

Landscape of Digital health reimbursement policies in APAC

**APACMed Digital health committee
Reimbursement working group**

August 2020

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Context and objectives

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The reimbursement of digital health solutions is crucial to favour market access, and in APAC this space is still young

The reimbursement of digital health solutions is crucial to bring more high-quality care to the market and to patients, and APACMed would like to support the key stakeholders in this space in optimising regional reimbursement strategies.

Reimbursing digital health solutions in APAC

Context

- For the APACMed members, the **reimbursement of digital health solutions is crucial to bring more high-quality care to the market - i.e. to patients**
- To do so, policies that ease the reimbursement of these solutions are strongly needed in the APAC region, but today this space is still young

Objectives

- APACMed would like to elaborate its recommendations and share them with policy makers, in order to **optimise specific regulations**
 - To that purpose, an **assessment of current policy strategies and related gaps** is strongly needed

To answer a major need in the industry, APACMed has set up a reimbursement working group within its Digital health committee

APACMed has set up a Digital health reimbursement working group within the recently established Digital health committee, with the objective of facilitating knowledge sharing and advocate for policies that enable digital health in APAC.

Digital Health Reimbursement Working Group

Objectives of the working group:

- Create and share **knowledge**
- Support policymakers in establishing optimal **reimbursement schemes** in the APAC region

2020 Outputs:

1. Digital health reimbursement **database**
2. Collection of successful **use cases** of digital health reimbursement and monetisation
3. Paper with **guiding principles** for digital health reimbursement and monetisation

Among the three projects of the working group, this report relates to the digital health reimbursement database

This report is relative to the first output, the Digital health reimbursement database, which aims at providing an overview of the policies that regulate the reimbursement of digital health solutions in the APAC region, and will be regularly updated by our members.

Digital health reimbursement database

Objectives of the project:

- Collect and analyse **reimbursement policies** regulating digital health solutions in the APAC countries
- Understand regional and national **strategies** around digital health reimbursement and identify **best practices and gaps**

Outputs:

- An **Excel database**, regularly updated, with the policies organised by country and type of digital health solution
- A **PPT report** with the analysis of the landscape and country-specific ID cards

Project plan and methodology

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Project plan

Project's start

Project's end

March

- Build the working group
- Define project objectives, scope, roles and responsibilities

April

- Finalise database template
- Members to populate database with internal knowledge

May

- Complete the database through desk research

June

- Agree on final output and share deliverables with APACMed members

Next steps:

- The members volunteered as country leaders, to update the database regularly with the latest Reimbursement Policies adopted in their country of interest.

Means and scope of the project

The working group leverage its members' knowledge and completed it through desk research, in order to capture policies that regulated the reimbursement of all digital health solutions in the APAC region.

Means

Leveraging the knowledge of working group members

Desk research: government websites, specialised articles, reports, etc.

Scope

Technologies:
Digital health solutions including telemedicine, remote monitoring, AI, 3D Printing, Software as a Medical Device (SaMD) and Robotic Surgery

Geography:
All the countries of the Asia Pacific

Results

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In APAC, the digital health reimbursement is still a fragmented and young space

- Reimbursement of digital health solution is a **challenging area**, given the heterogeneity of the solutions and their differences from traditional healthcare products
- The APAC **region is highly fragmented**, with some countries having some reimbursement frameworks for specific digital health solutions and other not
- The APAC countries that have reimbursement schemes in place are **Australia, China, Japan, South Korea, Singapore, Taiwan, Thailand and Vietnam**
- Reimbursement policies currently cover: **Telemedicine, Remote monitoring, AI, 3D printing, SaMD and Robotic surgery**
- The Reimbursement models includes **full payment, co-payment and per hour/visit charges**
- **COVID-19** has forced governments to switch to digital health to prevent nosocomial infection

Policies regulated the reimbursement of telemedicine, remote monitoring, AI, 3D printing, SaMD and robotics, from both public and private payers

Digital health solutions

- Telemedicine
 - Online prescription
 - Online medical care
- Remote Monitoring
- AI Medical Imaging
- 3D Printing
- SaMD
- Robotic Surgery

Countries



- Australia and South Korea lead the way for Digital Health Reimbursement
- With COVID-19, some countries are now reimbursing telehealth but it's not clear if only temporarily

Reimbursement Types

- Full pay
- Co-payment
- Per hour/visit

Payers

- National Health Insurances
- Private Insurances

Although temporary, COVID-19 has brought about reimbursement changes which would have taken years to achieve

- South Korea which had previously banned telemedicine, **legalized telemedicine** temporarily.
- China's health ministry released a directive which allows "**full pay**" for all telemedicine consultations.
- Australia included almost all therapeutic areas to the Medicare reimbursement scheme till October 2020, which provides up to **85% reimbursement for telehealth**.
- While COVID-19 has prompted India to roll out Telemedicine guidelines, it is still a long way from being reimbursed.

Country ID cards

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Australia



The most mature digital health market in APAC leads the way for Digital Health Reimbursement.

Payers

- National health insurer (Medicare, National Diabetes Services Scheme - NDSS)
- Private health insurer

Technologies

- Telemedicine (both medical care and prescription)
- Remote monitoring

Therapeutic areas

- All diseases for telemedicine
- Cardiovascular diseases and Diabetes for remote monitoring

% of reimbursement

- Up to 85% for telemedicine
- Up to 75% for cardiac remote monitoring
- 100% for diabetes remote monitoring on NDSS

Impact of COVID-19

- Telemedicine available everywhere in the country and reimbursed for all therapeutic areas until October 2020

Details

- Telehealth is restricted to videoconference consultations
- Reimbursement for reviewing medical data collected remotely could be covered using MBS telehealth item numbers

China



Reimbursement proves to be the Achilles heel in China's DH strategy.

Payers

National Health Insurance

Technologies

- Telemedicine
- Software as a Medical device (SaMD)

Therapeutic areas

- COVID-19 for telemedicine
- Continuous intravenous injection for SaMD.

% of reimbursement

- Full pay for telemedicine
- 25-30 RMB/hour for smart infusion pump

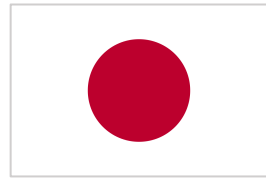
Impact of COVID-19

- At the peak of the epidemic in early February a health-ministry directive mandated that internet-based medical services be given "full pay" to diagnose and treat patients. Another encouraged hospitals to give online consultations

Details

- The online clinic launched by Ali Health served 100,000 patients within 5 days
 - WeDoctor mobilised 20,000 physicians to work online for no pay

Japan



COVID-19 spurs much needed changes in Japan's digital health reimbursement schemes.

Payers

National Health Insurance

Technologies

- Telemedicine (both medical care and prescription)
- Remote monitoring

Therapeutic areas

Cancer, Cardiovascular, Diabetes, Neurology, Nicotine dependence (telemedicine), Respiratory

% of reimbursement

70% for telemedicine

Impact of COVID-19

Doctors can be consulted online for a first/not regular examination, even if the medical need doesn't meet conventional conditions

Details

Japanese government established the remote cooperation medical fee in April 2020

South Korea



Korean policies regulate the reimbursement of a large variety of DH solutions.

Payers

National Health Insurance

Technologies

- Telemedicine
- Remote monitoring
 - AI
 - SaMD
- 3D printing
- Robotic Surgery

Therapeutic areas

- All diseases for telemedicine
- Diabetes for remote monitoring
- Surgical simulator, surgical guide, prosthesis, and aids for 3D printing
- Continuous intravenous injection for SaMDs
- Cardiovascular and Orthopaedics for robotic surgery

% of reimbursement

- 80% for telemedicine
- Up to 80 % for 3D printing
- Up to 80% for SaMD
- Equivalent to a physician for robotic surgery

Impact of COVID-19

Korean government granted telemedicine which used to be prohibited before

Details

In May 2018, the South Korean Government announced plans to invest 33.4 million to develop an AI system that could analyse patient's medical data to offer personalised diagnostics and treatment plans

Singapore



Singapore is unable to tap into the wealth of digital health without proper reimbursement schemes.

Payers

Private Health Insurer

Technologies

Telemedicine

Therapeutic areas

COVID-19

% of reimbursement

- Coverage is extended up to 14 days after patient is discharged from the hospital
 - The employee health benefit programme reimburses online consultations through MyDoc app

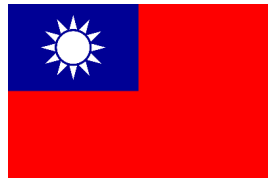
Impact of COVID-19

Telemedicine was previously not reimbursed for any therapeutic area

Details

MyDoc is a company-facing employee health benefit programme, so patients can download the app and get a consultation if the employer paid for it.

Taiwan



Taiwan banks heavily on digital health to fight COVID-19.

Payers

National Health Insurance

Technologies

Telemedicine

Therapeutic areas

COVID-19

% of reimbursement

100% for people in home isolation and home quarantine, as well as people living in remote areas

Impact of COVID-19

The national health insurer reimburses telemedicine for people in home isolation and home quarantine

Details

The national health insurer reimburses telemedicine only for mountains, islands and remote areas.

Thailand



Despite an extensive telemedicine programs established in 2017, insufficient reimbursement schemes limit adoption.

Payers

National Health Insurance

Technologies

Software as a Medical device
(SaMD)

Therapeutic areas

Continuous intravenous
injection

% of reimbursement

180 THB/day for smart
infusion pump

Impact of COVID-19

Free Virtual COVID-19
Clinic for those with
symptoms or at high risk of
COVID-19

Details

Private insurance also
reimburse telemedicine to
their policyholders

Vietnam



COVID-19 helps Telemedicine take off in Vietnam.

Payers

- Private Health Insurer

Technologies

- Telemedicine

Therapeutic areas

- As agreed under Insurance Agreement

% of reimbursement

- The private health insurer reimburses fees for online medical check, as stipulated under Insurance Agreement

Impact of COVID-19

- Vietnam has launched the telemedicine platform in COVID-19 situation

Details

- The guidelines on reimbursement by Vietnam Social Security is not available yet.

Summary and next steps

Key learnings

- The reimbursement of digital health solutions is crucial to favour market access and adoption but in APAC this space is still young
- The APAC region is highly fragmented, with some countries having some reimbursement frameworks for specific digital health solutions and other not
- Australia, Japan and South Korea lead the way while China, Taiwan, Thailand, Singapore and Vietnam have frameworks in place but less extensive
- In Australia, China, Japan, South Korea, Taiwan and Thailand the payer is the National health insurance; in Singapore and Vietnam is the Private health insurer
- Reimbursement policies exist for telemedicine, remote monitoring, AI, 3D printing, robotic surgery and SaMD
- Policies cover a large number of therapeutic areas and more recently COVID-19
- Rate of reimbursement vary according to the country and the disease but can go up to 100%

- Even though some countries started to reimburse some digital health solutions, there is still a gap to be filled in the APAC region
- Filling this gap will be crucial to ensure different stakeholders can access digital health solutions with proven clinical outcomes and cost-effective benefits

Summary & Next steps

Summary and next steps

Next steps

- The outcomes of this project will be used by the APACMed members to have access to a **collection of policies** organised by country and type of digital health solution (the Excel database) and to a regional overview of the **landscape**, with country-specific **ID cards** and **analysis** (this PPT report)
- The members volunteered as country leaders, to update the database regularly with the latest Reimbursement Policies adopted in their country of interest
- Starting from the results of this project, together with the “Collection of successful use cases of digital health reimbursement and monetisation” project, members will start working on a **position paper to share with policymakers some guiding principles for digital health reimbursement and monetisation**

APACMed Digital Health Committee

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