 2 of Medical Service Act and relevant laws, HIRA standardizes and discloses the uncovered service information of all sorts by different health care institutions to support people's right to know as well as the right to select medical services.

To do so, HIRA selects the items for disclosure in response to social issues and demands of the public and keeps on increasing the number of disclosed institutions and items. The organization unveiled 107 items for all hospital-level health care institutions in 2017, and raised the number to 207 items in 2018.

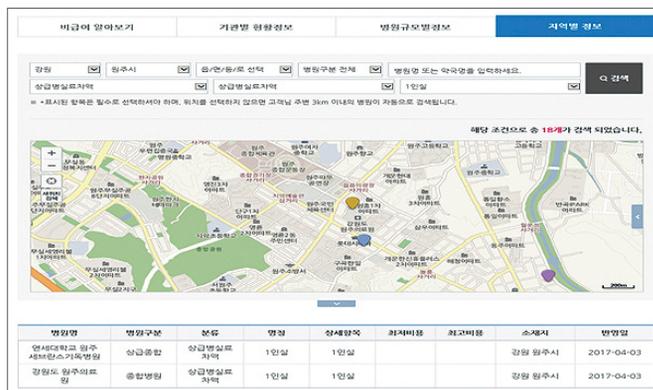
With a view to promote the use of the disclosure of uncovered service fees. HIRA is also engaged in heightening user conveniences such as the improved screen featuring the information to be a more user-oriented one and introduced location-based search services. Furthermore, the organization carries out PR activities through various channels and published periodicals, distributed leaflets to clinics throughout the country along with TV and radio PR campaigns. In addition, it did not neglect any field promotion activities as it took part in local donation events and made visits to health care institutions.

HIRA annually conducts a satisfaction survey on the disclosure service of uncovered service fees. Thanks to efforts to improve service and PR, the level of satisfaction rate keeps on rising, reaching the 83.8 point level in 2017, which is 4.3 points increase from the previous year.

* Note 2) Conditionally uncovered service: Items originally covered by health insurance but limiting the scope of benefits(such as indications, no. of diseases, etc.)

Roadmap for Extended Drug Coverage of Conditionally Uncovered Service

Year	Key Areas	No. of Items
2017	-	53
2018	Rare cancer, pediatric cancer	88
2019	Serious illness, other cancers	85
2020	Pain treatment, supplementary drug	72
2021	Chronic illness	67
2022	Ophthalmology/ Otorhinolaryngology, etc.	50
total	-	415



HIRA Website Screen of Disclosure of Uncovered Service Fees



Mobile App(Health Information) Screen of Disclosure of Uncovered Service Fees

Widening the Coverage for the Underprivileged

Subrogation Payment System in Emergency Medical Costs

Subrogation Payment System in Emergency Medical Costs is a social safety net to ensure the people's rights to access emergency medicine. This system pays for emergency medical expenses in advance for patients in need which are to be reimbursed later, without discrimination based on their gender, age, religion, social status or economic situation, etc. Subrogation payments have been made for 83,301 cases, worth KRW 39.46 billion for 23 years from 1995 to 2017 to support the underprivileged patients to receive timely treatments. Also, 47,011 cases worth KRW 24.66 billion have been treated as deficits disposal for economically vulnerable groups to exempt them from the obligation to repay their medical expenses. HIRA intensifies the promotion of the system to the public every year and plans to increase assistance to the underprivileged to use the emergency medical services in a timely manner.

Patriots and Veterans Review System

HIRA is responsible with managing the medical expense assistance for those who are designated as patriots and veterans. In fulfilling the duty, the organization carried out a commissioned patriots and veterans review in 2017, increasing the number of recipients under the title, and supports the relevant policies including the change in the types of the public funding for veterans and of medical costs borne by exempted patients. As of 2017, HIRA conducted reviews for 3.582 million cases amounting to KRW 409.3 billion.

Stronger Coverage System for the Underprivileged

HIRA is elevating the coverage rates for the underprivileged including the elderly, children, women, etc. For the elderly, it lessened their burden of medical costs in the field of dementia, dentures, etc. As for children, the hospital charges borne by children under 15 years old were reduced as well as some assistance for cavities prevention and treatment to ease the burdens. It also broadened the coverage of female-specific treatments such as the inclusion of subfertility operations to national insurance coverage and others.

Medical Expense Review for Less Privileged including Foreign Workers

HIRA also backs up the homeless, foreign workers and their spouses and children under the age of 18 in terms of medical services. It provides people deprived of the benefit of the medical insurance system with medical services necessary for them to lead a healthy life at the least.



Reasonable Improvement of the Standards for Health Insurance Benefits

Streamlining Health Insurance Listing Process and System Improvement

HIRA has streamlined the national health insurance listing process for the following purposes to minimize the burdens of medical costs on the general public due to a delay in coverage of new medical technologies or new drugs and facilitate timely medical treatment. For a new medical technology to be listed, it takes a maximum of 490 days for approval from the Ministry of Food and Drug Safety, checking for overlap with existing technology, new technology assessments, and the listing process. In 2017, it streamlined the introduction of new medical technologies to health insurance coverage by integrating approval and assessment of new technology with solidified co-op with relevant agencies, and the number of the insurance inclusion cases have increased by 47.1% compared to the previous year. Also, the reclassification of the complicated testing items allows the process to enable the listing of a new technology, if an identical testing principle with the existing one is applicable. In the future, HIRA is planning to implement: the conversion of in vitro diagnosis to 'first enter-post review', separate track to assess new medical technology, preparation of guidelines for innovative medical technology and assignment of preliminary codes, concomitant review of new medical technology assessment-listing, and others.

As for new drug listings, HIRA has reduced the time required for introduction to the health insurance by 10 days compared to the previous year by streamlining new drug listing process including exemption of drug economic feasibility assessment and skipping the drug price negotiations, etc. with the introduction of anti-cancer drug advance support service and the backup of application processes such as discussion meetings for the pharmaceutical industry and pharmacist training, etc. The organization plans to clarify the guidelines with economic feasibility assessment TF and come up with reasonable improvement methods and shorten the period from application for determination and deliberations through promotion of an approval-assessment linkage system.

States of Shortened Listing Period for New Drugs

Classification	Items(b)	Date of Assessment(a)	Average Listing Period(a/b)
2015	66 items	11,352 days	172 days
2016	37 items	6,290 days	170 days
2017	48 items	7,656 days	160 days

Better National Medical Services by Shortage Prevention Drugs Support

Shortage prevention drugs refer to indispensable drugs for patients' treatment but their production/import are normally avoided by manufacturers, OEM sellers, importers due to profitability, thus requiring some financial assistance to cover production/import costs. Therefore, the type of drugs is designated as shortage prevention drugs and some funding is supported to cover the costs so as to maintain their supply in the market and to ensure patients' access to such drugs. To ensure stable supply of the necessary drugs, HIRA has improved the management criteria for 'shortage prevention drugs' in September 2017. It secured the foothold for preferential drug price plan for low cost medicines with annual claims amount under KRW 100million and made it mandatory to report the discontinuation of production/import/supply of shortage prevention drugs 60 days prior to the termination. As of the first half of 2018, there are a total of 651 items being managed as shortage prevention drugs and we will continue to monitor the applications for designation of drugs and cost preservation.

Classification	2016	2017	2018 (1st half)
No. of items for shortage prevention drugs	789 items	813 items	651 items
Amounts claimed for shortage prevention drugs	KRW 457.6 billion	KRW 468.8 billion	KRW 240.2 billion
No. of patients prescribed with shortage prevention drugs	31.97 million	33.55 million	25.56 million



Awarded Prime Minister's citation for the contribution to the prevention of infectious diseases

Contribution to the Infectious Diseases Control Conference Hosted by the Korea Centers for Disease Control and Prevention



25.96 million

No. of Cases of the Use of Inappropriate Drugs



45 institutions

Online Birth Report System Participating Institutions

MATERIAL TOPIC

3

Realize Caring Medical Services for People and Society

Amid increasing public interest in safety and the emerging issue of 'Inclusion' such as social safety net in the current government's national policy, it is getting more and more important to advance the patient-oriented health care safety and infrastructure management system and establish a medical safety net for the less fortunate. In response, HIRA is committed to solidifying national medical safety and increasing public convenience with the public service innovation catered to the general public.

★ Materiality of Topic

HIRA's Management Approach

Fortify Medical Safety for the Public

Greater Public Convenience in Administrative Services

Personal Information Protection in Health Care Institutions

Fortify Medical Safety for the Public

Induce Health Care Institutions to Build Patient Safety Infrastructure

HIRA fosters a safer medical environment through measures such as patient safety management, dedicated staff allocation, stationing hospitalists¹⁾, the use of safe medical materials, etc.

Newly Establish Safety Management Costs for the Hospitalized	Expand the Pilot Project for Hospitalist System	Separate Coverage of Disposable Materials to Protect Patients from Contamination
Fund to build and maintain necessary infrastructure such as workforce, facilities, etc., in order to prevent patient safety accidents	Strengthen patients' safety by 24/7 stationing of hospitalists in hospitals to offer necessary treatment	Offer strengthened coverage for a greater patient's safety by reducing a possible contagion for the reuse of the disposable materials
<ul style="list-style-type: none"> Assign dedicated staff for patient's safety management 	<ul style="list-style-type: none"> Increase the hospitalist stationing status from 14 hospitalists in 7 hospitals to 56 hospitalists in 15 hospitals 	<ul style="list-style-type: none"> Compensate for proper pricing for 10 types of disposable items including disposable surgical drapes, hemostatic agents, etc. (72 businesses, 145 items)

* Note 1) Hospitalist: a dedicated doctor stationed in a hospital to take care of patients from their initial examination, state observation, consolation, to discharge plan, etc.

Advancement of Infectious Diseases Control System

Using DUR²⁾ system, HIRA has reinforced the system for infectious diseases control and prevention. It has advanced the early warning system for patient safety by increasing the number of diseases subject to monitoring, advancement of detection model, strengthening the response system.

To contain foreign borne infectious diseases such as MERS, HIRA also improved health care institutions' ability to control infectious diseases by promptly sending the entrants' data from a country where the disease broke out. HIRA offers the relevant information to health care institutions to enable the institutions to check suspicious symptoms of the disease such as fever in case that the entrants from the disease-prevalent country visit an institution within a certain period from the date of arrival in Korea. Furthermore, HIRA has included more infectious diseases such as Ebola(Congo), Lassa fever (Nigeria), pests(Madagascar) etc., to be subject to inspection and provide oriental medicine that is excluded from DUR check with the infectious diseases data to assist with the immediate response to the suspected symptoms.

Also, HIRA prevents inappropriate blood donation or body tissue transplants in advance by sharing real-time medication history data with the relevant agencies. It provides the Korean Red Cross with the daily lists of drug takers whose blood donation are prohibited due to 8 ingredients in their medication to treat psoriasis, acne, prostanomaly, etc. that may cause fetal abnormalities. In addition, HIRA is committed to protecting the health of the public and to increase their protection from inappropriate blood donation or body tissue transplants by providing human tissue banks with prospect donors' medical history, and their medication history including prohibited drugs for human tissue donation. This endeavor resulted in blocking 7,380 cases of inappropriate blood donation and blood distribution in 2017 and prevented 2,655 cases of improper human body transplants from occurring.

* Note 2) DUR: Drug Utilization Review



Awarded Prime Minister's citation for the Contribution to the Prevention of Infectious Diseases

The infectious diseases control conference hosted by the Korea Centers for Disease Control and Prevention (2017)

	Expand the Number of Infectious Diseases Under Monitoring	Advance the Detection Model	Advance the Containment System
Classification			
Detail	<ul style="list-style-type: none"> Widen the monitoring subjects to include non-seasonal infectious diseases, etc. 	<ul style="list-style-type: none"> Further develop the infectious disease detection model by applying the patient characteristics to the drug prescription/preparation data 	<ul style="list-style-type: none"> Identify the possible path to spread the infectious diseases and conduct an epidemiological survey by utilizing the suspected patient's hospital visit record
Performance	<ul style="list-style-type: none"> (existing) 3 types of seasonal diseases including influenza, Tsutsugamushi, hand-foot and mouth disease (Inclusion) Added 14 non-seasonal infectious diseases including chicken pox, tuberculosis, etc. 	<ul style="list-style-type: none"> infectious disease detection range rate improved by 6.8%p (50.8% → 57.6%), Detection accuracy improved by 2.6%p (93.2% → 95.8%) 	<ul style="list-style-type: none"> Utilize the daily date from the Korea Centers for Disease Control and Prevention in a quarantine of a risky area of disease and in conducting an epidemiological survey

Prevention of the Use of Inappropriate Drugs

Using DUR, HIRA has offered drug information such as prohibited ones, and induced doctors and pharmacists to voluntarily improve their behavior regarding the prescriptions and preparation of inappropriate drugs and cultivated a safer drug use environment by removing any blind spots evading DUR inspection. As a result, 25.96 million cases of inappropriate drug use have been avoided as of 2017.



25.96 Million Cases

No. of preventive cases of the use of inappropriate drugs (2017)

Support Administrative Dispositions of Drugs Disrupting the Distribution Order

A medical rebate is an unfair transaction culture of medical products stemming from the asymmetry between the subjects of consumption and the subjects to exercise the rights to select. In the end, the costs of rebate will be imposed on patients in the form of drug prices and it will accompany an increase of medical expenses. When informed of rebate cases from prosecutors and others, HIRA provides the Ministry of Health and Welfare with a review report encompassing the target, scope, scale, method, procedures, etc. of administrative dispositions in consideration of the relevant provisions and guideline details. As these efforts uproot the rebate practice and establish a sound medical product distribution order, they contribute greatly to the wholesome growth and development of the pharmaceutical industry and to the protection of medical consumers' rights by impeding the passing the buck of illegal rebates to the public under the name of drug prices with the lowering of the prices of the rebate drugs.

Expand the Real-time Drug History Tracking System

By establishing the drug serial number system¹⁾, HIRA prevents illegal drugs from being distributed and contributed to the furtherance of drug safety and a more transparent drug distribution. Especially in 2017, HIRA expanded the system not only to manufacturers and importers but also wholesalers, and organized a serial number stabilization TF to solidify the system introduction while running a consultative body to improve the serial number system to prepare for the response system to collect opinions from the field. With a view to offer the solution to various issues in the field, HIRA has improved business convenience by offering batch number guidelines and implemented a quick 1:1 Q&A service using the KakaoTalk platform to offer a custom-made, real-time consultations. As a result, HIRA prevented 2.5 million tablets in 7,591 cases of harmful drugs from being circulated in the market in 2017. The organization will lead the stable establishment of the system by executing intensive field monitoring as well as continued support such as system education and administrative information, etc.

* Note 1) A serial number system (real-time drug history tracking system): a system to track and manage drug history in the entire distribution chain including manufacturing, importing, and distributing by assigning a unique no. for a drug.

Drug Distribution Control and Information Provision Process



Prepare for the Basis for Community Care to Offer Opportunities for the Underprivileged

HIRA runs a pilot project for intensive care for the socially deprived who are in needs of rehabilitation and rehabilitation health care institutions for convalescent patients for region-connected community care. HIRA minimizes the disabilities by offering tailor-made rehabilitation care for convalescent patients from operations/treatment such as stroke and/or acute conditions in order to help them to return to their daily lives as soon as possible. It is also establishing an organic connection system with various community welfare system for patients to access after being released from the hospital. The system helps not only to contribute to the fundamental improvement of the rehabilitation medical service delivery system but also to support patients to lead their lives in their homes.

Moreover, HIRA manages long-term in-patients with low medical needs by conducting a nation-wide joint-health care institution visit mediation project through joint cooperation with insurance agencies. It helps to remove the blind spots for long-term in-patient management and offers a basis for linking the local community's care projects, thereby contributing to the smooth establishment of the community care policy.

Business Case

+ Elevating Medical Service Equity by Assisting with Labor Costs for Nurses in Medically Underserved Areas

Since March 2018, HIRA has undertaken a pilot project to help fund labor costs for nurses in medically underserved areas to provide an institutional foundation for securing appropriate nursing staff for regions. When a health care institution located in a medically underserved area hires additional nursing staff, the ensuing labor costs will be directly funded by national insurance to help them to hire more nursing staff. This project is expected to contribute to job creation, addressing the regional imbalance in the no. of nursing staff, and elevating the medical service equity.



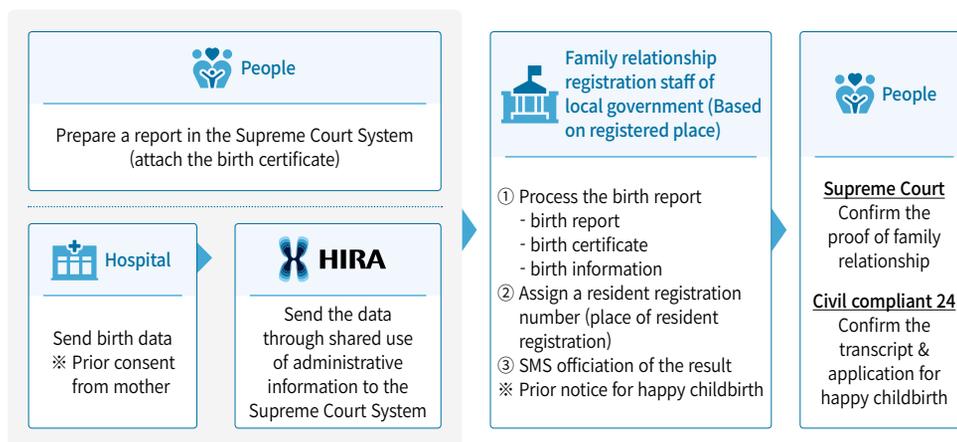
Greater Public Convenience in Administrative Services

Participate in Online Birth Report System, Happy Childbirth

HIRA has constructed an online birth reporting system since May 2018 to obviate the needs for parents of a newborn to visit a residence center in person but make a birth report online.

Online birth report was enabled by the online transmission of birth data by linking the Supreme Court’s e-family relationship registration system with HIRA’s DUR system through joint cooperation with the Ministry of the Interior and Safety and the Office of Court Administration. Online birth reporting system reduced the inconvenience of parents to visit the residential center and others with birth certificates for reporting the birth of their child, and helps to prevent false birth reporting for fraudulent child care benefits by linking the treatment data. As of September 2018, a total of 45 hospitals partook in the online birth report projects and there will be more hospitals as additional support such as system-connected assistance will be offered to newly joined hospitals.

Process of Online Birth Report Process



Increased Customer Benefits by Disclosed Auto Insurance Data

In March 2018, HIRA developed a payment guarantee data relay system that exchanges the payment guarantee data with insurers and financial cooperatives on a real-time basis, and launched a pilot service of the payment guarantee data relay system for three insurance firms from May 14, 2018. This procedure was previously undertaken by health care institutions to confirm a patient’s insurance eligibility from 19 insurers with phone calls and now HIRA has enabled them to request for payment guarantee and confirm the results via HIRA’s portal. As of November 2018, around 6,300 cases were accessed in this way by 922 institutions with a 16% decrease in erroneous medical expense claims and it minimized the time required for patients insured by an auto insurance policy to see a doctor via a real-time auto insurance eligibility check.

In response to the increasing demand for access to the treatment data of patients insured by an auto insurance policy, moreover, since November 2018, HIRA has introduced a ‘Medical care Information Reference’ via auto insurance service to allow for one to immediately inquire about medical care related to auto insurance on its website. It allows for immediate access to medical care information including institution name, commencement date of medical care, days of inpatient and outpatient care, insurer name, total medical expenses, etc. after identifying the patient via an authentication process. As the service facilitates easy and prompt access to daily information that can be used as evidence of the treatment of car accident patients, it is expected that it will further enhance people’s rights to know and establish a sound claim order of health care institutions.

Personal Information Protection in Health Care Institutions

Health Centers, Hospitals and Pharmacies' Self-Regulation on Personal Information Support Service

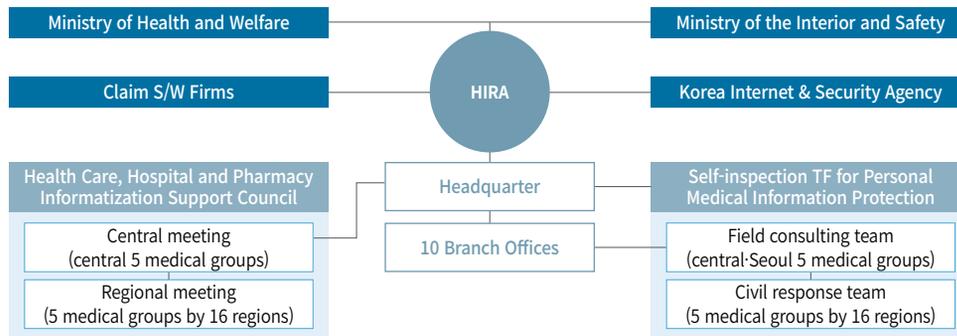
HIRA is implementing a range of tasks to establish a voluntary information security culture for national medical care data and to improve the level of data protection in hospitals, clinics and pharmacies throughout Korea. In fact, there is a recent report indicating that the medical industry is the largest target of crime involving personal information leakage with a 41% average annual increase of security incidents, and the threat of crime is growing continuously owing to the development of the medical IT and the influence of the 4th industrial revolution. Thus, HIRA fully recognizes its social responsibility as a public organization specialized in healthcare fields and has been regularly encouraging and assisting hospitals, clinics and pharmacies to protect their patients' personal information in cooperation with medical and pharmaceutical bodies.



92.6 Points

Personal information protection level in health care institutions (2017)

Cooperation System



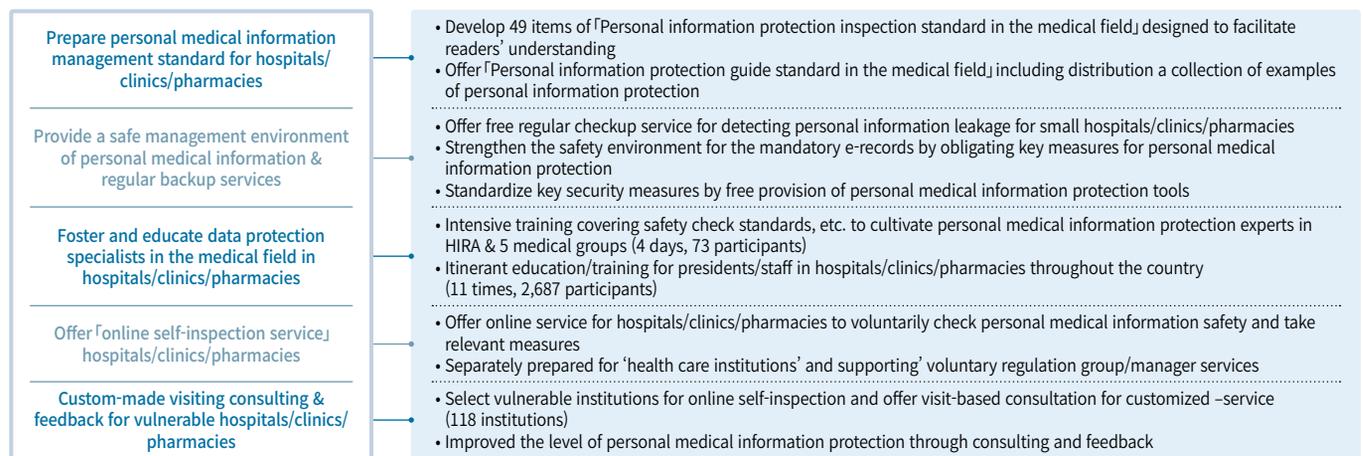
2017 Excellent Organization to Support Autonomous Regulation of the Personal Information Protection

By the Minister of the Interior and Safety(2017)

* The only professional organization to receive the citation.

Key Services of Self-Regulation for Personal Information Protection in the Medical Field

With the private-public cooperation system, HIRA is readying itself to uphold the management standards of personal medical information for hospitals, clinics and pharmacies, and offers services such as online self-inspection service and consultation visits. As a result, HIRA has been designated a 'specialized organization for personal information protection in the medical field' by the Ministry of the Interior and Safety, and successfully guided 65,226 institutions nationwide to voluntarily participate in self-inspection, which resulted in 63,696 institutions completing the inspection process with HIRA's transmission of specialized know-how to boost medical information protection in 2017.





219 people

Innovative Private Sector Job Creation



294 people

Socially Equitable Employment



318 people

Switching Non-regular to Regular Employees

MATERIAL TOPIC

4

Generate High-quality Jobs based on Innovative Growth

In line with the labor environment change originated from the government's intensified demand for socially equitable employment, a rise in minimum wage, and shorter working hours, public organizations are expected to generate economic progress, and at the same time, realize social values through quality job creation. Hence, HIRA underpins its effort to implement the conversion of contingent jobs to regular ones, and to spread favorable work culture for job sharing via job creation strategies. In addition, it takes advantage of its specialization in generating more jobs in the healthcare field while remaining actively engaged in employment generation in regions by founding a cluster to build a mutually beneficial relationship with local communities.

★ Materiality of Topic

HIRA's Management Approach

Job Creation Promotion System

Increased Employment Stability by Converting to Full-time Status

Strengthen the Social Safety Net through Socially Equitable Employment

Support Job Creation in the Private Sector

Job Creation Promotion System

Establishment of Job Creation Promotion Strategy

HIRA has established a job creation promotion strategy so as to secure its position as a leading organization in employment generation by creating quality jobs and improving the quality of employment. HIRA has sought effective job creation methods by conducting a multi-dimensional analysis of the internal environment such as management conditions and specialized tasks, and the external environment such as healthcare trends and local community and linked them with its management strategies, thereby reinforcing the driving force for the strategy.

Job Creation Promotion Strategy System

Goal	Realization of Social Values by Generating High-quality Jobs			
Strategies	Create Quality Job Within HIRA	Job Creation for Improving Quality of Life	Private Sector Job Creation Based on Specializations	Mutual-Growth Based Business Ecosystem in Private Sector
Main Activities	<ul style="list-style-type: none"> Conversion of non-regular to regular workers through cooperation Generate quality jobs by improving working conditions Improve recruitment practices to normalize HR management 	<ul style="list-style-type: none"> Create quality jobs by striking a balance between work and family Spread a reduced working hour culture for job sharing Generate diverse jobs satisfactory for workers 	<ul style="list-style-type: none"> Job creation to reinforce firms' unique features Expand the scope of new jobs by future-oriented innovation Strive to create job by stimulating innovative startups 	<ul style="list-style-type: none"> Job creation in local community by forming clusters Good job creation by realizing social values Sharpen partners' competitiveness & improve their working conditions

Innovative Private-sector Jobs Generation

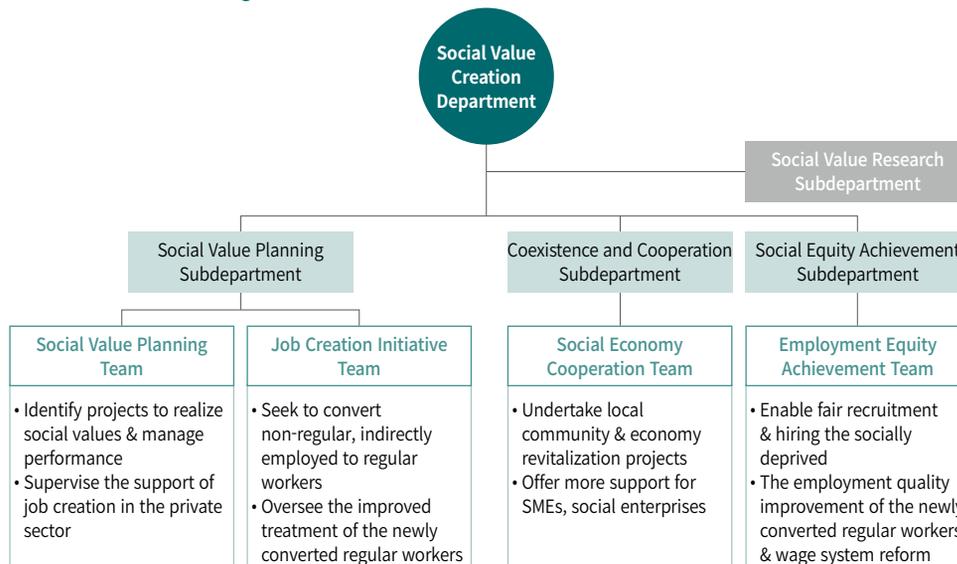
(Unit: person)

Classification	2017
Medical Equipment Consulting	40
Healthcare Big Data Startup Support	43
Laundry Collection	16
Visiting Car Wash Service	11
Export Agreement with Bahrain	109

Building a Governance for Promoting Job Creation

For active implementation of job creation activities, HIRA formed a dedicated TF for job creation promotion in 2017, and revamped the relevant organizations and task undertaking system to enable preemptive response and effective performance, and launched Social Value Creation Department. In addition, it operated the deliberation council on conversion to regular jobs and working level council to convert to regular jobs so as to ensure rational/organic process of the conversion from non-regular to regular employees.

Governance for Promoting Job Creation



Increased Employment Stability by Converting to Full-time Status

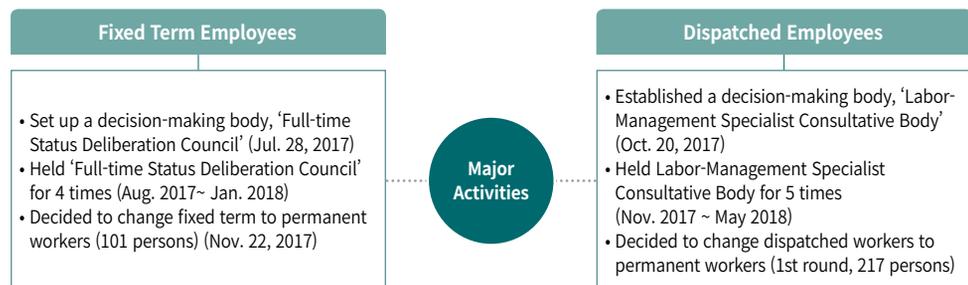
Promote the Transition of Temporary to Permanent Workers

To promote the conversion of non-regular to regular employees in consideration of employment stability and equity, HIRA established a transition plan to full-time status building on the government policies and organizations' conditions and actively collects feedback of various stakeholders. It attempts to improve the quality of employment and to sharpen the competitive edges of the organization through the virtuous cycle of 'conversion to full time → better treatment → worker's morale support, greater sense of belonging(responsibility), organizational commitment.' In addition, HIRA's effort to improve the treatment of non-fixed term workers led to several changes: the term of 'non-fixed term' was changed to 'operational' to remove any discriminatory factors.

No. of Employees to Gain Permanent Status

(Unit: person)

Classification	2017	2018 (1st half)	cumulative
The number of people	101	217	318



Future Plan

In the latter half of 2018, HIRA will deliberate on changing the status of temporary dispatched workers to permanent in the field of pending professions including computerization and call centers, etc., (2nd round), and the number of employees to gain permanent status will increase according to the result of mutual agreement made by the decision-making body. With the fully-fledged adoption of 2019 'pre-qualification system of contingent workers' employment', it will establish the principle of recruiting permanent workers and inspect the needs to hire contingent workers. Aside for this, HIRA will continue to strive to eliminate discriminatory factors.

Socially Equitable Employment Status

(Unit: person)

Classification	2017
People with disabilities	10
People of national merit	27
Career interrupted women	33
Local talent	224

Strengthen the Social Safety Net through Socially Equitable Employment

Increase Social-Equitable Employment

HIRA is dedicated to reinforce the social safety net by means of proactive employment of the socially deprived class such as the provision of preferential treatment for people with disabilities and men of national merit with a max. 10% of additional points. It also exerts a range of efforts to promote young unemployed workers' employment through experience-type/employment-type internships, increased added points for young interns for regular job offerings (3%→5%), and revitalization of Local Talent Recruitment trips in Gangwon-do. As a result, the organization was selected as an Excellent Youth Employment Organization for 3 consecutive years by the Ministry of Employment and Labor.

Future Plan

HIRA plans to make the recruitment for people with disabilities and men of national merit during the latter half of 2018 and offer preferential, supplementary points to career interrupted women for the positions involving the flexible work hour system. Also, it continues to participate in recruitment trips to recruit, promote and educate local talent while continuously offering various support to increase more employment of local talent.

Support Job Creation in the Private Sector

HIRA intends to take a lead in realizing social value by generating quality jobs in the private sector. In 2017, the organization's will was translated into the promotion strategy and direction to create jobs in the private sector in 2017, and was fully committed in holding a declaration ceremony to avow private employment generation in January 2018.

Strategy Scheme for Private Sector jobs Creation

Goal	Realize Social Values by Creating High-quality Jobs in Private Sector and Improving Quality	
Strategies	 Job Creation in the Healthcare Field	 Job Creation in Local Community
Action Plan	<p>Optimize its own prowess Conduct and improve specialized business Policy development and support Increased work efficiency</p> <p>Future Innovation Projects Big Data Utilization Participate in next-generation national projects Reinforce export</p> <p>Reinforce competitiveness and job quality of subcontractors Higher competitiveness Better work quality</p>	<p>Construct the IAG Cluster for Youth Employment Training based on IAG cooperation Foster local talent</p> <p>IAG Cluster for locally specialized industry Industry support Link between innovation city-neighboring areas Support region-linked education</p> <p>Projects to support the underprivileged Participate in facility operation Strengthen social contribution activities Revitalization of social economy</p>

Utilize Specialty in Generating Jobs in the Healthcare Field

HIRA bolsters a virtuous cycle system by leveraging its prowess such as review, assessment and policy development to creating jobs and concurrently endeavors to generate jobs in new future industries by exploring the leading business of the 4th industrial revolution as shown in its public Healthcare Big Data. It takes the initiative to provide quality jobs in the field by making a concerted effort in supporting subcontractors to raise their competitiveness and working conditions.

Job Creation Activities in the Healthcare Field

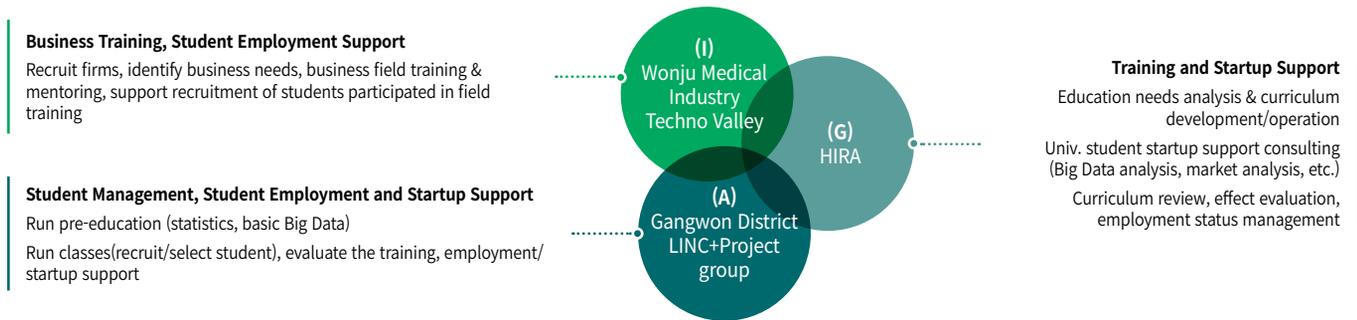
Fortify its Own Business	Project Execution and Expansion	<ul style="list-style-type: none"> New media promotion project Expand employment by preferential drug price treatment for globally innovative new drugs Broaden the no. of private hospitals practicing new diagnosis related group system Increase uncovered services information disclosure project Move the public DUR education forward to the national level Broaden the operation of a real-time drug serial no. system Induce more employment through patients' experience review Recruit specialized manpower to check the reliability of the review data 	Future Innovation Projects	Healthcare Big Data	• 5 Startups and job creation
	Project Improvement	<ul style="list-style-type: none"> Redesign the website/mobile service for better public service Build an adverse drug reaction monitoring system Expand the real-name system for medical cost claims Produce a review demo program and upgraded intro video Prepare a reward system for securing manpower 		Join the National Projects	• Participate in 'the next-generation bio and health industry ecosystem cultivation project'
	Policy Development and Support	<ul style="list-style-type: none"> Expand types and organizations offering hospice and palliative care service Improve the fee schedule to secure the sufficient level of medical manpower - Newly develop a fee schedule for administrative costs for exclusive night-shift nurses, hospitalists, etc. Expand the recruitment of medical staff with the establishment of patient safety standards 	Strengthen the Competitiveness and Job Quality in Subcontractors	Overseas Export	• Job creation in four firms with overseas export to Bahrain
	Work Efficiency	<ul style="list-style-type: none"> Manpower to improve the AI-based review system 		Support IT firms exported to Japan by providing the non-exclusive license to implement patents	

Building a Foundation for Increased Employment in Local Community

Foster Customized Young Talent

HIRA has prepared a job generation system for young people by building an industry-academia and government cluster so as to match the demands of local community less favorable for talent cultivation and the needs of young jobseekers who are usually deprived of opportunity to receive tailor-made education in the medical field. It formed a joint partnership with LINC+ Project Group from Yonsei University, and Wonju Medical Industry Techno Valley (WMIT) whereby the industry and academia select the field practice topics with the support from HIRA for attaining results. As a result, it provides local universities and the industry with tailor-made training and establishes a virtual cycle system that promotes job creation for young people as the participants of the project would be hired to business or start their own business while businesses can secure talented employees.

The IAG Cluster Structure



Implementing the Local Underprivileged Support Project

Create Private Sector Jobs through Convenience Services & Facility Operation

HIRA helps the local community to increase jobs in the private sector by engaging the less fortunate in running convenience service and facilities to improve the residential conditions of the Innovation City. For example, through consultation with the Korea Labor Force Development Institute for the Age(4 times) , it concluded a contract with the Korea Labor Force Development Institute for the Aged to conduct daily life-related services such as car washing, and laundry collection and delivery, etc. and consequently generated new jobs for 27 including 16 engaged in laundry collection and 11 engaged in car washing service in 2017.

Discover Social Contribution Activities for Jobs for the Less Fortunate and Local Economy Revitalization

HIRA intends to bolster social contribution activities to create social value and revitalize the local economy. In particular, HIRA’s homeless rehabilitation program helps the homeless to find shelter by offering a place to stay and to reengage with society with an opportunity to learn cutting-edge urban agricultural technology (crop cultivation) based on IoT. In the future, HIRA will continue to select and implement social contribution activities to create social values by examining its activities from the viewpoint of the local economy.

Revitalization of Social Economy

HIRA exercises a leadership role in revitalizing a social economy as it supports social enterprises to widen their market by promoting purchases from social enterprises and cooperatives. Also, it fulfills its social responsibility as a public organization having moved to a regional area by preferential purchase of local specialty products from local businesses, and regularization of Wonju City direct-trade market among others.

Business Case + Discover Excellent Internal and External Projects for Job Creation and Support Startups

With a view to taking the initiative to create jobs, HIRA organizes a ‘Startup Idea Competition’ for the general public and ‘Private-sector jobs Creation Contest’ within the organization.

Startup Idea Competition

HIRA holds a competition to discover and support startup ideas that make the most of HIRA’s Healthcare Big Data covering medical information, medicine, treatment materials, medical resources, etc. The winning teams will have an opportunity to use its Healthcare Big Data Analysis Center and be closely supported with Big Data analysis suited to business models. The Grand Prize Winner of the 2018 competition, the <The Establishment of Blood Donation Platform using ICBM¹⁾ Technologies such as Big Data and Mobile²⁾>, was assisted with the mentoring from startup experts as well as advice to guide its marketing strategies in the ‘Championship of the Inter-government Public Data Utilized Startup Competition’, and subsequently materialized its business model. As a result, it won the ‘grand prize in the idea and planning sector’. HIRA will continue to uncover innovative ideas and various startup business models and support them to develop into successful enterprises.

Private-sector Jobs Creation Contest

HIRA conducts the HIRA Private-sector Job Creation Contest to further the implementation of existing projects regarding private sector jobs and discover excellent business ideas for jobs in the private sector. In 2018, it increased the voluntary participation of the employees by adopting the rule of voluntary participation by different departments and received a total of 10 projects (5 new and 5 existing projects). The assessment is based on the feasibility to achieve the objectives, how innovative is the means, and co-op with other departments, and the winners will be awarded according to the final assessment results.



2018 Startup Idea Competition

* Note 1) ICBM: IoT, Cloud, Big data, Mobile/5G

* Note 2) The Establishment of Blood Donation Platform using ICBM Technologies such as Big Data and Mobile (Team name: Red Connect): A platform service that realizes social value by promoting blood donation using various disease data.

CORPORATE ACHIEVEMENTS

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Governance

Operation of BOD(Board of Directors)

BOD Organization and Appointment Procedure

The Board of Directors is organized by 4 executive directors including president, and 11 non-executive directors. In addition, the president concurrently holds the position of chairperson. The BOD is established in accordance with 「Act on the Management of Public Institutions」, 「The National Health Insurance Act」 and 「The Articles of Incorporation of HIRA」, and the president will be appointed by the President of the Republic of Korea upon the recommendation of the executive recommendation committee and the nomination by the Minister of Health and Welfare. Executive directors are selected by the president upon the recommendation of the executive director recommendation committee, whereas non-executive directors are appointed by the Minister of Health and Welfare upon recommendation by the medical, labor, consumer, industrial, and government sectors in accordance with 「The National Health Insurance Act」 and 「The Articles of Incorporation of HIRA」.

Board of Directors

(As of Oct. 2018)

Classification	Name	Term	Key Experience
Executive Directors	Chairperson	KIM, Seung-Taik	Mar. 2017~Mar. 2020 Current president of the Health Insurance Review & Assessment Service(HIRA) Former president of Chungbuk National Univ.
	Executive directors	KIM, Sun-Min	Apr. 2018~Apr. 2020 Current Executive Director of Planning, HIRA Former regular member of the examination committee, HIRA
	Executive directors	SONG, Jae-Dong	Sep. 2018~Sep. 2020 Current Executive Director of Benefit Management, HIRA Former General Manager of Planning & Coordination Dept., HIRA
	Executive directors	CHOI, Myung-Rye	Dec. 2016~Dec. 2018 Current Executive Director of Review & Assessment, HIRA Former Director General of Pharmaceutical Benefits Department, HIRA
Non-executive Directors		NOH, Hong-In	Jan. 2017~ Current Director of Health Insurance Policy Bureau, Ministry of Health and Welfare(MHW) Former Senior admin. officer at the Health & Welfare office of the Presidential Secretariat
		LEE, Ik-Hee	May 2018~May 2020 Current Executive director of Planning, National Health Insurance Service(NHIS) Former Head of Busan District Office, NHIS
		SUH, Jin-Soo	Jul. 2018~Jul. 2020 Current Vice-chairperson of Insurance, Korean Hospital Association(KHA) Current Chairman of Inje Univ. Ilsan Paik Hospital
		BANG, Sang-Hyok	Jul. 2018~Jul. 2020 Current Vice-president of the Korean Medical Association(KMA) Former Executive director of Planning, KMA
		MA, Kyung-Hwa	Jul. 2018~Jul. 2020 Current Vice-president of Insurance, Korea Dental Association(KDA) Current Member of the Health Insurance Policy Deliberative Committee
		OH, Soo-Suk	May 2018~May 2020 Current president of the Korean Medicine Policy Research Institute of the Association of Korean Medicine Former Vice-president of the Association of Korean Medicine
		PARK, In-Choon	May 2018~May 2020 Current Vice-president of the Korean Pharmaceutical Association Current Member of the Health Insurance Policy Deliberative Committee
		KIM, Kyung-Ja	May 2018~May 2020 Current Senior vice-chairman of the Korean Confederation of Trade Unions(KCTU) Former Senior vice-chairman of KCTU
		RHU, Kee-Jung Senior non-executive director	May 2016~May 2019 Current Managing director of the Korea Employers Federation(KEF) Former Member of the Health Insurance Policy Deliberative Committee
		CHO, Yoon-Mi	May 2018~May 2020 Current Executive director of the Korea Consumer Rights Forum Former Co-president of the Green Consumer Network
		KIM, Soon-Ae	May 2018~May 2020 Current Chairperson of the Korean Women Peasant Association Former vice-chairperson of the Korean Women Peasant Association

Subcommittees under the BOD

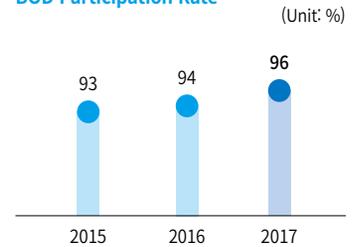
The BOD encourages the participation of non-executive directors in the management activities through the organization of the executive recommendation committee and the recommendation of non-executive directors of the Healthcare Review and Assessment Committee (HCRAC), while enhancing the expertise and effectiveness of management activities at the same time.

Classification	Role	Organization	Key Performances in 2017
Executive recommendation committee	Matters related to recommending the president or auditors, etc.	Chairman: non-executive director - non-executive directors: between 1/2 and 2/3 of the total no. of directors.	Held twice - Recommend the candidates for the president and auditor
Executive director nomination committee	Matters related to recommending candidates for executive directors, etc.	Two non-executive directors participated in the committee as members	N/A
Auditor nomination committee	Auditor nomination, etc.	Chairman: non-executive director- standing auditor, 11 non-executive directors	Held twice - Appointment of auditors, etc.
Healthcare Review and Assessment Committee (HCRAC)	Nomination of candidates for non-executive directors, etc.	Agenda items for BOD	Held twice - Recommend non-executive assessment members, review members

BOD Activities

As the primary decision-making body to set the direction of business via deliberation on and resolving important matters including economic, environmental and social topics, the BOD assumes various important roles such as balancing different opinions among various stakeholders. In principle, the BOD convenes biannual meetings and holds extraordinary meetings, if necessary. A resolution is passed by more than a half of votes of the registered directors. In 2017, a total of nine BOD meetings were held to make resolutions for 25 items including management goals and the budget, and the attendance rate marked 96%.

BOD Participation Rate



Key Resolutions made by BOD in 2017



- Draft management contract with the president
- Draft to consign the medical expense review of the recipients of patriots & veterans' exemption (bereaved family, etc).
- Preliminary convention for management performance of the head of organizations
- Admin. system/HR/wages/fiscal rules and regulations, etc.
- 2018 Business plan and budget

Diversity and Independence of BOD

The BOD consists of directors with diverse expertise and experience in diversifying the recommendation organizations and associations covering broad fields including medical, pharmaceutical communities, NHIS, labor unions, employers' organizations, agricultural and fishers organization, consumers' organizations, etc. Furthermore, the BOD's independence is ensured by operating the executive recommendation committee and executive director nomination committee so as to fulfil their obligation to guarantee checks and balances, and if some directors prove to have some vested interest in a specific issue, their voting rights will be limited.

Promoting Non-executive Directors' Participation in Management

Based on their expert knowledge and rich experience, non-executive directors take part in advancing our business including partaking in various committees and advisory activities, among others. With a view to encourage their participation in HIRA's management, the organization supports them by providing supporting materials for agenda items prior to BOD meetings and sharing major current management issues on a regular basis via on/offline channels, and collects their suggestions to reflect in HIRA's management activities. In addition, the organization assigns them with certain powers such as rights to request for auditing or materials/sources so that reasonable decisions can be made.



9 Times Held
25 Items Discussed
2017 BOD outcomes

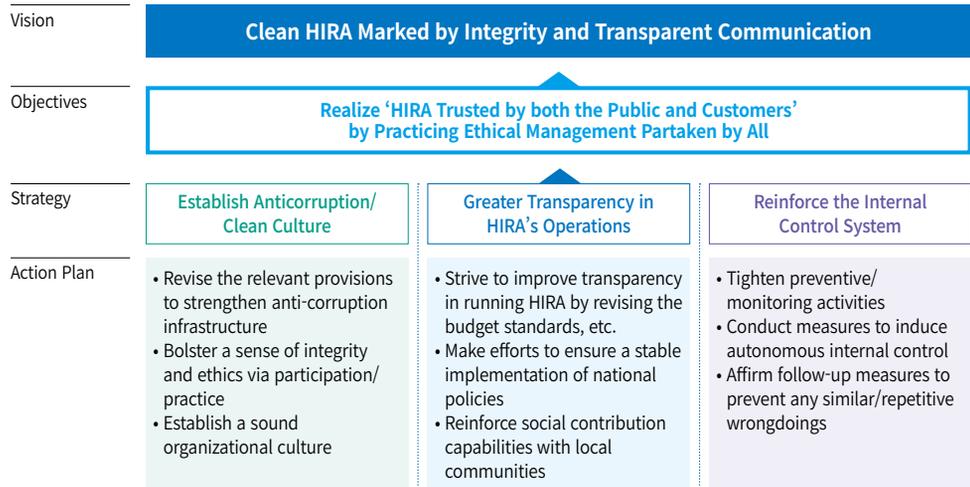
Assessment of BOD

Through government-led management assessment and internal evaluations, the HIRA conducts assessments of members of the BOD on an annual basis. The president seals an agreement on management objectives to be achieved during his/her term of office with the Minister of Health and Welfare and receives a performance-based annual salary in accordance with the results of the management performance evaluation. Executive directors sign performance contracts with the president and are paid differently depending on their actual performance. As for non-executive directors, their tenures will be determined by their job performance and they are paid in terms of service allowances.

Ethical Management

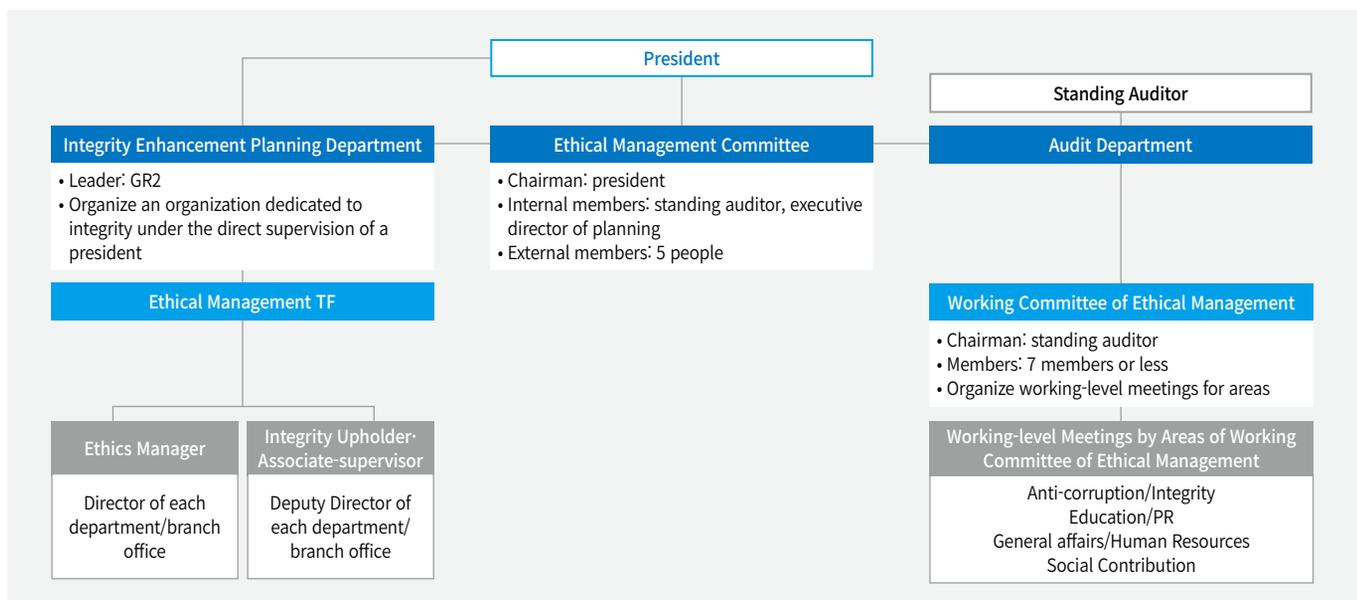
Implementation System for Ethical Management

With a view to become an organization of high integrity that is trusted by both the public and health care institutions, the HIRA establishes ethical management visions and strives to spread clean and uncorrupted culture.



Organization for the Implementation of Ethical Management

To consolidate its basis for ethical management, HIRA reshuffled its organizational structure in 2018 by merging the former integrity improvement team and the organizational culture team into an Integrity Enhancement Planning Department under the direct supervision of the president. It operates an ethical management committee presided over by chief executive officer to determine major policies and deliberate/vote for existing/revision of ethical rules and regulations, while reviewing the practices of the introduced agenda items by Working-level meetings by areas of Working committee of Ethical Management in order to ensure its effective operation. Aside from this, it runs an independent audit organization under the direct supervision of the standing auditor to further enhance the independence/objectivity of the audit work.



Principles of Ethical Management

By establishing the Charter of Ethics, a fundamental barometer for ethical management, HIRA expresses the commitment of its employees toward putting the principle of integrity into practice for the stakeholders. Also, the Code of Conduct for employees is continually being revised to reflect and propose the standards for ethical value judgment and actions that should be observed in performing their duties. Moreover, to enhance the transparency of public societies and realize a clean HIRA, the organization requires all employees to implement a pledge of integrity and executives and the 1st GR level managers to sign the pledge of integrity for inclusion into the Code of Conduct, and in particular, have senior executives conclude integrity agreements.

Ethical Management Monitoring System

Reinforced Monitoring by Expanding the Participation by Internal & External Managers

HIRA oversees the monthly Integrity Day by internally nominating exemplary managers at the managerial level and identifies the areas of improvement by holding an integrity policy review session or debate. In addition, it designates an integrity upholder for different departments so as to play a role of checking and improving corruption vulnerabilities within the organization.

In an effort to strengthen its transparency, it also appoints external healthcare experts as civil auditors for integrity and expands their involvement in auditing activities in areas where specific social issues have occurred, and reorganizes institutions in accordance with the advice on the institutional improvement for the corruption vulnerable areas.

Establishment of a Feedback System Based on Ethical Level Diagnosis

Each year, HIRA diagnoses the current status of its ethical management and identifies the vulnerable areas by measuring the level of integrity and ethics of employees and conducting an assessment of the ethical management system/organizational culture. The areas of improvement derived from these activities will be shared by every employee, and HIRA is also engaged in a range of activities for integrity such as ethical training tailored to its employees to improve its system and institutions. In 2018, HIRA carried out preliminary diagnosis on the integrity awareness for its customers and used the results as the basis to build a response system that reflected customers' needs. Its endeavor to enhance the organizational integrity and to inculcate the culture of integrity upon the organization was evident in its reinforced integrity feedback system such as a newly established reward system.

Diagnosis of Ethical Level

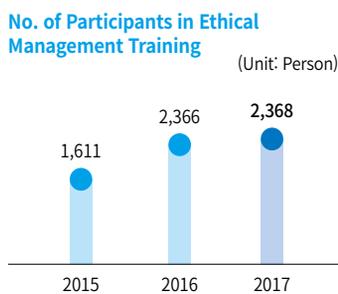


Ethical Management

Strengthened Capability to Realize Ethical Management

Exercise Integrity leadership

HIRA carries out a range of activities to improve integrity among high-ranking officials and establish a positive organizational culture by taking initiative. HIRA leaves no stone unturned in fostering and promoting a corruption-free public society by direct involvement of the chief executive officer in orchestrating ethical management such as CEO Integrity & Innovation Reporting Convention and by mandating executive directors to sign the integrity agreement to proclaim their commitment to clean and transparent management practices. Furthermore, the organization introduced more stringent control over corruption in high-ranking officials by providing them with workshops on the current status of varying awareness by different positions, and reflecting any disciplinary actions and consequences in their performance assessment classes, etc. As a result of these efforts, the outcome of its self-conducted high-ranking officials' integrity assessment rose to 9.78, a 0.01 point increase from the previous year.



Strengthen Ethical Management Education and Training

To internalize ethics among its employees, HIRA has different ethical management education and training programs in place: under the supervision of the CEO and the union head, they offer individualized ethics education & training for employees with different ranks, respectively; also offered by the audit department is year-round, regular online integrity/ethics training, covering various topics including revitalization of corruption reports, public reporter protection system, and laws regarding prevention of dishonest solicitation, etc. and each department has customized ethics training of its own. In addition, HIRA also provides 1:1 ethics mentoring for new employees so as to establish the right ethical awareness from the beginning. Also, it has reinforced the communication between different ranks/intergenerational communications to raise awareness on 'unjust work instructions.' In order to create a clean organizational culture, it held a training session for 'fairness in work instruction', which is a vulnerable area in terms of internal integrity, to clarify the relevant concepts and to share examples.

Spreading Ethical Culture

Raise Ethical Awareness for Employees

HIRA undertakes a variety of activities to spread ethical management culture and to establish a clean organizational culture.

 <p>Induce Voluntary Ethical Activities</p> <ul style="list-style-type: none"> • Encourage the spread of integrity culture with voluntary operation of 'Integrity Day' • Pursue voluntary integrity tasks and spread model cases • Award employees with an opportunity to join overseas anti-corruption programs based on the integrity mileage system 	 <p>Improve Organizational Culture</p> <ul style="list-style-type: none"> • Encourage employees to suggest good alternatives via an anonymous notice board • Run 'Hungsimso' (employee's communication channel) to boost their pride in HIRA • Recommend to abolish unagreed, or non-transparent contribution culture • Execute a campaign to make HIRA as one's source of pride. 	 <p>Greater Exposure to Integrity Materials</p> <ul style="list-style-type: none"> • Prepare and distribute leaflets covering integrity activities • Print the Code of Conduct and Charter of Ethics in official employee handbook • Prevent illegal/corruptive behavior by sharing disciplinary actions or measures 	 <p>Facilitate Employees' Communication</p> <ul style="list-style-type: none"> • Prevent any illegal/unethical behavior in advance by operating an anonymous reporting system, 'Red Whistle' • Continuously identify areas for improvement in the ethics discussions for all employees in the presence of CEO • Share the performance of voluntary integrity projects, and model examples in strategic meetings
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Expanding Internal and External Stakeholders' Participation and Joint Cooperation

HIRA broadened its communication channel with internal/external stakeholders including holding a round-table conference with various stakeholders such as those from the medical and pharmaceutical communities, policy customers, consultation visits and operation of training courses, etc. The channel helps us to run an integrity feedback system that offers prompt feedback to various issues encompassing pricing criteria improvement on medicine and medical materials, and rationalization of benefit standards, etc., by understanding the needs of stakeholders based on their diverse opinions obtained from the channels. Also, the company has established 'Gangwon Integrity Cluster' in joint cooperation with 16 public agencies in Gangwon-do and contributes to the establishment of an atmosphere of community integrity with its measures such as sharing anti-corruption measures and running an integrity campaign.

Reinforcing Internal Control

Operate the Enterprise Risk Management System

HIRA has established a proactive risk management system to effectively manage potential risks arising in the process of attaining its strategic agenda. In particular, it built the strategic agenda to respond to future environmental changes based on the analyses of core potential risks by different businesses. It also connected its internal audit activities with the enterprise risk management system and prepared an enterprise risk management manual to bolster its capabilities to handle risks.

Risk Management Process



Internal Control System Operation

HIRA has established the three internal control strategies including ‘high quality audit building on professional competency’, ‘reinforce risk-based, preventive audits’, and ‘secure sustainable internal control with systemic feedback.’ To achieve effective internal control, in particular, the organization undertook a thorough overhaul on risk factor checklists to control innate risks, and broadened a semi-auditor system to boost autonomous preventive activities by department, and carried out actual audits (specific, comprehensive, regular, service) 37 times (15 times more than the annual schedule) in 2017, and based on the three internal control strategies, HIRA is planning to undertake measures including heightened regular monitoring on risks using an e-audit system and revitalization of autonomous participation of guest auditors in preventive activities, and more.

Improvement of Integrity and Anti-corruption System

HIRA continues to improve its integrity and anti-corruption system to enhance the effectiveness of anti-corruption policy with the preventive control of corruptive activities. To advance its ethical provisions, the organization has reinforced and revised the penalty standards for violations, and employees’ Code of Conduct every year. In addition, while HIRA amended the provisions on human resources such as: forming a legal foundation for dismissal of those implicated in illegal actions; adding the reasons for disqualification for hiring; strengthened standards for disciplinary actions against bribery, it also addressed fairness for employees in carrying out their duties by introducing a stock transaction reporting system, expanding the scope of businesses in which employees having a vested interest to be excluded from the duties. In addition, to ensure more equitable contractual business, it reinforced/revised relevant guidance such as obligating the presence of external members and audit offices in evaluating proposals. Moreover, it made it mandatory for new executives who are to sign an employment contract with HIRA to take a written oath for integrity contract implementation to pledge their commitment to ethical management, thereby striving to ensure integrity/anti-corruption culture to disseminate in the private sector as well.



Excellent Grade

The result of anti-corruption policy assessment by the Anti-Corruption and Civil Rights Commission (2017)

Business Case

+ ‘The 3rd Clean Gangwon, Integrity Festival’

With the ‘Gangwon Integrity Cluster’, HIRA cooperates with local communities to contribute to fostering a clean public society and local communities. In 2018, the organization has promoted integrity policies such as laws regarding prevention of dishonest solicitation and corruption/public reporter protection system by holding ‘the 3rd Clean Gangwon, Integrity Festival’ and increased local residents’ participation by preparing programs including integrity-related cultural events and the award ceremony for Integrity Competition, etc. To create a corruption-free local community, the organization is planning to continually implement anti-corruption and integrity policy in conjunction with the local community.



Customer Satisfaction Management

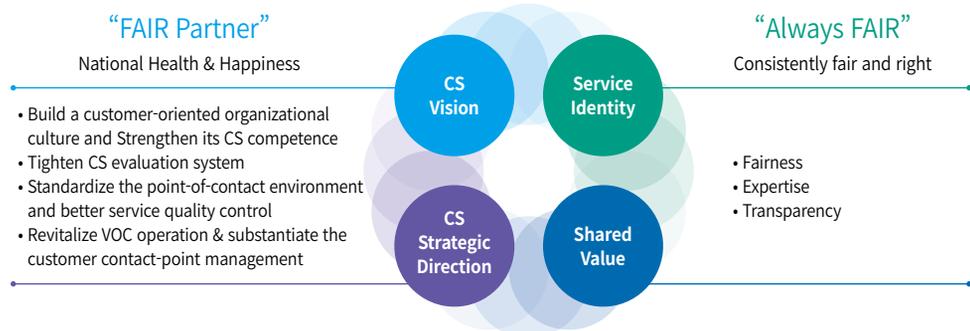
* Note 1) FAIR:
Provide 'Friendly' and 'Accurate' review/assessment service to customers consistently and respect customers through 'Interactive' relationships and a Respectable organization from the customers' viewpoint.

* Note 2) CS:
Customer Satisfaction

Customer Satisfaction Management System

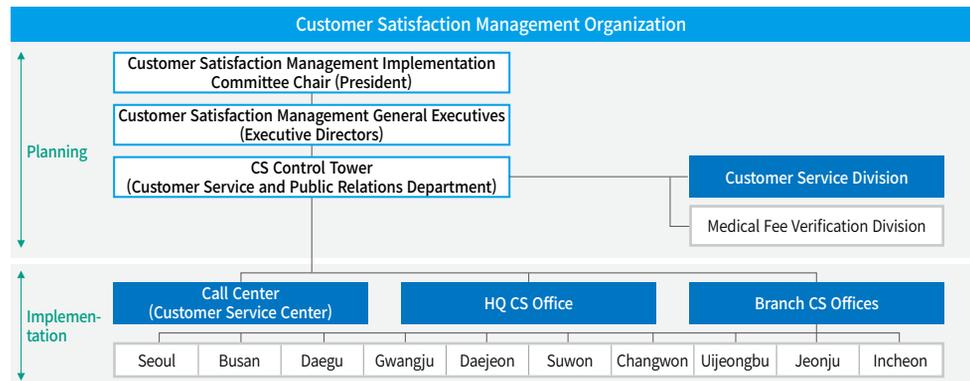
Vision and Strategies for Customer Satisfaction Management

HIRA has proclaimed 'FAIR¹⁾ Partner for Public Health and Happiness' as the CS²⁾ vision and established the customer-oriented business implementation system. We will continue to spread a customer-oriented organizational culture and assiduously perform customer satisfaction management in a bid to form a trust-based relationship with the public by fortifying our CS capabilities and proactive reflection of customers' opinions.



Customer Satisfaction Management Organization

Through running a dedicated customer support organization, HIRA not just raises the level of customer satisfaction but is also able to support CS activities on the frontline customer service department in a more systemic and proactive way. Moreover, the Customer Centers offer prompt and professional consultation and each of ten branch offices has its own Customer Centers to provide customers with more convenience.



Definition of Customers by Customer Value Flows

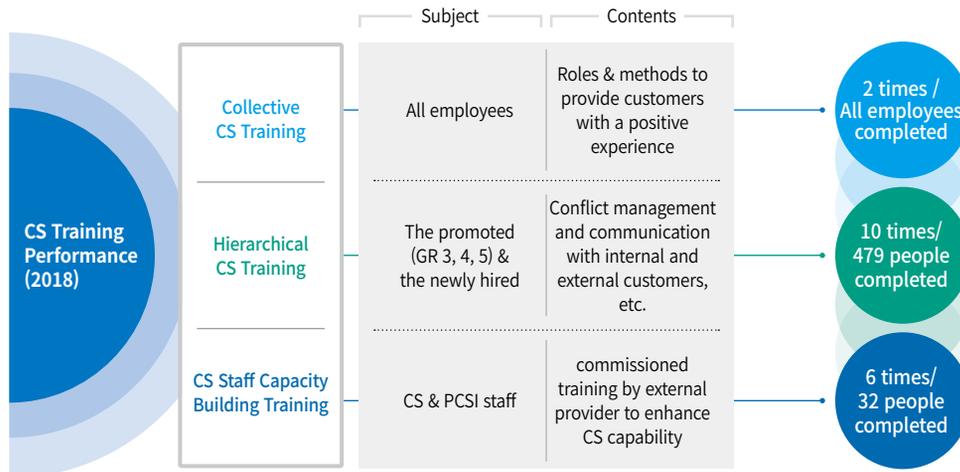
HIRA does not settle for what its duties dictate as a health organization for review and assessment but seeks to accomplish customer satisfaction management that presents customers with new values on health and happiness. To do so, it re-defines customers as value-generating customers, value-delivering customers, value-demanding customers and value-affecting customers in accordance with the flow of the provided value, namely, 'quality of the public healthcare', and 'appropriateness of benefit costs'.

Classification	Value-Generating Customers	Value-Delivering Customers	Value-Demanding Customers	Value-Affecting Customers
Customer definition	Produce various services offered by HIRA	Provide appropriate medical service	Receive and pay suitable fees for medical services	Direct/indirect influence over the services offered by HIRA
Customer	Employees, partners	Health care institutions, pharmaceutical firms, importers/suppliers of drugs and medical materials, etc.	People(people who used medical services), research institutes and researchers in the medical industry	Government, National Assembly, Board of Audit and Inspection, media, life insurance companies, NHIS, civil associates, expert groups, etc.

Strengthen CS Capability

Internal CS Training

To cultivate a customer-oriented CS mindset and enhance professional capability, HIRA is conducting systematic CS training for all employees.



CS Partners

HIRA selects CS partners consisting of competent deputy directors of departments/branch offices to carry out actual CS activities to establish a customer-oriented organizational culture. CS partners strive to strengthen customer satisfaction with an organization’s invigorated CS competency by encouraging employees to participate in various internal/external surveys, performance management, and by conducting department’s own CS improvement activities, among others.

Business Case + Better Customer Complaint Administration & Idea Development Competition

To enhance work efficiency and customer satisfaction with differentiated civil complaint handlings, HIRA hosts an internal competition for the improvement cases or developing ideas on customer complaints at the customer contact-point in relation to a Voice of Customer(VOC) and rewards winners accordingly. The winning ideas will be realized via joint-cooperation among related departments and shared by all employees to form a consensus to improve the complaint management system.

Projects based on winning ideas in 2017

Project Name	Performance	Expected Outcome
Re-design the reception screen to facilitate customers’ use (Request for medical fee checking)	Reflect the revised website (Nov. 27, 2017) <ul style="list-style-type: none"> • A window to inform the required documents • Example of receipts for the required documents • If ‘submit’ button is clicked without the documents, an announcement appears to inform to attach the documents 	<ul style="list-style-type: none"> • Applicant can review the submitted documents at a glance depending on the relationship with the subscriber. • It helps avoiding unnecessary conflicts with customers arising from asking the required documents at the stage of preparing the request.
A portal dedicated for year-round, one-stop re-transmission service of health care institutions	Established portal dedicated for year-round, on-stop re-transmission service of health care institutions <ul style="list-style-type: none"> • If required by institutions such as settlement notice, the 365 system will re-send and receive accordingly 	<ul style="list-style-type: none"> • It allows health care institutions who need to retransmit the follow-up sentiment notice to directly making an application via year-round, one-stop service without having to ask for the relevant departments such as the claims review department.
Build and run a reference & checking system for ‘compounding status of pharmacopuncture & medicine’ in an auto insurance portal	Establish a reference & checking system for ‘compounding status of pharmacopuncture & medicine’ in an auto insurance portal	<ul style="list-style-type: none"> • Alleviate the administrative burden of having to make a phone call confirmation after applying for ‘compounding status of pharmacopuncture & medicine’ each time • Enable HIRA employees to focus on/ increase efficiency of their work thanks to the decreased no. of civil administrative calls

Customer Satisfaction Management

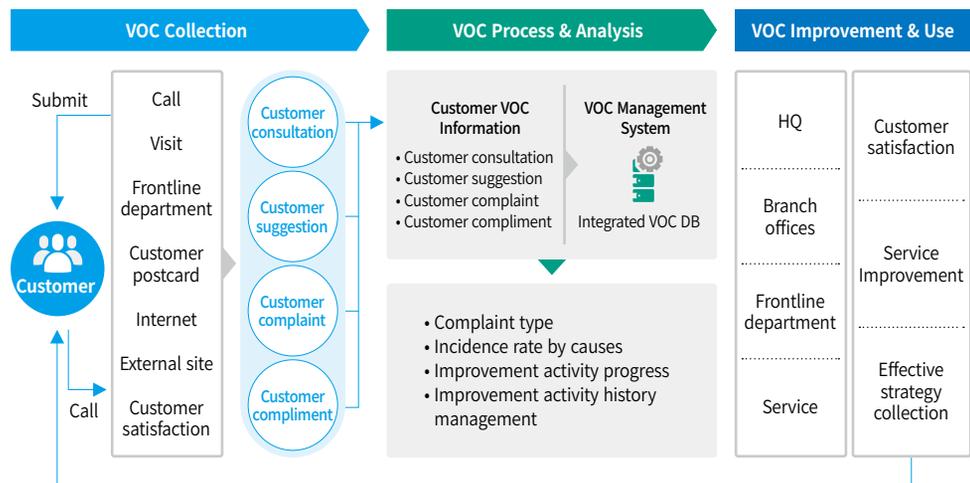
Diversify Customer Communication Channel

Prompt Response to Customer Complaints by Running Customer Centers and Integrated Management of VOCs

HIRA provides customers with prompt and accurate consultation services on overarching works and duties of HIRA including the review and assessment of medical expenses by running its Customer Center (Main number 1644-2000). The Customer Center offers consultation services amounting to 850,000 calls per year and makes an effort to bring customer-oriented, tailor-made services through consistent improvements in its consultation system, and better consultant trainings, etc.

In addition, HIRA manages a Voice of Customers(VOC) through customer complaints handling system linked to the e-Voice system of the Anti-Corruption and Civil Rights Commission. It strives to offer effective services by supplying detailed and professional information regarding consultation & inquiries, suggestions, complaints, etc., and collects and analyzes about 7000 VOCs per year to utilize them in enhancing its business.

VOC Management Process



Improve Website and Mobile App Accessibility

To advance its contents and improve convenience, HIRA has renewed its custom-made website and mobile app (Health Information) for the general public. Its 'Public Participation' menu on the website serves as a channel to deliver and actively accept the opinions and suggestions on the overall management of HIRA and constantly updates and keeps the contents up-to-date.

In addition, the accessibility of the mobile app was improved by dividing the main screen into two different tabs encompassing the general public service and the introduction to the organization. Provision of useful health information and guidance to select hospitals and clinics on a real-time basis increased user satisfaction rate. The website and application also observe the web-accessibility standards and acquired a web-accessibility quality certificate to ensure that people with disabilities and the elderly would not experience any problem with using the website and obtained a good contents service certificate in an effort to provide the general public with trustworthy and accessible service.



Main Page of the Improved Mobile App

Customer Communication via Participatory Online Campaign

HIRA was successfully engaged in sharing with the underprivileged and bolstered social values by raising a fund in a matching grant approach whereby the number of participants will be used to determine the amount of grants, while effectively promoting HIRA's services for the general public and its measures to e-contribution campaign(NAVER Happy Bean).

Communication with Customers through a Webtoon

HIRA makes the information on its social role and services for the general public more interesting with its brand webtoon. In addition, it connects the webtoon with a banner advertisement to move on to HIRA’s websites and relevant webpages to increase its policy PR effectiveness while stimulating readers’ interest in the webtoon and ensuring readership for the webtoon with the quality stories-based, eight issue comic strips. It helps to raise an awareness of HIRA and make it more accessible to young people in their 20s and 30s, and to effectively promote the government policy to increase healthcare insurance coverage.



HIRA Brand Webtoon ‘Here I run’

Business Case

+ Increase Public Participation

HIRA listens to various public opinions and builds a social consensus in a bid to realize the people-oriented field management and to expand public participation in its overall operations.

‘Public Involvement and Open Management Committee’ to Attain Innovative Management

Objective	Realize social values as a public organization designed to serve the general public in its effort to vitalize the local economy with the public engagement and cooperation, job creation, ethical management, etc.
Structure	12 external members from local community groups, consumer associations, civil organizations, etc. and 4 HIRA employees including executive director of planning, etc.
Key roles	Responsible for consultation and review on the discovery and implementation of innovative projects while assuming a role as a public participation body that reflects public opinion to achieve mutual development of the local community
Future plan	<ul style="list-style-type: none"> • Develop mutual growth/cooperation projects by organizing ‘Joint People’s Engagement Innovation Team of Public Organizations in Wonju Innovation City’ • Continue to increase the number of vacancy offerings for civil members • Extend the committee to branch offices to nominate civil members throughout the country



‘People’s Engagement Council’ to Listen to the Public’s Voice on Its Own Business

Objective	To be a direct communication channel for people to discuss about public healthcare policies, and increase the acceptability and effectiveness of policies by reflecting opinions of civil group, consumer associations, patient groups, etc.
Structure	14 members from civil organizations, consumer associations, patient groups, etc. and 2 HIRA employees including executive director of benefit management, etc.
Key roles	Identify the areas of improvement from various ideas and opinions from the viewpoints of the general public by joining the process of public medical care policies such as expansion of healthcare insurance coverage and disclosure of uncovered service fees
Future plan	Consistently increase the number of participating organizations such as civil society groups and the events



‘With HIRA University Student Supporters’ to Fortify Service for the Public

Objective	Reflect people’s views on the entire operation process from the customer complaint application for checking the medical fee to the final stage to improve HIRA’s awareness and accessibility and revitalize the objective monitoring functions from outside
Structure	22 university students interested in the healthcare sector
Key roles	Discover the way to improve Medical Fee Checking Service, to conduct HIRA PR to the general public, implement missions related to adverse factors against external integrity on the service and feedback methods with a working group.
Future plan	Feedbacks to Reflect suggestions on Supporters



Customer Satisfaction Management

Customer Satisfaction Survey

HIRA conducts a customer satisfaction survey to promote management activities to meet the needs of customers and form a trust-based relationship with the public by improving its services from customers' perspectives.

Customer Satisfaction Rate for Public Organizations

Overall customer satisfaction rate on HIRA including Medical Fee Checking Service and health care institution review/assessment satisfaction rates is measured by the annual customer satisfaction survey in the public sector organized by the Ministry of Strategy and Finance. The level of customer satisfaction in 2017 has moved one step up to 'normal' compared to the year before and the survey result is made accessible to public via the All Public Information In-One(ALIO).

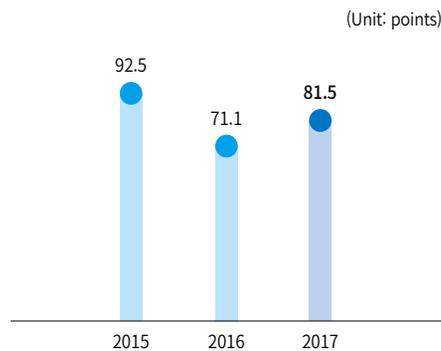
Happy Call Satisfaction Rate

HIRA inspects vulnerable areas and identifies the areas of improvement based on the result of a service quality satisfaction survey carried out for 8 different business areas subject to frequent civil complaints and actively adopts the result to rectify its weaknesses.

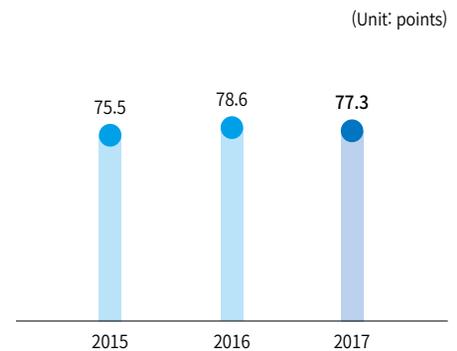
Phone Call Hospitality

HIRA monitors the level of customer response service of the employees at the point of contact with customers in terms of readiness to call, reception and response attitude, etc. and keeps on inculcating the customer-oriented mindset in all employees.

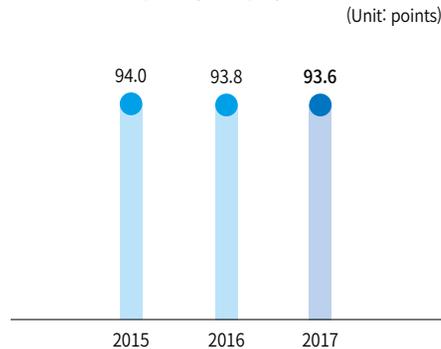
Public Organizations' Satisfaction Rate



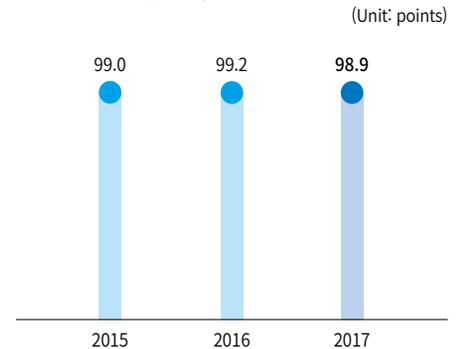
Happy Call Satisfaction Rate



Phone Call Hospitality (Employees)



Phone Call Hospitality (Consultants)



Reinforce Customer Information Security

Establishment of Advanced Information Security System

Due to ever-evolving cybersecurity threats, HIRA has a preemptive information security management system in place so as to safely protect the general public’s personal information including medical data. The organization has acquired the international information security standard, ISO 27001 and the personal information protection management system certificate under the umbrella of the Ministry of the Interior and Safety while building a dual alarm receiving-type regular monitoring system through its own personnel and the alarm receiving center of the Ministry of Health and Welfare. In addition, it bolstered its preventive security system by training professional workers through special training sessions to protect against hacking and hiring whitehat hackers specialized in security vulnerability analysis. It also fortified the measures to protect personal information by encoding resident registration numbers with the self-developed resident registration number replacing keys. As a result, there was not a single case of leakage of personal data or hacking and it received the excellent grade from the personal information management check by the Ministry of the Interior and Safety for eight consecutive years and selected as the leader in the health and welfare sector in the information security management assessment by the National Intelligence Service.



Attained Excellent Grade 8 Consecutive Years

Information security management assessment by the Ministry of the Interior and Safety

Raise the Awareness of Employees About Information Security

To internalize the awareness of employees about the importance of information security, HIRA adopts a participatory means to diffuse knowledge about information protection, introduces regular self-diagnosis and conducts mandatory training on the subject, and more.

<p>Participatory Diffusion of Knowledge of Information Security</p> <ul style="list-style-type: none"> • Produce an information security UCC based on joint-participation of CEO and employees and enter it in a competition • Run a quiz program, ‘the 1st Challenge! Information Security Golden Bell’, ‘Win HIRA Rangers’ to broaden a consensus on information security • Share an information security plan and listen to any difficulties encountered by the engaged departments. 	<p>Distribute Information Security Guidelines and Self-Diagnosis</p> <ul style="list-style-type: none"> • Distribute the guidelines for personal information handling, and the manual for countermeasures against infringement accidents of personal information • Autonomous PC check-up and the extensive inspection over vulnerable departments in every third week or information security week • Systemize autonomous inspection and training on the information security day led by department chiefs (once a month) • Carry out inspection and training on information security (once a month) 
<p>Mandatory Information Security Training</p> <ul style="list-style-type: none"> • For HIRA employees <ul style="list-style-type: none"> - Provide a cyber training session on personal information security (completed by all employees) - Information security session by professional lecturers (2 times) • For subcontractor employees <ul style="list-style-type: none"> - Offer information security sessions throughout the entire process from the business contract, undertaking and implementation. - Dual monitoring/supervision from the department responsible to entrust personal information handling to subcontractor and the Information security department (3 times a year) - Obligatory signing of the consignment agreement for personal information treatment (47 subcontractors completed) 	<p>Pilot Training for Accident Prevention</p> <ul style="list-style-type: none"> • Training against malicious emails <ul style="list-style-type: none"> - Conduct 4 times a year for every employee, any security training for violators and reflect the training in employee’s individual performance score • Pilot training against cyber attacks <ul style="list-style-type: none"> - Support employees to skillfully tackle new threats and respond to accidents 



92.2 Points

Information security awareness level of internal employees (2017)

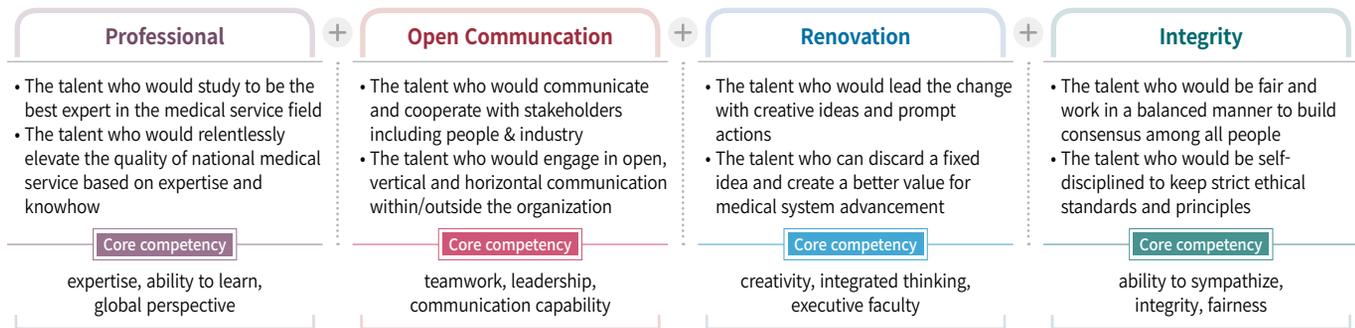
Human Resource Management and Human Rights Management

Employee Talent Development

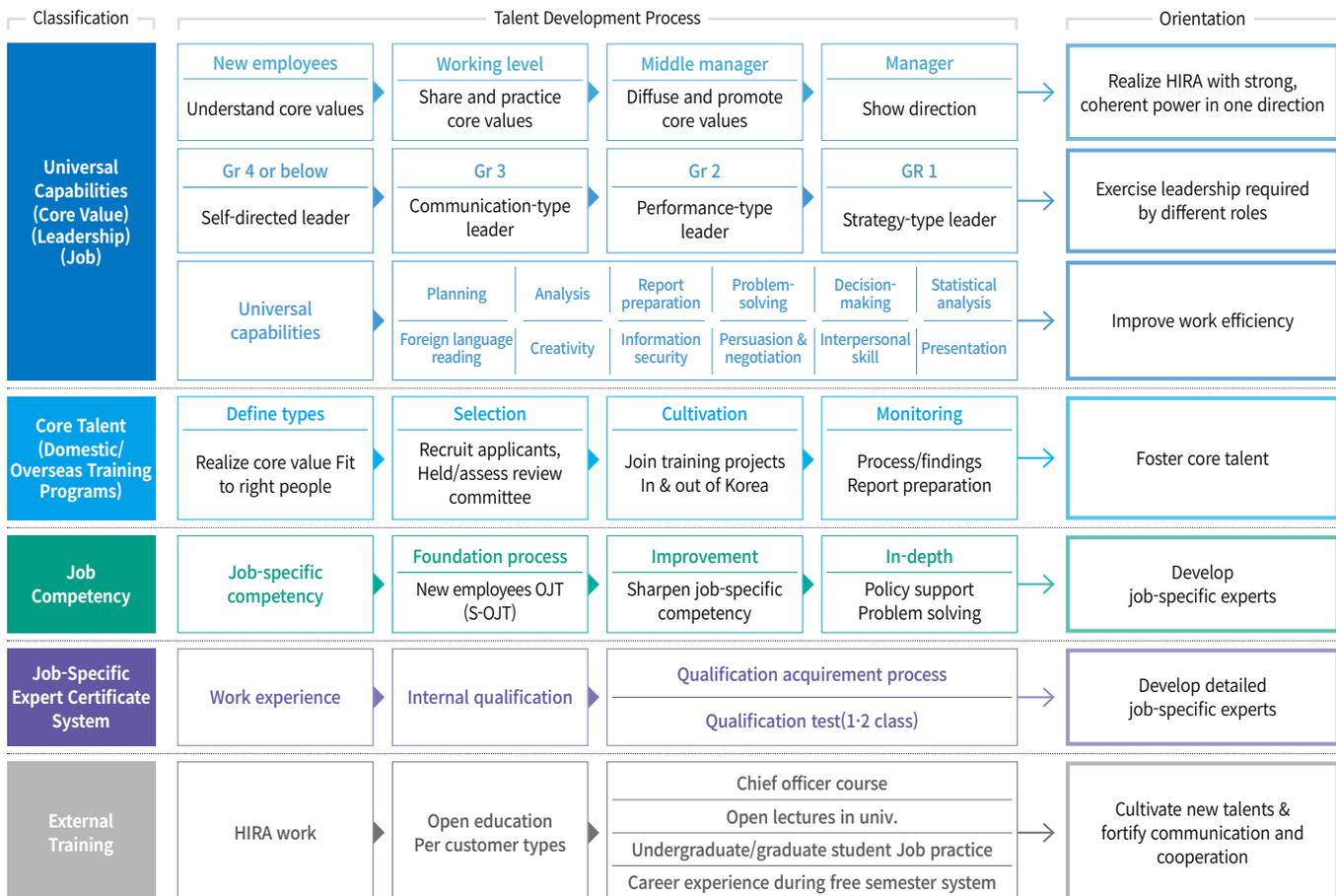
Strategy to Foster the Talented Individuals

To reinforce systematic competency building in its employees, HIRA establishes a vision and system to develop talented individuals. The vision to foster talent seeks to provide employees with a learning environment and practical education to assist their self-directed development based on our management strategies, whereas the talent development system is divided into five core areas covering universal capabilities, core talents, job competency, job-specific expert certificate system, external training to encompass the process of developing talented people by different areas.

Right People



Employee Talent Development System



Active Engagement in Self-Development

HIRA supports employees to voluntarily develop their career paths and grow into professionals by linking training and HR management. It offers education and training to employees based on their self-development plans. It covers an entire process of career development including the building of an individual self-development plan based on self-diagnosis regarding the competency in demand in the organization, and provide feedback on the consequent activities and performance. Furthermore, it provides employees with phased career development training such as universal, job-specific, and in-depth to invigorate their job-specific competencies. In 2017, a total of 578 employees successfully completed the universal training and cultivated 131 job-specific experts and 44 core professionals with respectively relevant training.

A Leading Organization in Expert Qualification System

With a view to heighten the expertise of its members, HIRA effectively operates five in-house expert qualification systems consisting of healthcare information analysts (1st and 2nd level), EBRM Master, comprehensive medical expense analysis consultants, healthcare law competency test and benefit quality analysts (1st and 2nd level). In particular, it encourages members to partake in the programs for qualification holders who will receive a preferential treatment in HR management.

Current Expert Qualification Holders

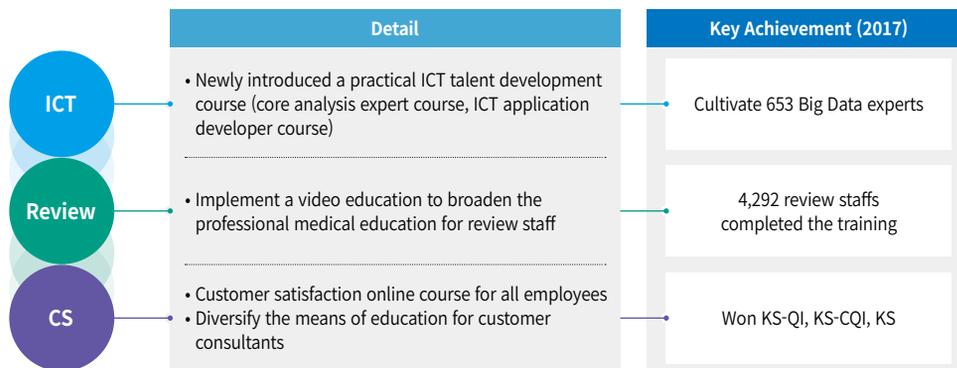
(Unit: Person)

Classification	2016	2017	Cumulative
Healthcare information analyst	70	72	653
EBRM master	13	22	115
Comprehensive medical expense analysis consultant	33	44	301
Healthcare law competency test	31	69	100
Benefit quality analyst	-	22	22
Total	147	229	1,191

Field-specific Education and Training

To strengthen its core business competence, HIRA carries out field-specific education and training. By doing so, it preemptively responds to the ever-changing business environment and contributes to the fulfilment of satisfactory management performance.

Achievement of Field-specific Education & Training



Education and Training Performance

Classification	Unit	2015	2016	2017
Training hours per employee	Hour	142	113	130
Training cost per employee	KRW 10,000	80	100.5	88.1

Human Resource Management and Human Rights Management

Nurturing Sound Corporate Culture

Bolstering Field Communication via a Bottom-up Communication Platform

'Heungsimso' Communication Window for Employees

HIRA runs 'Heungsimso' where members' opinions are collected and examined from all directions while members can directly submit alternatives. Signifying, 'a place where a cheerful HIRA is formed', 'Heungsimso', is operated through consultation visits by small groups of people based on similar occupations, ages, etc., it served as a role of a communication channel to collect opinions of 681 employees from 165 groups in 2017, thereby answering the questions of employees and forming a mutual consensus at the same time.

In 2018, HIRA developed 'Heungsimso' further to heed substantial complaints and requirements from 33% of the total employees and subsequently explored the improvement measures while mutually sharing what's discussed to clarify differences in various positions and thoughts to deepen the understanding between the company and employees.

'Simteo', Anonymous Bulletin Board

HIRA has Simteo(meaning Mind and Site), an anonymous communication channel assigning random numbers (bulk changes every 3 months) in place to take initiative in management innovation through unbounded communication within the organization. Simteo plays a role of a window of virtuous circle in allowing free exchanges of ideas and revitalized discussions for the organization's development and establishing a favorable organizational culture.

Fair Job Performance Evaluation System

To ensure talented individuals to fully exert their capabilities, HIRA is operating a fair and objective performance evaluation system, while rewards for employees' performance are made through the evaluation of their performance regarding their roles and duties. Notably, in 2017, HIRA has reinforced the transparency of its performance management procedures and standards by establishing the performance management guidelines and bolstered the objectivity of evaluation by revamping the evaluation criteria considering the degree of indicators/goal difficulties. Moreover, the organization will be committed to execute a more reasonable and fairer performance management system by collecting opinions and widening participation of the external/internal stakeholders.

Realization of Win-Win Labor and Management Culture

HIRA recognizes the labor union as the representative of employees and a key management partner and seeks to attain a win-win labor and management relationship where both parties could consult with each other in major decision-makings of the organization and pursue common values. To ensure regular conversations and discussion between the management and labor, HIRA holds a labor and management council once a quarter. As a part of the effort, it built a conflict-prevention system to preemptively control possible sources of conflicts. Therefore, the organization is engaged in promoting smooth communication between the two such as establishing a communication channel between labor and executives and field communication channel for all employees and implementing systematic conflict management by preparing a labor-management relationship management manual. Building on these activities, HIRA attained harmony between labor and management via a declaration in 2017 in order to autonomously resolve the conflicts and to realize a mutually advantageous relationship. As a result, it attained 100 points out of 100 points in the performance index for cooperative labor-management relationship. HIRA also made the labor-management joint declaration of human rights management in June 2018.

HIRA undertakes collective bargaining if there are any significant changes that may affect employees in terms of working conditions, job benefits, and more. In accordance with the noticed obligation from Article 11 of Collective Bargaining, the management and union will notify any changes in status of corporation or working conditions to the counterpart without delay.

Labor Union Status

Founded in 1987, HIRA's labor union consists of branches and divisions working in the headquarters and 10 branch offices in the country and departments. HIRA guarantees its employees' right to form a labor union and other representative bodies and as of late September 2018, a total of 2,408 employees joined the labor union.



Family-friendly Events

Work and Life Balance

Form a Family-Friendly Organizational Culture

HIRA strives to foster a family-friendly organization culture. In line with this effort, all HIRA employees will leave the office two hours earlier for one Friday per month to share extra time together with their family. In addition, it holds a variety of family-friendly events including occupation experience with Mom and Dad, University pathway consultation for the test takers among employees, history and culture exploration with family, and more.

Work-Family Reconciliation

To ameliorate the employees' quality of life, HIRA searches for work-family reconciliation. In this regard, HIRA prepared an institutional foundation to adopt more flexible leaves for employees including abolishing the rule to prohibit employees to use annual leave within 6 days in a row, expanding annual leave saving system, etc. As it expanded the focus of a flexible work system from over 3rd grade to all employees, a total of 429 employees used the flexible work system in 2017. Furthermore, it cancelled the existing application requirements such as patient care or child care to introduce a flexible working system, thereby allowing any employees to apply for the system. HIRA will continue to put forth an effort to establish a family-friendly organization culture by building a system to implement PC-OFF system, etc.

Maternity/ Parental Leave Status

Classification	Unit	2015	2016	2017
No. of employees using parental leave	male	2	5	6
	female	239	331	423
No. of employees using maternity leave	male	11	24	26
	female	121	151	168
Return to work rates after parental leave (returned/plan-to return)	male	100(2/2)	100(5/5)	83.3(5/6)
	female	98.3(235/239)	98.2(325/331)	98.3(416/423)
The rate of employees retained for 12 months after returning (No. of employees retained for 12 months/returned)	male	100(2/2)	80(4/5)	100(5/5)
	female	98.3(231/235)	97.8(318/325)	98.3(409/416)

Selected as Excellent Family-Friendly Corporation

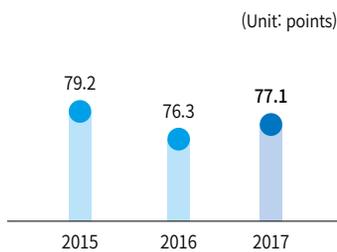
Since its first certificate in 2008, HIRA has kept on re-certifying its status as excellent family-friendly corporation. The best family-friendly management corporation certificate system is designed to raise the quality of life of members and families and sharpen the competitive edges of a corporation by cultivating a family-friendly organizational culture. With this certificate, the Ministry of the Gender Equality and Family has acknowledged HIRA's effort to ensure the happiness of its employees and their families, and to create corporate social values.



Best Family-friendly Management Certified Company since 2008

Human Resource Management and Human Rights Management

Job Benefit Satisfaction Rate



Senior Club Members

(Unit: person)

Classification	2015	2016	2017	2018
Club members	38	42	43	45



Human Rights Management Proclamation Ceremony

Job Benefits

Operation of the Non-Discriminative Benefits System

HIRA has a variety of job benefits to assist its employees to focus on their duties in a pleasant working environment and to instill pride about HIRA in them. In particular, non-fixed term and contingent employees are equally entitled to the benefits as the full-time workers. For instance, contingent and non-fixed term employees can use childbirth-related assistance, student loan support, in-house childcare center, group insurance and family events(wedding or funeral) support, etc.

Current Job Benefits

 <p>Custom-made welfare</p> <ul style="list-style-type: none"> • Provide summer holiday accommodation, corporate condominiums, recreational facilities, etc. group insurance (max. KRW 500 million) • Run corporate cafeterias, cafes • Livelihood settlement fund, univ. student loan support • Supply wreath of celebration or sorrow and goods • Special leave for celebration or sorrow such as family weddings or funerals, for pregnant women's medical checkups 	 <p>Parental care support</p> <ul style="list-style-type: none"> • Leave for childcare, illness, patient care • Childbirth promotion fund, pregnant women's care products • Childbirth celebration fund (max. KRW 2 million) • In-house childcare centers 	 <p>Others</p> <ul style="list-style-type: none"> • The 4 major insurance plans(National Pension Insurance, National Health Insurance, Employment Insurance, Occupational Health and Safety Insurance) • Support in-house club activities and special field trips for model employees • Operate gyms and offer regular medical check-ups
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Operation of Senior Club

HIRA runs the retiree support program that leverages the retiree's work experience to lead to job creation. Since 2011, the organization has been operating a HIRA senior vocational ability club designated by the Ministry of Health and Welfare. The club is engaged in various tasks including field investigation, data arrangement such as complaint application, receiving application forms for medical fee checking, response to HIRA related civil complaints and the confirmation/distribution of review reference materials, etc. In the future, HIRA will continue to contribute to job creation for seniors by strengthening the communication between the Senior Club and HIRA and by managing the retiree systematically.

Respect for Human Rights

Strategies and System for Human Rights Management

HIRA is aware of human rights as one of the key management issues and realizes its human rights management by proactively reviewing domestic/overseas standards. In particular, HIRA proclaimed the 'human rights management charter' and takes the lead in dispersing human rights management with the establishment of 'implementation guidelines for human rights management', and human rights management council, etc. and is fully committed to realize the essence of human rights, the 'enhancement of health and welfare' through various activities in and out of Korea.

Roadmap to Implement Human Rights Management System



Realize the Respect for Human Rights

HIRA builds its working environment where human rights is valued in accordance with its internal regulations such as collective agreement and employment rules, while trying to prevent discrimination on duties, promotions, welfare and basic pay, etc. HIRA response to any issues concerning human rights violations and/or discrimination with its internal monitoring system such as human rights infringement remedial procedures or internal auditing, etc. The effort has paid off as there has been no single accident regarding human rights infringement and/or discrimination in the organization from 2011 to 2017.

Cultivate a Gender Equality-Oriented Organization Culture

HIRA is committed itself to fostering a feasible, substantial gender-equal organization. In particular, it recognized the needs for operating a personnel system that is highly susceptible to women in consideration of its organizational feature where a majority of employees are female, it increased the proportion of women in selecting members for the Promotion Assessment HR Council and offers training programs specialized in female leaders.

Gender Equality Policy Status

	Performance	Major Outcomes
Equal opportunity for promotion	<ul style="list-style-type: none"> Heightened the female member rate by 22%p in the HR Council for promotion assessment Nominated female employees for the middle level manager (Gr3) interview/promotion assessment council Additional promotional points for neglected duty(ex. on-site investigation) due to frequent business trips 	<ul style="list-style-type: none"> The average period required for promotion was curtailed: 13 months for Gr.2(female) & 8 months for Gr.3(female)
Capacity building for female executives	<ul style="list-style-type: none"> Operate female executive target system (over 20%) Assign duties of Director of Planning(organization/HR/budget) to empower their roles 	<ul style="list-style-type: none"> The female executives successfully increased by 25%(one out of four) Increase the ratio of women promoted to Gr.1
Greater female participation	<ul style="list-style-type: none"> Adopted a female member/chair rate target system (25%) for gender-equal decision-makings 	<ul style="list-style-type: none"> 32.4% of female members attained 34.8% of female directors attained

Prevention of Sexual Harassment

HIRA offers four-hour annual integrated training to all employees including executives such as chief executive officers and contingent workers in order to prevent sexual harassment, sexual assault, sexual traffic, and domestic violence. Also, it established an exclusive grievance committee to deliberate on relevant issues such as sexual harassment and affirm the degree of penalty in a bid to protect victims and prevent its reoccurrence.

Promote Human Rights Sensitivity through Human Rights Education

HIRA provides its employees with human rights education of a range of themes encompassing ‘perception improvement for the disabled (once a year)’, ‘education for violence prevention (twice a year)’, integrity education (once a year), etc. annually, and cultivate human rights sensitivity in its members by including mandatory human rights education in the training and education courses for the newly hired and the newly promoted. In addition, the organization has been encouraging employees’ engagement in the training course titled as ‘Business and Human Rights’, planned by the National Human Rights Commission once a year to further develop the human rights management culture in the public sector since 2017.

Business Case + Spread Human Rights Culture through Active External Activities

HIRA was selected as an exemplary case for human rights management in the ‘2017 Human Rights Management Forum’ and attended the forum as a public organization representative panelist. The Human Rights Management Forum is an annual event hosted by the National Human Rights Commission with a view to enhance human rights friendly activities in public and private sectors, and HIRA asserted in its excellent practice case study presentation, “public organizations should assume the role of a bridge in spreading human rights management to the private sector.”

In addition, the organization is engaged in various external activities on human rights such as offering consultation on ‘the standard manual for human rights management(draft)’ commissioned by the National Human Rights Commission and joined its final report meeting as a panelist. In 2018, the organization funded ‘Wonju People with Disability’s Human Rights Film Festival’ to raise local community awareness on human rights appreciation and culture. HIRA will continue to contribute to spreading the culture of human rights through human rights management undertaking cooperation and methodologies, and more.

Win-Win Cooperation

Win-Win Cooperation System

Win-Win Cooperation Strategies

HIRA has reinforced its win-win cooperation system to form a foundation for mutual trust with its partners and medical circles and to preemptively respond to government policies. In 2017, HIRA contributed to social integration by executing the three main implementation strategies: ‘establish a clean/fair transaction culture and empower socially disadvantaged companies’, ‘Tailor-made support according to business life cycle by utilizing the know-how of expert organizations’ and ‘share HIRA expert knowledge with underdeveloped countries to promote health.’

Goal	Healthier Society, Healthier Industry, and Healthier World		
Strategies	Establish a clean/fair transaction culture and empower socially disadvantaged companies	Tailor-made support according to business life cycle by utilizing the know-how of expert organizations	Share of HIRA expert knowledge with underdeveloped countries to promote health
Key activities	<ul style="list-style-type: none"> Mandatory conclusion of implementation of an integrity agreement Local economy revitalization with priority purchase from the regional products. Expanded procurement from social enterprises 	<ul style="list-style-type: none"> Support start-ups by opening Healthcare Big Data Sharpen the competitive edges of established companies by sharing benefit listing related skills and know-how 	<ul style="list-style-type: none"> Run international training courses for the healthcare officials from developing countries Offer custom-made consulting for different countries
Main performance in 2017	<ul style="list-style-type: none"> 100% full advance payment within 14 days from the date of request 72.39% achieved in purchasing from socially disadvantaged companies 	<ul style="list-style-type: none"> Successful business foundations for three start-ups (total 5 companies accumulated) Export agreement of new drug by the domestic pharmaceutical company(KRW 103.1 billion) 	<ul style="list-style-type: none"> Improved satisfaction rate for the international training courses(89.2→95.1 points) Offer custom-made consulting for countries such as Ghana and the Philippines

Establish Fair Transaction Culture

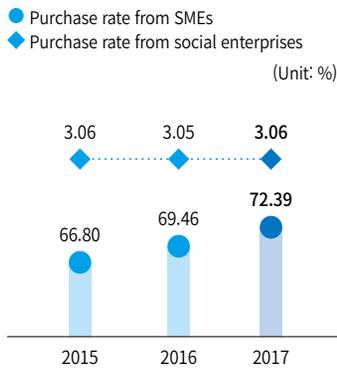
Bolster Bid Transparency and Fairness

To achieve transparent corporate management and fair administrative practices, HIRA makes it mandatory to conclude implementation of an integrity agreement that forbids the concerned parties to be engaged in corruptive behavior in their implementation of the agreement. In addition, it adopted the advance-notice system for contract projects and broadened the general service agreement via the Office of Supply to heighten the transparency and fairness in bidding process. Also, it alleviated the burdens around contracts of SME partners with greater advance payment rates and shortened duration of payment for purchases, etc., and it endeavors to improve the treatment of partner companies.

Priority Purchase Products from Social Enterprises and SMEs

To support the market expansion efforts by social enterprises and SMEs, HIRA is engaged in various activities. HIRA has public procurement support managers who set up purchase plans for products of the SMEs and oversee their market expansion support not just in its headquarters but in 10 branch offices while backing the local economy revitalization by building a distribution network with female-led businesses enabled through 1:1 procurement consultation with female-led enterprises in the Gangwon region. As a result, the procurement rate of SME products soared to 72.39% in 2017, thereby helping socially-disadvantaged companies to raise their competitiveness.

Purchase of Products for Win-win Cooperation



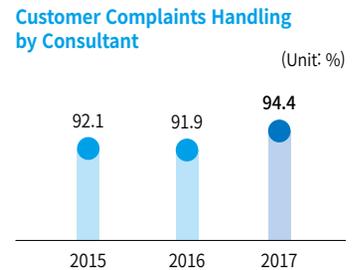
Support Partners' Sustainable Growth

Improve Partners' Work Environment

HIRA added a mandatory human rights observation provision to its regulations to protect human rights of partners' employees in 2017. In addition, the company also developed a customer consultant program interface to facilitate the consultation process of the call centers and signed an MOU with a health promotion center for psychological consultations for psychological wellbeing of employees handling civil complaints and attempted to lower the rate of malicious civil complaints by changing its call waiting tone to soothing narration.

Bolstered Customer Complaint Response Capabilities

HIRA is boosting its customer center’s competitiveness by adopting various training programs such as offering expert knowledge on health insurance from external professional education institutions or the relevant department in charge. Also, it improved the employees’ work conditions by maintaining 100% full-time type employment contracts and pay rise, etc. As a result, the rate of complaints settled by the Customer Center’s consultants have recorded 94.4% a 2.5%p increase from the previous year, and won four accreditations in external award ceremonies such as KS, ISO9001, KSQI, KS-CQI as an excellent call center in the public sector.



Promote Field Communication

To achieve communication-based trust building with the health industry and the fields of medical world, HIRA organizes various communication channels. In particular, the year 2017 marked the first year to implement the policy to include all the uncovered services in the benefit list, it committed itself to grasping the needs of diverse stakeholders and solving conflicts by broadening the opportunity for stakeholders to engage with round-table conferencing and consultative body, and strengthening the CEO-oriented communication channel, among others.

Target	Communication Channel	Main Activities
Medical Circles	<ul style="list-style-type: none"> 1,000 Meetings on current issues CEO joined round-table conferences with chief of medical and pharmaceutical bodies 	<ul style="list-style-type: none"> Expanded the channel to collect opinions and strive to reach a consensus for determining the level of readjustment of the items with underestimated fees including the improvement of medical procedure fee (over 300 times) and benefit standards (over 30 times) Increase the disclosure of review information including review examples
Medical Device Companies	<ul style="list-style-type: none"> Run a consultative body to improve treatment materials Operate joint policy advisory council with industry and medical circles Regular round-table conferences 	<ul style="list-style-type: none"> Identify the needs to lower the entry barrier such as technologically innovative products’ value estimation, etc. <ul style="list-style-type: none"> → Establish ‘Technology Innovation Value Assessment System’ to promote technology development and R&D investments, and assist the commercialization in the private sector via measures including the agreement with Wonju Medical Industry Techno Valley (WMIT)
Pharmaceutical Firms	<ul style="list-style-type: none"> Run a real-time based consultation service via ‘Naver Band’ Hold a regular discussion meeting for the pharmaceutical industry 	<ul style="list-style-type: none"> Request market entry support including suitable price compensation considering the business situation <ul style="list-style-type: none"> → Introduce a separate drug price estimation standard considering the market situation and characteristics of traditional herbal medicine, compensate for proper prices of ‘drugs’ and expand the list of exempted drugs from drug price negotiations

Business Case — + Establishment of Win-Win Relationship through One-day Honorary Chair of Review Board Experience

HIRA has ‘One-day Honorary Chair of Review Board Experience’ program in place in order to facilitate the understanding of review by health care institutions and build a trust-based relationship. ‘One-day Honorary Chair of Review Board Experience’ is a field experience project that invites a head of a health care institution to assume a position of the one-day honorary chair of review board to guide through main tasks of HIRA and to have an opportunity to get first-hand experience over the review jobs including review system demonstration and review practice experience of the relevant institution, etc.

In 2017, in particular, HIRA expanded the range of experienced institutions to include not just health care institutions but also specialist associations to offer the consumer-oriented comprehensive information service and beefed up the program to enable visitors to be engaged in in-dept debate with juries about key issues, and experience the full procedures from medical fee request to review and decisions. The program helped us to improve the participating institutions’ patient treatment practices including medical expenses by case, length of stay, etc. HIRA plans to strengthen communication with health care institutions and to induce them to improve their medical care practices so as to provide patient-centered medical service with more active implementation of the program.

7 organizations 31 people
Organizations joined an ‘One-day Honorary Chair of Review Board Experience’ in 2017

Win-Win Cooperation



Won the Grand Prize in the Idea and Planning Sector

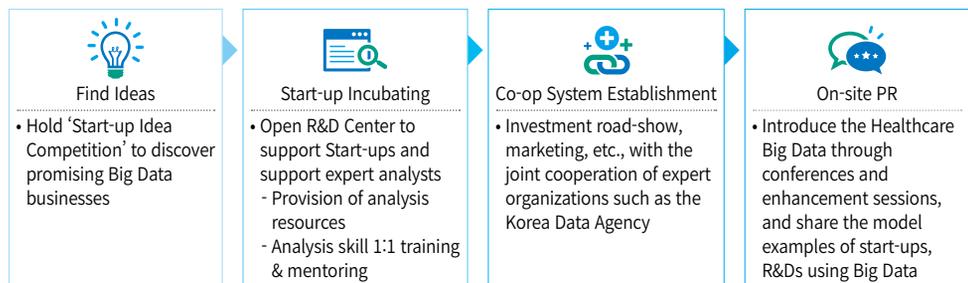
Championship of the Inter-government Public Data Utilized Startup Competition (2018)

Raise the Competitiveness of Healthcare Industries

Establish Start-up Incubating System based on Healthcare Big Data

HIRA holds the largest national Healthcare Big Data in Korea, which is used in supporting start-ups' successful business establishment. Notably, in 2017, HIRA newly introduced 'HIRA Start-up Incubating System' to its 'Start-up Idea Competition', which was held as a temporary event. Through the Healthcare Big Data Open R&D Center, HIRA provides them with Healthcare Big Data analysis infrastructure and supports Big Data education and analysis by recruiting analysis professionals, an advisory council for start-up support experts, and mentoring. In addition, it built a co-op system with the Korea Data Agency and others to undertake start-up incubating covering investment, management and intellectual property rights, etc. As a result, HIRA contributed to the generation of 5 successful start-up businesses and the development of innovative new combined drugs.

Assistance Process

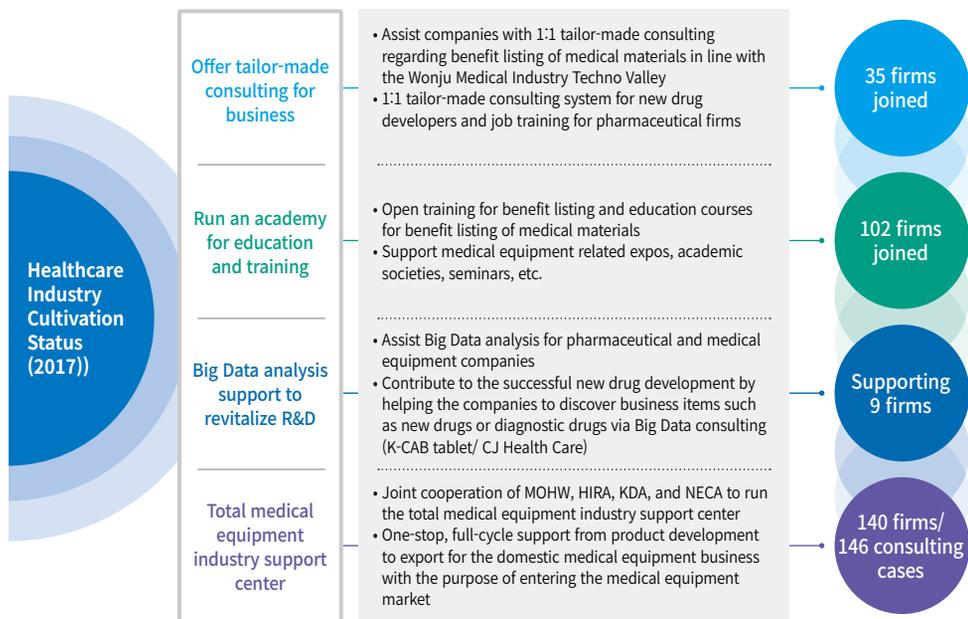


Selected as the Best in Korea in non-R&D category in the joint public organization project

By the Ministry of Trade, Industry and Energy (2016)

Tailor-made Support for Business in the Healthcare Industry

HIRA assists Korean companies specialized in pharmaceutical products and medical equipment in expanding the domestic and overseas markets with multi-faceted efforts. It helps these businesses to have improved understanding of the system with benefit listing related consulting and training and to find out and commercialize business ideas by supporting their Big Data analyses. Reflecting the opinions of the healthcare industry, it improved its system such as shortened insurance coverage duration, etc., and runs a total medical equipment support center that supports the company's penetration into the insurance coverage related medical device market with the joint cooperation of the Ministry of Health and Welfare.



Won the 4th Industrial Revolution Smart Public Agency Award (2 consecutive years)

National Assembly Convergence and Innovation Economic Forum (2018)



HIRA system exported to Bahrain



Won the Presidential Citation Award in 'The World Standards Day'

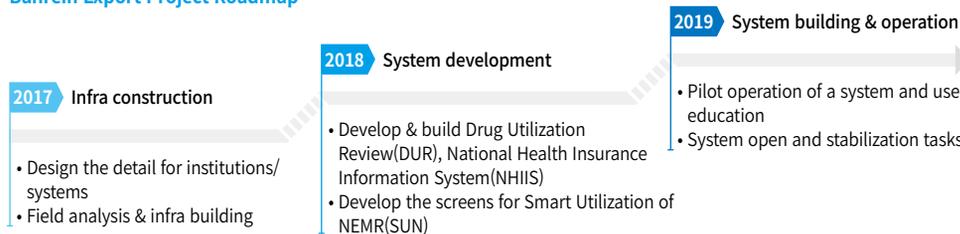
Strengthened Healthcare Information Sharing in the International Community

Overseas Market Penetration of HIRA System

HIRA made the first export agreement of the health insurance system with Bahrain in Korea in March 2017. This project allows HIRA to build up three types of IT infrastructure systems including Drug Utilization Review(DUR), National Health Insurance Information System(NHIS), Smart Utilization of NEMR(SUN) in a bid to achieve more effective healthcare expenditure management and to provide people with quality medical service in Bahrain for the duration of 32 months.

HIRA designed the details for the healthcare system such as the standardization of healthcare information codes and constructed Cloud service and infrastructure in 2017. And it sealed another agreement with Bahrain for a project to develop the National Electronic Medical Repository(NEMR) that collects claims and health information of all the health care institutions within Bahrain as well as its maintenance and repair project in 2018. As a result, HIRA was awarded with 'the Export Tower of 3 Million Dollars' for the first quasi-government agency in Korea in the commemoration ceremony of hosted by the Ministry of Trade, Industry and Energy and concluded MOUs with health ministries of other countries (11 countries and 4 international organizations) so that it can pave a substantial path to expand overseas markets.

Bahrain Export Project Roadmap



In particular, HIRA was recognized as the leader in standardization in the field of health & medicine for its management of information systems according to the international standards(ISO20000) and developed the Korean-style patient classification system standards with further international compatibility and subsequently won the Presidential Citation Award in the ceremonial event of 'The World Standards Day', organized by the Korea Agency for Technology and Standards of the Ministry of Knowledge Economy.

Operate the Training Course on Social Health Insurance for Developing Countries

HIRA Training Course on Social Health Insurance is a project in which HIRA helps developing countries' experts in the field of claims review and assessment in cooperation with MOHW and WHO Western Pacific Regional Office(WPRO) which began in 2013. HIRA offers a tailor-made solution for each country as it examines the educational needs of the participants in advance, identifies country-specific matters to address main issues. In late 2017, HIRA developed a Medical Audit Toolkit(MAT), which underpinned the design of the 2018 HIRA Training Course to propose the directions for healthcare system reforms in developing countries. The effort was rewarded with a higher satisfaction rate in terms of work-site application of the 2017 HIRA Training Course to 93 points, a 3.8 point increase from the previous year.



Won the Export Tower of 3 Million Dollars in 'Trade Day'

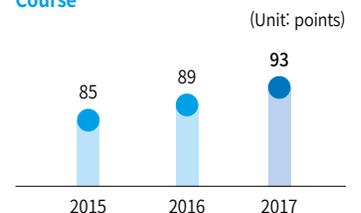
By the Ministry of Trade, Industry and Energy (2017)



Won the Presidential Citation Award in '2018 The World Standards Day'

By the Ministry of Trade, Industry and Energy (2018)

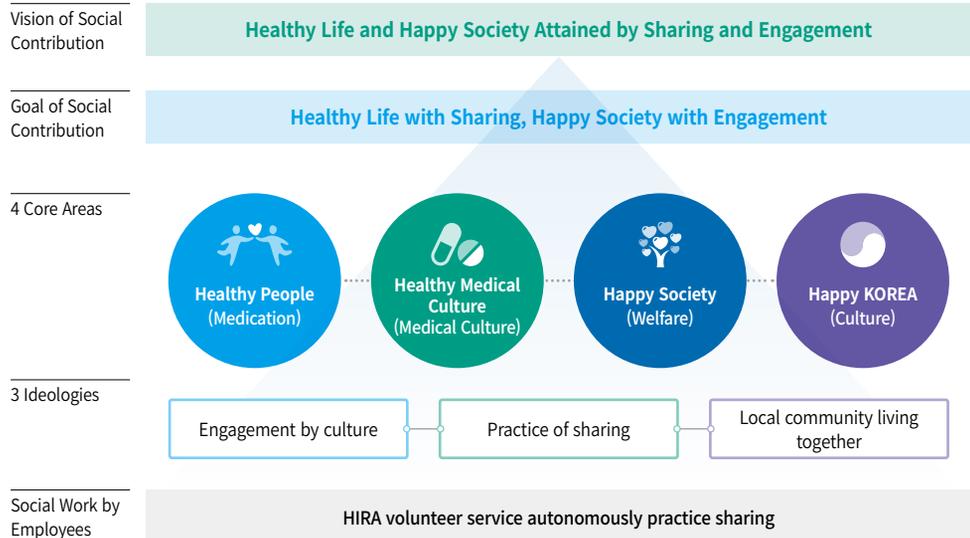
The Results of Work-Site Application Satisfaction Rate in HIRA Training Course



Local Community

Social Contribution Implementation System

HIRA is involved in social contribution activities based on its social contribution vision, 'Healthy life and happy society attained by sharing and engagement.' It is committed to realizing social values through various activities based on its expertise such as Kids Health Keeper Class and helping rare and incurable disease patients, and those with a specific focus on local community including supporting the underprivileged class in community and local community revitalization and employee sharing initiatives, etc. and to help people to live a healthy and happy life.



Spread Healthy Medical Culture

Kids Health Keeper Class

In an effort to support children's healthy mental and physical growth, HIRA is running a 'Kids Health Keeper Class' for students of elementary schools located in Wonju. In 2018, we expanded the scope of the program and conducted obesity prevention classes, ADHD prevention classes, and parent classes for three schools in Wonju. For systemic program assistance, the organization beefed up the lecture pool by hiring more assistants and monitoring staff and prepared obesity and ADHD prevention program manual books.

Helping Rare and Intractable Disease Patients

HIRA has been helping rare and intractable disease patients in medical blind spots in economic and emotional senses. HIRA funds medical expenses for them with voluntary donations by employees and the matching-grant type contribution by the organization, and annually holds 'Health + Happy Camp' to provide unforgettable memories to rare and intractable disease patients and members of low-income families and to help them to relieve stress arising from long-term treatment. Also, it opened the 8th 'Health + Happiness Children's Library' for public health care institutions with low fiscal self-reliance ratio in Hongseong Clinic in 2017 and published 'Hope Storybook' that illustrated the stories of patients who overcame their rare and incurable diseases and distributed 4000 volumes to pediatrics throughout the nation to deliver them hopes and dreams.



93.3 points

Social contribution satisfaction rate of
Recipients in 'Health + Happy Camp' (2017)



'Health + Happiness Camp' for rare and intractable disease patients and families'



Elementary school students' visit to HIRA

Social Value Enhancement through Co-prosperity with Local Community

Support Underprivileged Class in the Local Community

In an effort to realize social values, HIRA runs various programs to solve local community issues and to support the low-income class and the culturally isolated class.

Classification	Program Name	Detail
 Support Children from Low-income	Paradise Project	<ul style="list-style-type: none"> (2017) Prepared/distributed 600 boxes of Hope Sharing Kits for food-deprived children in cooperation with Good Neighbors and others, and supported the housing environment improvement project for poor families in Wonju (2018) Provided 3,300 packs of instant rice for food-deprived children in Gangwon region
	Career Experience With a Free Semester System	<ul style="list-style-type: none"> Support the expenditure for the career experience of young people from low income families of villages that established an affiliation with HIRA
	Didim Ssiart Bankbook(Stepping Stone Seed Bankbook)	<ul style="list-style-type: none"> Offer monthly self-reliance funding to underprivileged children who require special attention
 Solutions to Local Community Issues	Urban Farmer Academy House	<ul style="list-style-type: none"> Provide the homeless with residential places, support their rehabilitation through cutting-edge urban agricultural technology training (crop cultivation) and psychotherapy
	Baby Love Powdered Milk Bank	<ul style="list-style-type: none"> To solve the low birthrate issue, supply free food and daily necessities to families with infants under 10 months of age of the disadvantaged class in order to reduce their child care burden
	Voluntary Service for the Sister Villages	<ul style="list-style-type: none"> Voluntary services for sister villages including offering helping hands, Kimchi-sharing event, etc.
	Social Call Service for Single Seniors	<ul style="list-style-type: none"> Since 2010, HIRA Call center joined the 'social call service for single seniors' initiative organized by the MOHW to call to check on and to offer health insurance related info, to 120 single seniors twice a week so as to prevent solitary deaths from occurring
 The Culturally Deprived Area	Culture and Sunshine Concert	<ul style="list-style-type: none"> Provided the culturally deprived such as grandparent-grandchild families with opportunities to attend an orchestra concert
	Nanum Concert (sharing concert)	<ul style="list-style-type: none"> Hold a range of cultural performances (children's play, etc.) using the organization's facilities
	Sponsor Local Culture	<ul style="list-style-type: none"> Expand an opportunity for the underprivileged to relish cultural activities using the cultural infrastructure in Wonju Region
	Visit to HIRA	<ul style="list-style-type: none"> Support HIRA visits from elementary school students in rural areas in Gangwon-region to help them with career experience

Local Community



Joint-seminar by the Consultative Body for Health Insurance Research



HIRA X Wonju Maeum Yium Festival

Share Healthcare Knowledge to Foster Local Talent

To cultivate local ICT talents, HIRA formed 'ICT Council to Foster the Talent in Local Universities in Gangwon-do' with 7 universities in Gangwon-do and discussed about the details of cooperation such as university-connected education and metoring. As a result, informatization training was provided to foster future healthcare IT experts with four university students in IT-related departments. It also introduced healthcare related curriculum such as Medical Review & Assessment Theory in four universities in Gangwon-do. And as HIRA employees conduct lectures for students, it delivers first-hand knowledge and helps cultivating local talents via industry-academia cooperation. In addition, it held a 'Joint Seminar by the Consultative Body for Health Insurance Research' to offer information on policy direction of healthcare, etc. and seek measures for mutual cooperation. In addition, the operation of the 'ICT Council of Public Organizations Relocated to Wonju' serves to reduce the barriers between local organizations by sharing the latest ICT technologies, benchmarking best practices, and strengthening information sharing cooperation.

Also, HIRA free semester system's career experience training helps future talents among middle-school students to explore their career path to the healthcare field. HIRA's effort to fulfil its social obligations as public organization with quality educational activities was recognized as it was designated as the only 'Excellent Career Experience Certified Organization for Education Contributions' in the Gangwon, Daegu and Gyeongbuk regions.

Revitalization of Local Economy

HIRA is involved in various activities to fulfill our responsibilities by supporting economic growth of local community. Since 2011, it established a sisterhood relationship with Samsung Village in Wonju to promote local agricultural food consumption and support for vulnerable groups through the winter. It purchases local white cabbages and held a 'white cabbage harvest and Winter Kimchi making event' to deliver the salted white cabbages and winter Kimchi to the economically marginalized in the community.

In 2017, HIRA made the local specialty sales promotion market started from 2016 to be held regularly once a month and subsequently recorded around KRW 29 million in sales and increased its contracts with local businesses to 3.9%p from the year before in accordance with priority procurement of products from the Wonju region. As a result, HIRA was selected as an excellent social contribution organization and awarded the citation of Wonju Mayor in the '22th Wonju Social Welfare Festival.'



Selected as
Excellent Social Contributor

Wonju Social Welfare Festival (2017)

Business Case

+ ICT Council of Public Organizations Relocated to Wonju

Since 2017, HIRA has organized and operates the 'ICT Council of Public Organizations Relocated to Wonju' so as to overcome the regional limitations of ICT infrastructure concentrated in the Seoul Metropolitan Area and reinforce the communication between organizations. In 2018, it began working collaboratively by sharing its informatization budget management system and relevant policies and plans to strengthen the collaborative system to lead to service innovation that can be felt by people in the future.

Regular council meetings by quarter

- Participants: 12 organizations in Wonju Innovation City including HIRA, NHIS, Korea Tourism Organization, etc.
- Contents: discuss about various informatization issues and share the latest ICT technologies

Regular working-level consultation system on Informatization

- Information sharing and job discussion via social media
- Benchmarks model example of informatization among organizations

Share education contents among organizations

- Provide staff in charge of informatization in respective organizations with an opportunity to learn ICT trends and professional informatization training organized by HIRA

HIRA's Effort to Spread Sharing Culture

Employees' Social Contribution Activities

Under the CEO's supervision, HIRA organizes HIRA voluntary service whereby every employee partakes in carrying out various social contribution activities. HIRA pays visits to general senior welfare facilities in Wonju and Seoul Elderly Welfare Center to regularly offer volunteer work for free food services and work at the elementary school clinics within the region once a week as a part of talent donation to support children's healthy growth. In collaboration with 14 health and medicine associations, it offers medical services for medically underserved people four times a year to further the welfare of the medically underserved regions and to promote health for residents.

In addition, 10 branch offices are committed to their own sharing activities including welfare center support, low-income family sponsorship, voluntary service for unmarried mother's shelters, medical service, etc. and in 2017, HIRA's sharing culture was diffused by the volunteer service of 765 employees in 30 programs throughout the nation.

Overseas Medical Service

HIRA's Overseas Medical Service (Simhae Medical Service), organized by autonomous participation of its employees, takes the form of talent donation to global communities, especially for those severely underserved regions in the world. In 2018, Simhae Medical Service shared their expertise to provide happiness as it visited the Philippines to offer not just treatment and medical supplies but also play programs for local children and housing environment improvement.

Preservation of Local Community Ecosystem

HIRA was dedicated to protect the ecosystem in the Mt. Chiak National Park area by adopting so-called 'Voluntour'¹⁾ activities with five public organizations that moved to Gangwon Innovation City and volunteer workers. This autonomous volunteer service is engaged in removing exotic plants, collecting waste around the trails and valleys as well as 'safe mountain trekking class' and others, and these activities helped HIRA to lay a foundation to realize citizen's participatory park management and fulfil its social obligation as a public organization.

* Note 1) Voluntour:
A neologism coined by combining the terms volunteer and tour, and a form of voluntary activity along with travel

2017 Social Contribution Performance



Business Case + Promotion of Local Community Communication by 'HIRA X Wonju Maeum Yium Festival'

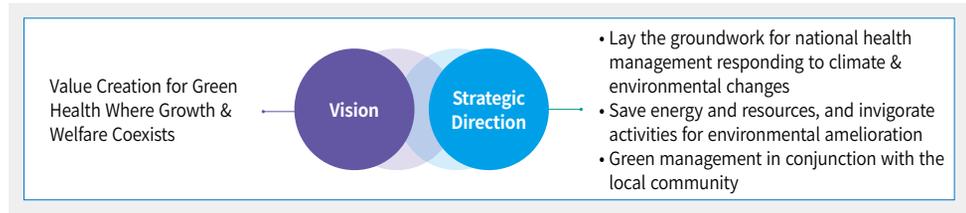
While celebrating its 18th anniversary, HIRA held the 'HIRA X Wonju Maeum Yium Festival' to offer the platform of harmony with Wonju citizens in June 2018. The Wonju Maeum Yium Festival held in the front plaza of HIRA was filled with various programs designed to revitalize the local economy and to enrich public organizations' social value while allowing participants to have fun as it encompassed an information session for services offered by HIRA to people, a flea market jointly operated by Gangwon Support Center for Social Economy and a social enterprise, 'Todaktodak Wonju Mom', food trucks, sponsoring events for the marginalized in Wonju region, among others.

The festival was well received by local residents as 91.4% of the participants responded that they were satisfied with the event in a survey. In an early celebration of the Senior's Day (Oct. 2nd), HIRA also worked together with Gangwon National University Hospital in September to carry out a health truck project to visit the seniors to realize the social value of promoting elderly healthcare culture improvement.

Safety and Environment

Green Management Strategies

HIRA establishes green management strategies to protect employees and local community safely and reduce its environmental impacts.



Response to Disaster

Build an Integrated System to Prepare for Disaster

To effectively respond to disasters such as earthquakes and fires, HIRA built a disaster control tower that oversees and manages dispersed disaster control functions including disaster emergency plans, office building management, information security, etc., under a unified framework. In addition, it established a disaster/safety control system suitable for its organizational characteristics and beefed up professional measures by designating dedicated staff for different types of disasters. With the co-op system with private, government, military and firefighters, it regularly carries out joint disaster simulation drills so as to ensure a stalwart response to emergency situations.

In recognition of its effort, HIRA won the prime minister’s citation for ‘The Best Company Civil Defense Corps’ in the 2017 Civil Defense Corps Regular Inspection organized by the Ministry of the Interior and Safety and Gangwon-do Office. It will continue to raise its disaster control capability with the utmost priority given to the employees and visitors’ safety.

Preventive Activities by Disaster Types

Natural Disasters	Weather	<ul style="list-style-type: none"> • Prepare the on-site preventive activity manual by season, disaster elements and introduce a monthly safety check day • Reinforce patrol over vulnerable areas per weather condition and pre-checkups (power equipment check against freezing, etc.)
	Earthquakes	<ul style="list-style-type: none"> • Conduct special safety measure according to a checklist for earthquakes
Social Disasters	Security	<ul style="list-style-type: none"> • Secure 100% of legal items for the Civil Defense, joint drills with local Homeland Defense Infantry Division, conducted special training for CBR. • Establish an HIRA hotline system and 100% legal education completion rates for 3 years in a row
	Fires	<ul style="list-style-type: none"> • Organize a group of 330 self-defense firefighters and participated in drills and missions involving fire outbreaks. • Joint firefighting drill in the fire stations and take part in joint disaster control exercises by the local government - Increased participation rate due to CEO’s engagement in all drills and exercises and encouraging field employees
	Facility	<ul style="list-style-type: none"> • Received preventive case reports and follow-up thanks to active employee reporting system (1,657 cases, 6 cases per day) • Daily duty system of facility management dept, a corporate building safety management One-Stop service.
	Health	<ul style="list-style-type: none"> • Emergency care (CPR) training to aptly respond to an emergency situation(8 times in total, 120 participants)
	Crime	<ul style="list-style-type: none"> • Tightened security by establishing ‘1 person 1 authorization system’ and amending access control manual • Install alarm bells in venerable points such as fire escape to improve ability to response



Disaster Simulation Drill



Environmentally-friendly HIRA Building

Industrial Safety and Health

Disease Preventive Program for Employees

HIRA provides its employees with a disease preventive & management program aiming at physical, mental and occupational conditions in consideration of the nature of its business which is mostly comprised of office work and civil complaint handling. To improve musculoskeletal conditions, it offers exercise therapy sessions and group Pilates and employees' high participation and satisfaction rates encouraged HIRA to extend the program to all branch offices, resulting in the increased no. of sessions to 180 in 2017 from the initial 36 sessions in 2016. It also attempts to induce employees' voluntary participation in exercises by improving the environment of inhouse fitness centers.

Furthermore, the organization offers psychological consultations to frontline employees via the MOU agreement with a health promotion center, the talent donations by a full-time review panel consisting of medical experts from the local community. In 2017, it conducted a CS healing program to relieve their stress and boost the morale of employees. Also, it seeks to reduce the rate of malicious civil complaints by changing its call waiting tone to soothing narration.

Safety and Health Management for In-house Partners

As the company's responsibility for safety and health management is strengthened, the importance of management of partner companies in business sites is increasing, for example, the same responsibilities are required for violations of internal partner companies. In response, HIRA concluded an 'Agreement to Comply with Guidelines for the Protection of Working Conditions for Subcontracted Workers' with relevant organizations such as Wonju City Hall and makes sure the government guidelines are 100% observed. To provide a pleasant work environment, it improved its heating and cooling facilities and guaranteed break times to lessen worker fatigue and improve their work concentration. Furthermore, it protects the employees from possible secondary accidents by offering safety equipment such as head lanterns, light sticks, and safety vests.

Water and Sewage Management

HIRA's main source of water supply is city water with the additional use of rainwater for watering plants. All used water will be discharged to the sewage system of the local government and HIRA tries to minimize the environmental impact on the final destination, such as by destruction of water pollution caused by reckless wastewater discharge.

Safety and Environment

Response to Climate Change

In accordance with Article 28 of the 「Enforcement Decree of the Framework Act on Low Carbon, Green Growth」 and the 「Guidelines for GHG & Energy Target Management System in the Public Sector」, HIRA is fully committed to reducing GHG in line with the government's policy to cut down GHG by 30% from the emission standard by 2020.

Eco-friendly Certificates for Corporate Building
Energy efficiency (1st grade)
Eco-friendly building (Top grade)
Intelligent Building System (IBS) (1st grade)
Obstacle-free living environment (top grade)
Ultrahigh speed IT building (Super grade)



Acquired **TOP Grades** in All Areas

Energy and GHG Management by Realizing an Environmentally-friendly Workplace

To diminish environmental impact and GHG emissions, HIRA designed its new corporate building in Wonju to be an environmentally-friendly one that won an ICT-based green certification and it received top grades in all categories including energy efficiency, intelligent building system (IBS), etc., thereby enhancing its environmental performance. Also, it is engaged in saving unnecessary energy use and reducing GHG emissions as it stores and uses renewable energy from a photovoltaic system and geothermal heating for its additional electricity usage.

To maintain a sustainable eco-system, all employees proactively participate in energy conservation and efficiency such as rainwater reuse, light/elevator use per different time spans, and seasonal heating/cooling management. HIRA also plans to install an Energy Storage System (ESS) to shorten the electricity peaks to help to solve the national power shortage problem.

Active Use of Eco-friendly Vehicles

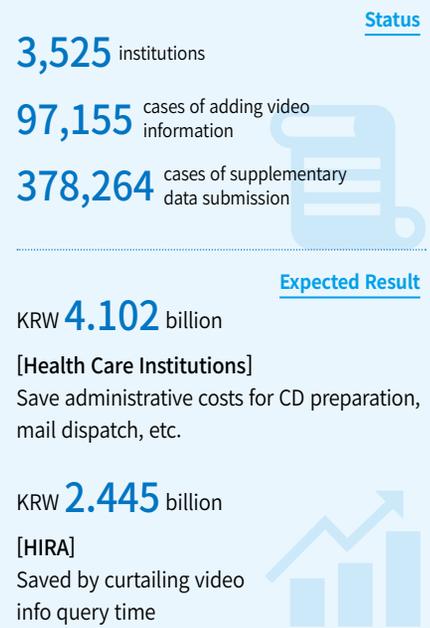
HIRA has purchased eco-friendly vehicles to reduce GHG emissions and curtail environmental costs arising from transportation. 31 vehicles for the headquarters and 15 for branch offices are in operation. Aside from buses and vans, vehicles for general business are hybrid eco-friendly automobiles. HIRA plans to purchase more electric cars to reinforce its GHG reduction and energy-saving endeavors in the future.

Business Case + Reduced Environmental Impact through a Video Information Management System

HIRA established and began operating a Video Information Management System in March 2018 to unify the means of video Information submission from health care institutions. It helps reduce plastic goods(CD) that were previously used for these institutions to submit the reference or supplementary data for review in the form of mail(CD) and via a health care institution portal.

Moreover, as the new system is equipped with various features including stable transmission of huge files, auto resend, delivery options, etc. it gives offers more convenience to the institutions. It is also possible to query video info data in the treatment detail screen of the review system, shortening query time, thereby increasing the review efficiency. Also, as it turns non-electronically collected data into an e-document, or a more accessible form to store in DB, it allows for a new way to generate and use Big Data for video information.

HIRA plans to inform how to use the system and concentrate on its efforts in educating the institutions by wire or actual visits, starting from the institutions that frequently submit mail so as to further its efforts to reduce environmental impact. To promote the use of the system and enhance its quality, it will strengthen the promotional efforts covering educating tours to health care institutions throughout the country, publishing/distributing leaflets, and headquarters/council informatization support council, etc. and collect opinions on system improvement from internal/external user meetings, etc. to reflect on its quality improvement.



*As of September 2018

APPENDIX

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Stakeholder Participation



Definition of Stakeholders and Their Participation

Building upon the re-examination of the needs of stakeholders, HIRA has established a communication strategy to deliver shared values with an emphasis on participation and disclosure. HIRA defines customers, government, related agencies(National Health Insurance Service(NHIS) and medical & pharmaceutical associations, etc.), local communities(residents, community services, media, etc.) and employees as its key stakeholders and runs different communication channels suitable to the relevant stakeholders.

Definition	Main Concerns
<ul style="list-style-type: none"> • General public • Clients to check their medical expenses • Health care institutions (doctors/ pharmacist & workers at such institutions) • Producers/importers of drugs/medical materials 	<ul style="list-style-type: none"> • Spread sound medical culture • Education/Self-enrichment for employees • Foster a people-oriented medical service environment • Enhanced coverage to reduce burden of people • Realize the review/assessment promoting medical autonomy and quality • Communication with internal/external stakeholders • Prevent unfair transactions • Win-win relationship with partners
<ul style="list-style-type: none"> • Ministry of Health and Welfare, Ministry of Strategy and Finance, National assembly, Anti-Corruption and Civil Rights Commission, Board of Audit and Inspection, etc. 	<ul style="list-style-type: none"> • Prevent unfair transactions • Education/self-enrichment for employees • Work-life balance for employees
<ul style="list-style-type: none"> • NHIS, National Evidence-based Healthcare Collaborating Agency • Medical, pharmaceutical association and drug distributors • Medical equipment organizations • Consumers, civil society groups, workers, employer's organizations, etc. • Research Institutes, academic societies, etc. 	<ul style="list-style-type: none"> • Spread sound medical culture • Foster a people-oriented medical service environment • Win-win relationship with partners • Enhanced coverage to reduce burden of people • Alleviate burden on people with actual/realistic system improvement
<ul style="list-style-type: none"> • Local governments • Community services • Media 	<ul style="list-style-type: none"> • Enhanced coverage to reduce burden on people • Win-win relationship with partners • Alleviate burden on people with actual/realistic system improvement • Social value foundation establishment & internalization
<ul style="list-style-type: none"> • HIRA Employees 	<ul style="list-style-type: none"> • Foster a people-oriented medical service environment • Spread sound medical culture • Smooth communication among employees and cultivate a sound corporate culture • Job benefits for employees and work-life balance

Communication with Stakeholders

HIRA collects stakeholders’ opinions and suggestions by running various communication channels and reflects their ideas and needs into its policies and sustainable management strategies.

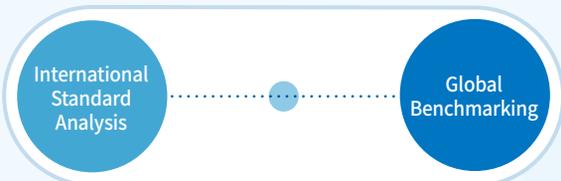
Communication Channel	Communication Promotion Activities
<ul style="list-style-type: none"> • HIRA website & mobile app (Health Information) • The e-Voice system & call centers • Public Involvement and Open Management Committee • People’s Engagement Council • With HIRA University Student Supporters • Satisfaction Survey 	<ul style="list-style-type: none"> • Medical Fee Checking Service & public billing information disclosure • Affirm the capability to handle civil complaints in • Finding ways to realize social value as a public institution that reflects people’s priorities such as ethical management • Discover areas for improvement from the viewpoint of the public by partaking in the healthcare policy making process • Check the operation process from the citizen’s viewpoint such as identifying adverse factors against integrity • Evaluate customer satisfaction in public organizations, happy call satisfaction, and phone call hospitality, etc.
<ul style="list-style-type: none"> • Management disclosure 	<ul style="list-style-type: none"> • Response to the government’s management evaluation, Parliamentary audit
<ul style="list-style-type: none"> • 1,000 meetings on current issues • Participation of non-executive directors in management • Round table meetings, briefing sessions with medical/pharmaceutical association heads • Wonju Public Agency ICT Council, Health & Welfare ICT research association, etc. 	<ul style="list-style-type: none"> • Gather opinions of stakeholders in all areas of business including fees for service improvement (over 300 times), improvement of benefit standards (over 30 times), etc. • Revitalize management consultation (30 times), share advice for management throughout the organization (6 times) • Policy debates, lawmakers’ experience of honorary HIRA officials, TF co-op for 40th anniversary of health insurance • Knowledge-sharing via consultative meetings, etc.
<ul style="list-style-type: none"> • Local job creation cluster • Voluntary services by HIRA employees • Social contribution in disseminating health culture 	<ul style="list-style-type: none"> • Job creation for the 27 underprivileged including car washing and laundry service for Senior Club in Wonju • Broaden the scope for schools supported by ‘Kid Health Keeper Class’ initiative • Domestic/overseas voluntary medical services
<ul style="list-style-type: none"> • Employee communication channel (Heungsimso) • Spread core values(Code of Conduct, e-document) • CEO communication activities • Internal employees’ satisfaction survey 	<ul style="list-style-type: none"> • Share HIRA’s management philosophy including spreading its core values and model examples, etc. • Establish a comprehensive human rights management plan to implement human rights management • The 1st ‘Harmony between labor and management’ declaration by affirming actual communication between labor & management including monthly reporting and a labor and management council • Run an application system to provide grievance counselling for employees and introduction of bulletin board for HRI news(transfer, promotion, human resources status, etc.)

Materiality Test

To identify major topics for sustainability management, HIRA has taken various steps such as international standard analysis, global benchmarking, media research and stakeholder survey, etc., and based on the business impact and stakeholders' interest, we conduct a materiality test over the identified potential topics derived.

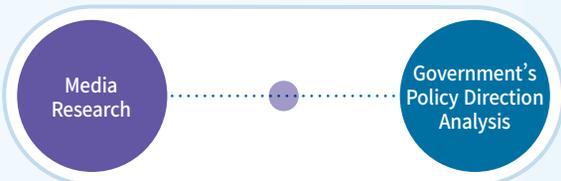
Topic Pool Structure 1

To identify material topics, HIRA conducted diversified analysis of its sustainability management obtained from international standards analysis, global benchmarking, media research, government's policy direction analysis, Review of Internal materials, and stakeholder survey and was able to build a potential topic pool consisting of 23 items.



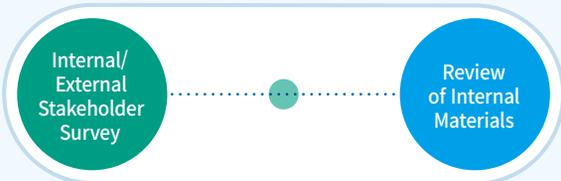
Analysis target:
GRI Standards,
ISO 26000, UNGC,
UN SDGs

For a total of 8 leading
ministries regarding
healthcare and leading
global enterprises in the
field of health insurance
review/assessment



Examine a total of 1,247
articles released by the
media from Jan. 1, 2017 to
Jun. 30, 2018

Analyze Moon Jae-in
administration's 100
national tasks & identify
issues



109 people responded
to the survey including
customers, government,
related organizations
and employees, local
communities

Analyze the key messages
of CEO including the
inauguration speech,
New Year's talk, monthly
gathering, etc.

Materiality Test 2

HIRA carried out the Materiality Test on business relevance and stakeholder impact.



Business Relevance
(Evidence of 'Relevance')

- Analyze the international standards regarding sustainability management & the government's national task requirements.
- Scrutinize common issues within the same industry
- Pinpoint potential risks via analysis of articles published in the media
- Confirm the direction of management by analyzing the messages from CEO



Stakeholder Impact
(Evidence of 'Impact')

Address the needs of stakeholders with the results of a survey of customers, government, relevant organizations and employees, local communities, and sustainability management experts.

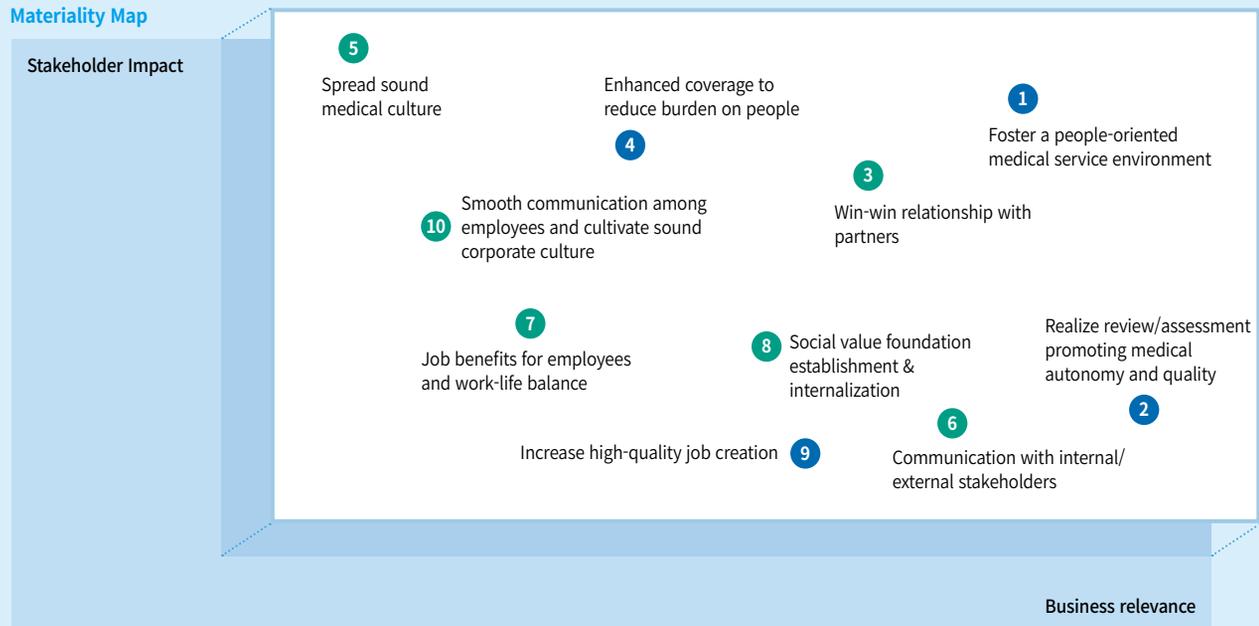
In addition, we report the activities, performance, and plan for the future with a focus on material topics identified through in-depth analysis.

Selection of Material Topics and Report

3

In conjunction with economic, environmental, and social indicators defined by GRI Standards, we identified 10 material topics which were rated 'High'. Material topics were selected in accordance with their significance, range, scope and aspect boundaries, reporting period, limits, and others. Furthermore, HIRA also selected the topic boundary in consideration of the scope of organizational impact, survey outcome, etc.

Materiality Map



	Material Topics	GRI Topics	Pages
Material Topics	1 Foster a people-oriented medical service environment	Indirect Economic Impacts	27-32
	2 Realize review/assessment promoting medical autonomy and quality	Indirect Economic Impacts	15-20
	4 Enhanced coverage to reduce burden on people	Indirect Economic Impacts	21-26
	9 Increase high-quality job creation	Employment	33-38
General Topics	3 Win-win relationship with partners	Procurement practices	59-62
	5 Spread sound medical culture	Indirect Economic Impacts	63-64
	6 Communication with internal/external stakeholders	Stakeholder Engagement	71-72
	7 Job benefits for employees and work-life balance	Employment	56-57
	8 Social value foundation establishment & internalization	Indirect Economic Impacts	6, 11-12
	10 Smooth communication among employees and cultivate sound corporate culture	Employment	55

ESG Data Disclosure

Economic Performance¹⁾

Financial Position Summary

(Unit: KRW million)

Classification		2015	2016	2017
Asset	Current assets	194,252	152,195	173,924
	Non-current assets	289,636	306,056	347,835
	Total Assets	483,888	458,251	521,759
Liabilities	Current liabilities	72,602	32,441	35,627
	Non-current liabilities	78,942	81,347	88,959
	Total liabilities	151,544	113,788	124,586
Shareholders' equity	Common stock	-	-	-
	Others	332,344	344,463	397,173
	Non-controlling entity	-	-	-
	Total shareholders' equity	332,344	344,463	397,173
Debt Ratio (%)		45.60	33.03	31.37

Income Statement Summary

(Unit: KRW million)

Classification		2015	2016	2017
Revenue(Sales)		375,255	263,428	375,116
Net sales		375,255	263,428	375,116
Cost of sales		-	-	-
Operating expenses		272,737	308,535	321,985
Operating income		102,518	-45,107	53,131
Other income		54	235	238
Other expenses		-	-	-
Other revenues		567	56,742	576
Financial income		4,785	4,007	4,455
Finance costs		394	325	209
Gains in equity method, etc.		-	-	-
Net income before income tax expenses		107,530	15,552	58,191
Income tax expenses		-	-	-
Net income		107,530	15,552	58,191
Other comprehensive income		-7,176	-3,434	-5,481
Total comprehensive income		100,354	12,118	52,710
Net income to sales (%)		28.66	5.90	15.51
Stockholders' equity turnover (%)		112.91	76.48	94.45

Note 1) Refer to Financial Position Summary/income statement of the All Public Information In-One(ALIO)

Social Performance

Employee Status²⁾

Classification	Unit	2015	2016	2017
Total no. of employees ³⁾		2,480	2,598	2,884
By employment type	Full-time	2,351	2,485	2,771
	Non-fixed term	50	24	26
	Contingent	79	89	87
By gender	Male	575.75	613.25	688.5
	Female	1,904.25	1,984.75	2,195.5
By age	Under 30 years old	482	474.75	457.25
	30-50 years old	1,528.25	1,639.25	1,876.75
	50 years old or above	469.75	484	550
New recruitment of full-time workers	Male	70	67	69
	Female	290.75	215.5	290
Female managers ⁴⁾	person(%)	94(54.0)	102(54.5)	98(53.9)
Socially equitable employment	People with disabilities	11	12	10
	Patriots & veterans	30	21	27
	Career interrupted women	52	36	33
	Local employment	167	162	224
Retiree	Due to age	25	19	16
	Voluntary	11	13	11
Retirement pension plan	Defined Benefit-based(DB)	18,057	21,205	24,197
	Defined Contribution-based(DC)	11,871	15,569	17,285

Note 2) 30 hours a week in the flexible working system, employees were counted as a 0.75 persons

Note 3) At the present time based on public notice(excluding executives)

Note 4) Level 1(including Senior Research Fellow), 2 (including Research Fellow)

Maternity protection system operation performance

Classification	Unit	2015	2016	2017
No. of employees using parental leave	Male	2	5	6
	Female	239	331	423
No. of employees using maternity leave	Male	11	24	26
	Female	121	151	168
Return to work rates after parental leave (returned/plan-to return)	Male	100(2/2)	100(5/5)	83.3(5/6)
	Female	98.3(235/239)	98.2(325/331)	98.3(416/423)
The rate of employees retained for 12 months after returning (No. of employees retained for 12month/returned)	Male	100(2/2)	80(4/5)	100(5/5)
	Female	98.3(231/235)	97.8(318/325)	98.3(409/416)

ESG Data Disclosure

Social Performance

Starting salary for new hires

Classification	Unit	2015	2016	2017
Base pay for new male hires	KRW thousand	22,776	23,952	25,512
Base pay for new female hires	KRW thousand	22,776	23,952	25,512

Employee benefits

Classification	Unit	2015	2016	2017
Employee benefits per employee ¹⁾	KRW thousand	1,820	2,665 ²⁾	1,843
Employee's satisfaction level of service	point	76.4	77.2	75.6
Employees benefit satisfaction level of employees	point	79.2	76.3	77.1

Note 1) Employee benefits per employee: based on full-time workers

Note 2) Increase in temporary costs due to the relocation to province including the establishment of a corporate child care center in 2016

Labor union membership status

Classification	Unit	2015	2016	2017
Target ³⁾	person	2,335	2,422	2,842
No. of members	person	1,768	1,788	1,971
Participation rate	%	75.7	73.8	69.3

Note 3) Those that have entered the company in Dec. 30, 2016 Employees are included in 2017

Ethics Training

Classification	Unit	2015	2016	2017
No. of ethics training sessions	time	9	12	13
No. of participants	person	1,611	2,366	2,368

Information Protection Training

Classification	Unit	2015	2016	2017
No. of information protection training sessions	time	3	4	4
No. of participants	person	2,024	2,487	2,673
No. of customers' personal information leakage	case	0	0	0

Social Contribution Activities

Classification	Unit	2015	2016	2017
Social contribution activity expenses	KRW million	721	712	624
Employees' voluntary service participation rate ⁴⁾	%	95	97	98

Note 4) Exclude employees who are dispatched, temporarily laid off, and whose leave is more than 181 days in the calculation of voluntary service participants

Purchase of Products for Win-win Cooperation and Regional Development

Classification	Unit	Legal procurement rate	2015	2016	2017
Purchase rate from SMEs		50.00	66.80	69.46	72.39
Purchase rate from social enterprise		3.00	3.06	3.05	3.06
Purchase rate from social cooperatives		0.10	0.14	0.20	0.16
Purchase rate of products from people with severe disabilities	%	1.00	2.13	1.78	1.65
Purchase rate from business of people with disabilities		0.30	0.36	0.30	0.45
Purchase rate from business of people with disabilities		1.00 ⁵⁾	0.34	0.71	1.14
Purchase rate of products from patriots and veterans' affairs		7.00	21.53	7.02	9.27

Note 5) Recommendation prior to 2016

Environmental Performance

Energy and Water Use⁶⁾

Classification	Unit	2015 ⁷⁾	2016	2017
Electricity	kWh	-	11,786,329	12,340,968
City gas	Nm ³	-	192,128	200,835
Water & Sewage Use	m ³	-	36,367	38,816

Note 6) 2016, 2017 data: based on HIRA headquarter in Wonju

Note 7) 2015 data: the figures from 2015 are excluded due to the relocation of the organization to the regions and the reshuffling of Seoul office

Green House Gas (GHG) Emissions

Classification	Unit	2015	2016	2017
Direct emissions (Scope1)	tCO ₂ eq	340.72	834.27	862.72
Indirect emissions (Scope2)	tCO ₂ eq	4,394.23	7,176.65	7,425.96
Total GHG emissions	tCO ₂ eq	4,734.95	8,010.92	8,288.68

Green(eco-friendly) Product Procurement

Classification	Unit	Legal procurement rate	2015	2016	2017
Amount of green product purchased	%	80.00	81.60	93.14	89.67

GRI Content Index & ISO 26000

Universal Standards(GRI 100)

Classification	Disclosure	Indicators	ISO 26000	Page/Note
Organizational profile	102-1	Name of the organization		5
	102-2	Activities, brands, products, and services		7-10
	102-3	Location of headquarters		5
	102-4	Location of operations		5
	102-5	Ownership and legal form		5
	102-6	Markets served Domestic		7-10
	102-7	Scale of the organization	6.3.10 / 6.4.1-6.4.2 / 6.4.3 / 6.4.4 / 6.4.5 / 6	5, 76
	102-8	Information on employees and other workers		76
	102-9	Supply chain		7-10
	102-10	Significant changes to the organization and its supply chain		No significant changes
	102-11	Precautionary Principle or approach		46
	102-12	External initiatives		83
	102-13	Membership of associations		86
Strategy	102-14	Statement from senior decision-maker	4.7 / 6.2 / 7.4.2	3-4
	102-15	Key impacts, risks, and opportunities		46
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	4.4 / 6.6.3	43-46
	102-17	Mechanisms for advice and concerns about ethics		45-46
Governance	102-18	Governance structure		41-42
	102-19	Delegating authority		41-42
	102-22	Governance structure of the organization, including committees of the highest governance body		41
	102-23	Chairman of highest governance body		41
	102-24	Nominating and selecting the highest governance body	6.2 / 7.4.3 / 7.7.5	41-42
	102-25	Conflicts of interest are avoided and managed		42
	102-26	Role of highest governance body in setting purpose, values, and strategy		42
	102-27	Collective knowledge of highest governance body		42
	102-28	Evaluating the managing economic, environmental, and social impacts		42
Stakeholder engagement	102-35	Remuneration policies		42
	102-36	Process for determining remuneration		42
	102-40	List of stakeholder groups		71-72
	102-41	Collective bargaining agreements		55, 77
	102-42	Identifying and selecting stakeholders	5.3	71-72
	102-43	Approach to stakeholder engagement		71-72
	102-44	Key topics and concerns raised		71-73
	102-45	Entities included in the consolidated financial statements		N/A
Reporting practice	102-46	Defining report content and topic Boundaries		73-74
	102-47	List of material topics		74
	102-48	Restatements of information		N/A
	102-49	Changes in reporting	5.2 / 7.3.2 / 7.3.3 / 7.3.4 / 7.5.3 / 7.6.2	Changes including branch expansion and government policy changes, etc.
	102-50	Reporting period		About this report
	102-51	Date of most recent report		About this report
	102-52	Reporting cycle		About this report
	102-53	Contact point for questions regarding the report		About this report
	102-54	Claims of reporting in accordance with the GRI Standards		About this report
	102-55	GRI content index		79-80
Management Approach	102-56	External assurance		81-82
	103-1	Explanation of the material topic and its Boundary	6 / 7.3.1 / 7.4.3 / 7.7.3 / 7.7.5	73-74
	103-2	The management approach and its components		73-74
	103-3	Evaluation of management method		73-74

Topic-specific Standards

Economic Performance(GRI 200)

Classification	Disclosure	Indicators	ISO 26000	Page/Note
Economic	201-1	Direct economic value generated and distributed	6.8.1-6.8.2 / 6.8.3 / 6.8.7 / 6.8.9	75
Performance	201-3	Defined benefit plan obligations and other retirement plans	6.8.7	76
Indirect Economic Impacts	103-1, 2, 3	Management Approach		15, 21, 27
	203-1	Infrastructure investments and services supported	6.3.9 / 6.8.1-6.8.2 / 6.8.7 / 6.8.9	15-32
	203-2	Significant indirect economic impacts	6.3.9 / 6.6.6 / 6.6.7 / 6.7.8 / 6.8.1-6.8.2 / 6.8.5 / 6.8.7 / 6.8.9	15-32
Procurement Practices	204-1	Proportion of spending on local suppliers	6.4.3 / 6.6.6 / 6.8.1-6.8.2 / 6.8.7	65,78
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	6.6.1-6.6.2 / 6.6.3 / 6.6.6	44-45, 77
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6.1-6.6.2 / 6.6.5 / 6.6.7	59

Environmental Performance(GRI 300)

Classification	Disclosure	Indicators	ISO 26000	Page/Note
Energy	302-1	Energy consumption within the organization	6.5.4	78
Water	303-1	Water withdrawal by source	6.5.4	78
Emissions	305-1	Direct (Scope 1) GHG emissions	6.5.5	78
	305-2	Energy Indirect (Scope 2) GHG emissions	6.5.5	78

Social Performance(GRI 400)

Classification	Disclosure	Indicators	ISO 26000	Page/Note
Employment	103-1, 2, 3	Management Approach		33
	401-1	New employee hires and employee turnover	6.4.3	33-38, 76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4.4 / 6.8.7	57
	401-3	Parental leave	6.4.4	56, 76
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	6.4.3 / 6.4.5	55
Training and Education	404-1	Average hours of training per year per employee	6.4.7	54
	404-2	Programs for upgrading employee skills and transition assistance programs	6.4.7 / 6.8.5	53-54
Diversity and Equal opportunity	405-1	Diversity of governance bodies and employees	6.2.3 / 6.3.7 / 6.3.10 / 6.4.3	76
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	6.3.6 / 6.3.7 / 6.3.10 / 6.4.3	58
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	6.3.3 / 6.3.4 / 6.3.5 / 6.3.7 / 6.3.10 / 6.6.6 / 6.8.4	N/A
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3.3 / 6.3.4 / 6.3.5 / 6.3.10 / 6.6.6	N/A
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	6.3.5	58
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3.3 / 6.3.5 / 6.6.6	59
Local Communities	413-2	Operations with significant actual and potential negative impacts on local communities	6.3.9 / 6.5.3 / 6.8	N/A
Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	6.3.5 / 6.6.1-6.6.2 / 6.6.6 / 6.8.1-6.8.2 / 7.3.1	N/A
Public Policy	415-1	Political contributions	6.6.1-6.6.2 / 6.6.4	N/A
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.7.1-6.7.2 / 6.7.7	77

Independent Assurance Statement

Introduction

Health Insurance Review & Assessment Service (“HIRA”) commissioned DNV GL Business Assurance Korea, Ltd. (“DNV GL”), part of DNV GL Group, to undertake independent assurance of the HIRA’s ‘Sustainability Report 2018 (Subtitle: Health care for the public, Innovation through communication) (the “Report”’. DNV GL’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been prepared in good faith.

Scope of assurance

The scope of assurance includes a review of non-financial data and sustainability activities and performance data over the reporting period from 1st January to 31st December 2017. This also includes:

- Evaluation of the Report on the adherence to the principles for defining the report content and the reporting principles for defining report quality set for in the Global Reporting Initiative Sustainability Reporting Standards 2016 (“GRI Standards”).
- Evaluation of the process for determining material topics for reporting and the management approach to material topics and the process for generating, gathering and managing the quantitative and qualitative data in the Report.

Basis of our opinion

The assurance engagement was planned and carried out using DNV GL’s assurance methodology VeriSustain™¹⁾, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000). We provided the limited level of assurance. The audit was carried out in October and November 2018. The site visits were made to the headquarters of HIRA in Wonju. We undertook the following activities as part of the assurance process:

- checked the 2017 performance data and information described in the Report against ‘All Public Information In-One’²⁾, public management evaluation report, internal documents and records;
- interviewed and got written response from representatives of the various departments;
- reviewed the materiality assessment report.

Limitations

The engagement excludes the sustainability management, performance and reporting practices of HIRA’s relevant any third-parties (such as National Health Insurance Service and the Medical Association). DNV GL did not interview external stakeholders as part of this Assurance Engagement. The data disclosed at the website of ‘All Public Information In-One’³⁾ and disclosures in HIRA’s website⁴⁾ are not included in the assurance scope. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. Economic performance based on the financial data is cross-checked with the audited consolidated financial statements. The baseline data for Environmental and Social performance were verified using the aggregated data. The responsibility of DNV GL in performing the assurance work is to the management of HIRA in accordance with the terms of reference. The directors of HIRA have sole responsibility for the preparation of the Report. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Conclusion

On the basis of the work undertaken, nothing comes to our attention to suggest that the Report is not prepared ‘in accordance’ with GRI Standards - Core option. Further opinions with regards to the adherence to the following Principles in GRI standards are made below;

Stakeholder Inclusiveness

HIRA has identified internal and external stakeholder groups such as Customers, Government, Relevant organizations, Local communities and Employees and engages with them regularly and periodically to understand their interests through various communication channels. Major communication channels and interests of each stakeholder are described in the Report.

Note 1) The VeriSustain protocol is available upon request at DNV GL Website: www.dnvgl.com

Note 2) HIRA is a quasi-governmental organization in Republic of Korea and thus, the relevant information is made public in this site:www.alio.go.kr

Note 3) Refer to the 2nd footnote.

Sustainability Context

HIRA was established under the Act to serve as a public organization to carry out and support the development of national health care policies. The Report addresses HIRA's mid- and long-term strategies under the mission of 'HIRA Contributes to Better Health by Further Developing National Health Insurance and Healthcare Sector' and vision of 'A Quality Assessment Agency that Ensures Sound and Safe Culture of Healthcare System'. In management approach pages, the importance of respective material topics, HIRA's tactics on the material topics and the key achievements in 2017 are described which help the stakeholder understand the sustainability management of HIRA.

Materiality

HIRA has conducted the materiality assessment to prepare the Report. The issue pool with relevant 23 topics are formed by analysing the material topics from the global sustainability initiatives and standards, the topics which industry peer group considers material, the subjects covered by mass media, the keynote of government and CEO's message. The issues in the pool are rated by combining the level of impact on HIRA's business and the level of stakeholders' interest in the issue. HIRA selected 10 issues through materiality assessment, reviewed the validity of these issues and ended up with the final 4 material topics. In additional, HIRA has mapped the material topics out with the disclosures as defined in GRI Standards Management approaches on the respective material topics are addressed in the Report. The assurance team reviewed the materiality assessment process and confirmed that the material topics prioritized from the process are addressed in the Report.

Completeness

The Report has covered the sustainability management approach and sustainability performances of HIRA for the reporting period. The reporting boundary is set to include HIRA's headquarter and 10 domestic branches. Nothing comes to our attention that would cause us to believe that the performance results of material topics within the reporting boundary were not complete.

Further opinions on the report quality is as follows;

Accuracy and Reliability

The assurance team has sampled data and tested accuracy and reliability. The assurance team interviewed the data owners and reviewed the data gathering process with the supporting documents and records. The depth of data verification is limited to the aggregated data level. Based on sampling verification, nothing comes to our attention that would cause us to believe that the data and information presented in the Report have any intentional error or material misstatement. Any errors or misstatements identified during the assurance engagement were communicated and corrected prior to the Report being published. HIRA could get raw data generated by respective teams to be verified in order to improve accuracy and reliability of the data handling process.

Competence and Independence

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV GL Code of Conduct⁵⁾ during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Even though DNV GL has provided the service of ISO/IEC 27001:2013 – Information Security Management System to HIRA, the assurance team was not involved in the preparation of statements or data included in the Report except for this statement. In our opinion, this does not affect the independence or impartiality of our work.

November 2018
Seoul, Korea



Jang Sub Lee

Country Representative

DNV GL Business Assurance Korea, Ltd.



Note 4) Website of Health Insurance Review & Assessment Service: <http://www.hira.or.kr/eng>

Note 5) DNV GL Code of Conduct is available from DNV GL website: www.dnvgl.com

Sustainability Management Initiatives



UN SDGs

HIRA is fully committed to produce its sustainable growth in tandem with society by striving to accomplish 17 Sustainable Development Goals (SDGs) announced by the United Nations.

Classification	SDGs Goal	HIRA's Activities	Page
	End poverty in all its forms everywhere	<ul style="list-style-type: none"> Support single seniors and voluntary work at elderly care centers Distributed 600 Hope-sharing kits for food-deprived children in Wonju city 	64
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture		
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Reduce burden on people by strengthening universal health coverage Support healthy growth of children with 'Kid Health Keeper Class' 	21-26, 63
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Big Data Course for university students in Gangwon province Offer customized consulting and run an academy for healthcare industry 	61,65
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Implement various gender equality policies to encourage women's participation including training to raise the competence of talented female workers, the introduction of the target ratio (25%) system of female executives and chief executives in various committees in HIRA 	58
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Support the job creation efforts in the private sector including new 5,577 jobs in healthcare fields Improve the quality of subcontractors with measures including the newly introduced provision on mandatory human rights practices Create jobs for the employment disadvantaged such as the elderly and homeless, etc. 	33-36, 59, 68
	Reduce inequality within and among countries	<ul style="list-style-type: none"> Support start-ups to launch businesses via HIRA Biz-incubating system Emphasize purchasing goods from social enterprises/SMES Promote global medical social security such as exporting HISA system to Bahrain 	59, 61-62, 65
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Respond to climate change by building environmentally-friendly office buildings, buying eco-friendly vehicles, and efforts to reduce GHG, etc. 	69
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> Eco-system protection activities including Mt. Chiak National Park Area 	66

10 Principles of UNGC(United Nations Global Compact)



UNGC is one of the largest voluntary corporate citizen initiatives in the world, As a part of its ethical, human rights management as well as social responsibility management, HIRA has joined the UNGC in 2016 and proclaimed its advocacy and implementation of the 10 principles in the four areas encompassing human rights, labor, environment and anti-corruption. HIRA will continue to actively report its implementation performance through its Sustainability Report.

Classification	Principle	HIRA Policies & Activities
Human Rights	Principle1 Businesses should support and respect the protection of internationally proclaimed human rights	HIRA takes the lead in spreading human rights management by becoming the as the first public organization in Korea to establish the 'Joint Human Rights Management Charter by Labor and Management' in Jun. 2018, organized a human right council, and is committed to avoid any human rights infringements occurring in its management activities. In addition, the organization forges a trust-based relationship with its labor union by ensuring their autonomous activities and regular communication with each other.
	Principle2 Make sure that they are not complicit in human rights abuses	
	Principle3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	
Labor	Principle4 The elimination of all forms of forced and compulsory labor	HIRA respects diversity and does not allow any discrimination based on gender, ethnicity, age, etc. To ensure equal opportunity for all, the organization hires employees based on fair and objective assessments over candidates'/members' capability and job conformity while running a performance evaluation system.
	Principle5 The effective abolition of child labor	
	Principle6 The elimination of discrimination in respect of employment and occupation	
Environment	Principle7 Businesses should support a precautionary approach to environmental challenges	HIRA established green management strategies and observes domestic/overseas environmental standards so as to protect the safety of its employees and local communities and to reduce environmental impacts. In 2017, the organization purchased 100% eco-friendly vehicles to curtail GHG emission and environmental costs.
	Principle8 Undertake initiatives to promote greater environmental responsibility	
	Principle9 Encourage the development and diffusion of environmentally friendly technologies	
Anti-Corruption	Principle10 Businesses should work against corruption in all its forms, including extortion and bribery	To realize a clean HIRA, the organization established an exclusive team under the direct supervision of the CEO and improved its Code of Conduct. In addition, it makes efforts to prevent illegality and corruption by running an anonymous reporting system, completing an integrity pledge by all employees and building a feedback system through ethics level diagnosis, to name a few.

Sustainability Management Principles

Human Rights Management Charter

On June 2018, HIRA established its 'Joint Human Rights Management Charter by Labor and Management', which stipulates the standards for ethical value judgments and behaviors that should be observed by all employees in their process of performing duties required by their job. With the establishment of the Charter, HIRA is committed to protect human dignity and values in all of its management activities and processes.

We strive to fulfill our primary mission mandated by the nation and citizens, promote 'public health through the development of health care insurance and healthcare,' and contribute to 'fostering a sound society free from discrimination and exclusion, and sound healthcare environment(eco-system)' and ultimately aim to be 'a global HIRA to put the utmost priority on assuring human dignity and value.'

- We perform human rights management that champions international and domestic principles and rules on human rights
- We do not make employment discriminations on the ground of gender, religion, disability, social position, place of origin, physical conditions such as appearance, marital status, pregnancy or childbirth, family, ideology or political reasons, academic background, or medical history, etc., without a rational basis
- We do not discriminate against our employees on the ground of 'difference' such as their gender, type of occupation, academic background, age, place of origin, pregnancy or childbirth without a rational basis.
- We guarantee our employees' freedom of expression.
- We guarantee our employees' freedom of association and collective bargaining rights.
- We guarantee our employees' right to rest and leisure, including reasonable limitation of working hours and regular paid leave.
- We provide our employees with a safe and hygienic environment.
- We respect human rights of all our stakeholders including medical consumers, health care providers, related organizations and local communities, etc.
- We respect medical consumers' right to life and right to be safe.
- We make our best efforts to guarantee the public's right to receive medical care and the right to know.
- We strive to cultivate a sound healthcare and medical environment free from discrimination and exclusion.
- We aim to foster a medical service environment for the marginalized or the potentially marginalized such as the elderly, women, people with disabilities, children, the underprivileged, those suffering from rare incurable diseases, members of multicultural families, foreigners residing in Korea
- We do not engage or cooperate with any organizations, groups, or individuals who display a lack of respect to human dignity and values or are engaged in management activities violating human rights.
- We prevent all types of violence and discrimination including sexual abuse in advance and, if it occurs, we shall do our best to proactively provide relief to victims and to prevent its reoccurrence.
- We comply with international/domestic environmental laws and regulations and strive to protect the environment and prevent pollution.
- We aim to guarantee the community's right to enjoy culture, arts.
- We protect the public's personal information.
- As a responsible member of international society, we support universal medical care transcending national borders for the health of all human beings.
- Our labor and management work together to realize public interest and social values to promote community growth.

Sustainability Management Principles

Ethics Charter

With a view to reinforce the implementation of integrity-oriented management, HIRA has enacted its Ethics Charter that reflects its solid commitment to practice ethical management. We will fulfil our social obligations as a public organization and assure all our stakeholders can put their faith in us by observing ethical values and by establishing a transparent and fair work culture.

With the aim of enhancing public health through the development of health insurance and public healthcare, we set out to become a national medical assessment organization that forms a sound and safe medical culture and to realize a fairer and more transparent review and assessment service based on the trust by the people. Thus, we pledge to prioritize the general public (People First), communicate and work together (Collaboration) with various stakeholders, while maintaining the fairness and “Balance” as a public organization as leading professionals (Expertise) with an open mind, enact the Ethics Charter and actively put it into practice.

- We abide by laws and regulations and strive to prevent corruption to cultivate a clean atmosphere in public society with our fair and transparent job performance.
- We always respect people’s opinions, think from their viewpoint, and provide them with the best service available in a bid to realize people-oriented management.
- We add values to healthcare information and ensure the public to enjoy healthier and safer medical services with value-centric management.
- As a member of the community, we actively take part in public services and implement sharing management by communicating and cooperating with various stakeholders.
- We appreciate social norms, and are committed to develop everyone and increase quality of life by creating a sound organizational culture built on mutual trust and respect.

Customer Service Charter

In the Customer Service Charter, Health Insurance Review & Assessment Service expresses its commitment to provide people-centered services and to implement customer satisfaction management. We will improve the work processes from the customers’ standpoint with strengthened communication with customers and uplift the social value with enhanced service quality.

HIRA will put forth its utmost efforts to improve of quality of national health care and health promotion by guaranteeing the appropriateness of the medical service provided by health care institutions to the general public. With an open and bright mind, our employees pledge to endeavor in generating new and creative services useful for citizens and in establishing a win-win relationship geared towards mutual growth and development with internal/external stakeholders and carry out the following:

- We will always listen to the customer’s feedback and will think and act from the customer’s point of view.
- We will provide customers with prompt, fair, accurate and comfortable services.
- We will keep our promise to our customers and protect their confidential information.
- We will disclose any information required by customers as much as possible to realize a transparent management practice.
- We will carefully heed any complaints or grievances to immediately rectify and improve matters.

Membership and Awards

Membership in Associations

Organization	Purpose	Year
Korea National Council on Social Welfare	Conduct social contribution projects with special emphasis on rare and intractable disease patients in low income class & the underprivileged	2004
Korean Management Association	Management innovation & talent development consulting	2005
Social Contribution Council of Health & Medicine Associations	Offer regular medical services for the underprivileged by setting up a professional social contribution group leveraging its experts, equipment from 14 healthcare associations	2006
Korea Productivity Center	Enhance job performance and support to increase work efficiency	2008
HRD Korea	Improve expert competency for talent development	2009
Volunteering Korea	- Educate and join the training process of volunteers - Jointly or independently organize voluntary service related forums, seminars, workshops, conferences - Connect and/or assist communication with local community or NGOs, NPOs.	2016

Awards Status(2015~2018)

Award Detail	Organization	Period
Received the Grand Prize (Quality Management Division) in the Global Standard Management Awards in 2017 (Inducted into the Hall of Fame)	Korea Management Registrar Inc.	Oct. 31, 2018
Won the Presidential Citation in Industrial Technology Standardization	Ministry of Trade, Industry and Energy	Oct. 11, 2018
Smart Public Organization Award for the 4th Industrial Revolution (2 consecutive years)	National Assembly Convergence & Innovation Economic Forum	Aug. 22, 2018
Received the Prime Minister's Citation for Innovative Work Methods in 2017	Ministry of the Interior and Safety	Jul. 12, 2018
Acquired 'Excellent Call Center in Korea' by the Korean Service Quality Index(KSQI) (8 consecutive years)	Korean Management Association Consulting	May 03, 2018
Received 2017 Excellent Organization to Support Autonomous Regulation of the Personal Information Protection	Ministry of the Interior and Safety	Dec. 29, 2017
Received the Prime Minister's Citation for the Contribution of Infectious Disease Management in 2017	Korea Centers for Disease Control and Prevention	Nov. 16, 2017
Acquired 'Excellent Call Center' in the Public Sector by the Call-Center Quality Index (KS-CQI) in 2017 (4 consecutive years)	Korean Standards Association	Nov. 15, 2017
Received the Prime Minister's Citation for the Promotion of Civil Defense Activities	Ministry of the Interior and Safety	Sep. 22, 2017
Gold Award in the 1st UCC Competition for the Public Welfare Information Protection	Ministry of Health and Welfare	Jul. 14, 2017
Received a Plaque of Citation in the World Blood Donor Day	Korean Red Cross	Jun. 14, 2017
Awarded the Grand Prize for the 100 Best Companies to Work for in Korea in 2016	GPTW Institute	Dec. 15, 2016
Received a Citation for ARS Service in 2016	Ministry of Science, ICT and Future Planning	Dec. 09, 2016
Received a Plaque of Citation for Contributing to Welfare of the Elderly	Seoul Senior Welfare Center	Dec. 08, 2016
Won the grand prize for Korea Internet Communication in 2016	Korea Internet Interactive Communication Association	Nov. 23, 2016
Received a Plaque of Citation for Increasing Local Community Welfare	Wonju City Hall	Nov. 17, 2016
Awarded the Grand Prize for Excellent Model for Big Data Competition in the Public Sector	Ministry of Government Administration and Home Affairs	Nov. 10, 2016
Won the Excellence Award for the Public Medical DW	Korea Data Agency	Nov. 03, 2016
Awarded the Grand Prize in the Korea Knowledge Grand Prize	Ministry of Government Administration and Home Affairs	Oct. 13, 2016
Awarded the Grand Prize in the Korean SNS industry	SNS Industry Development Institute	Feb. 02, 2016
2015 & AWARD GRAND PRIX	DIGITAL AD. GOVERNMENT	Dec. 31, 2015
Won the Grand Prize in the e-Government Competition	Ministry of Government Administration and Home Affairs	Dec. 01, 2015
Won the Grand Prize in Internet ECO Award 2015 Winner	Korea Internet Professional Association	Dec. 09, 2015
Won award in the 2015 Best Workplaces in Korea	GWP Korea	Oct. 22, 2015
Acquired the 1st prize in the 4th Korea Knowledge Grand Prize	Ministry of Government Administration and Home Affairs	Oct. 22, 2015



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