DIGITAL HEALTH REIMBURSEMENT ALLIANCE

Summary of educational event "Skill up with APACMed: How to get digital health reimbursed in Korea?" for MedTech industry

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The voice of MedTech

In the height of the pandemic, APACMed and its members took a stand that Digital Health, which saw penetration rates jump to nearly 50%, is here to stay. That said, issues around fit-for-purpose value assessment and financing frameworks in the region are lacking; therefore, APACMed published *a landmark report* in 2021 with suggestions for how to progress together, across public and private sectors, with proper reimbursement of Digital Health innovations as a means to achieve the health equity goals for our populations in need.

"For now, we are covering Digital Health using the current reimbursement system," said Dr. Joo Youn Kim of the National Evidence-Based Healthcare Collaborating Agency in Korea, contributor to the APACMed report. "In the future, we need to think about new reimbursement categories, and to align the appropriate value of Digital Health with the industry".

Now, in 2022, the ambition is to continue the discussions at the ground level. Thus, APACMed have formally launched the **Digital Health Reimbursement Alliance (DHRA)**, with three (3) key objectives:

1. To create a platform for stakeholders to work together and to achieve common objectives, sharing knowledge and advocating for policies that increase access to Digital Health;
2. To educate stakeholders in the public and private sectors;
3. To work with policymakers to implement more appropriate value assessment, funding, and reimbursement frameworks.

In order to bring the DHRA to life, APACMed will be cultivating a number of sharing sessions, roundtables, workshops, reports, roadmaps, and, hopefully, optimized policies. The first such dialogue was held in Korea, in partnership with the Korea Medical Device Industry Association (KMDIA), on 25 March 2022, featuring Professor Jaeyong Shin (Yonsei University), Jaehyun Suh (KRPIA), Professor Jeonghoon Ahn (ISPOR), and Dr Lee Sang-Soo and Ms. Jaeeun Myung (both from Medtronic). The following is a summary write-up of the discussion, with a link to the full recording *available here*.

Takeaway #1: Digital Health value assessment and reimbursement strategies must evolve

A first discussion point during the webinar compared the various evaluation and financing models for Digital Health across markets, in the Asia-Pacific and beyond, with an aim to adopt a more leading-edge approach in Korea too. The aligned objective being, that the potential of such technologies will be undermined without proper reimbursement coverage.

Stakeholders recognized the role of APACMed in standing up the Digital Health Working Group and bringing the reimbursement topic to the fore. In addition, research efforts have been undertaken such as analysing Health Technology Assessment guidelines for Digital Health in places like Korea, France, the UK, and Germany. Germany, for example, has adopted the Digital Healthcare Act, which includes reimbursement yet is seen as somewhat limited in the scope of technologies covered (more of a patient-centric model). In France, the strategy seems to be more about adopting the role of digital health based on its properties, the interactions between healthcare professionals and patients. A related topic addressed during the webinar is how Digital Health can potentially serve as the connectivity glue across the care pathway, which is where perhaps the biggest value differentiator could be unlocked.

Coming back to Korea, stakeholders stated that, today, Digital Health is still lumped with other medical technologies like AI-based imaging, pathology, and 3D printing. A suggestion was made to review the Korea approach, to determine, in an evidence-based way, the need to tailor the evaluation and financing flows more specifically to Digital Health. Korea does already have mechanisms to evaluate Digital Health; however, the compensation models are seen as limited. Of the use cases highlighted in the APACMed report, included was a continuous blood glucose monitor from Korea which receives support from medical welfare financing, with a promise by government leadership to expand further on its insurance commitments.

"The level of attention on Digital Health has increased due to COVID-19, but is still narrowed to only certain types of technologies," said Jaehyun Suh of KRPIA. "We must raise awareness on the topic to the evaluating agencies, and to help guide an evidence-generating process for demonstrating the value that can be delivered by Digital Health."

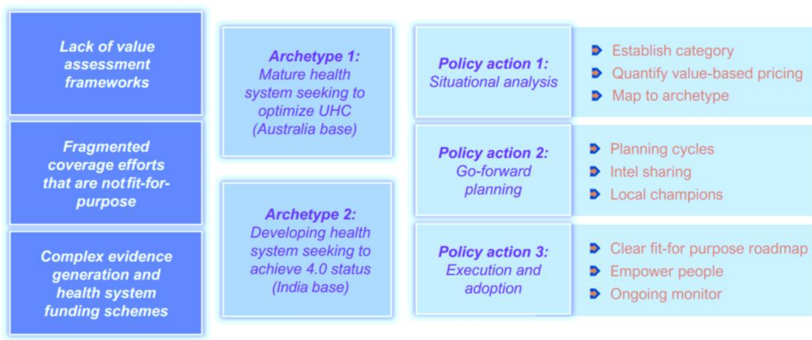

Figure 1: Excerpt from the APACMed Digital Health reimbursement report, outlining the challenges faces in the Asia Pacific as well as solution archetypes to consider forward.

Takeaway #2: The measurable value of Digital Health in the eye of the

To bring the concept of more fit-for-purpose assessment and financing frameworks for Digital Health to the next level, stakeholders discussed during the webinar the important of measuring the progressive steps being taken. A number of initiatives are already underway in Korea.

An example raised by the group is the adoption of telemedicine practices. One use case includes remote care support for military personnel and deep-sea fishing boats. Another use case has been improving healthcare access to people living in remote islands and mountainous regions, especially for ongoing management of chronic disease patients. In addition, a project was undertaken to provide virtualized support for nurses working in long-term care facilities.

Stakeholders indeed recognized the many initiatives underway, and the acceleration happening as a result of the COVID-19 pandemic. Now, the key is to be able to measure the progress achieved, and to capture the benefits being provided in areas such as patient experience, care pathway efficiencies, and even healthcare workforce upskilling. Similar to takeaway #1 as well, stakeholders desire to see the scope of Digital Health widened out.

"We changed the terminology being used from 'telemedicine' to 'Digital Health' now in order to draw more attention by the Korean government," said Professor Jeonghoon Ahn, ISPOR leader and part of the research team at the Department of Health Convergence at EWHA University. "More work is still needed in addressing the Digital Health expenditure and convenience factors though, particularly for patients."

The dialogue around measurable progress moreover entailed healthcare professionals, in terms of building trust and the perceived value of Digital Health from their vantage point. This includes how information is presented to the healthcare workforce, as well as improving the virtual integration of helping patients at home and in the communities. Especially with a wider societal trend of shifting many aspects of our lives to an online format.

Stakeholders outlined four main measurements which need to be discussed with healthcare professionals, in order to properly demonstrate the value of Digital Health:

- Comparing Digital Health to traditional medical practices;
- The role of Digital Health in driving healthcare equities;
- How Digital Health improves efficiencies along the care pathways; and
- Consideration for the impact of Digital Health on roles and responsibilities.

The story is being heard in Korea. For example, telehealth (in its various audio/visual forms) was previously forbidden, until the COVID-19 pandemic during which temporary permissions have been granted. That said, penetration levels are still <1%, which is considered very low by international standards. But stakeholders feel that the rising tide of healthcare transformations such as moving activities out of the hospitals, more focus on costs and efficiencies, and greater end-to-end patient monitoring are all ripe for pushing Digital Health further. Compensation models can be tied accordingly, including with healthcare professionals who could be incentivized to use tools to improve the performance of the health system.

"It is important to think about what Digital Health means to healthcare professionals, and how to provide better care for patients through the convergence of information sources," said Professor Jaeyong Shin of Yonsei University. "Educational programs and real-world insights are critical factors in the adoption of Digital Health tools by the healthcare workforce."

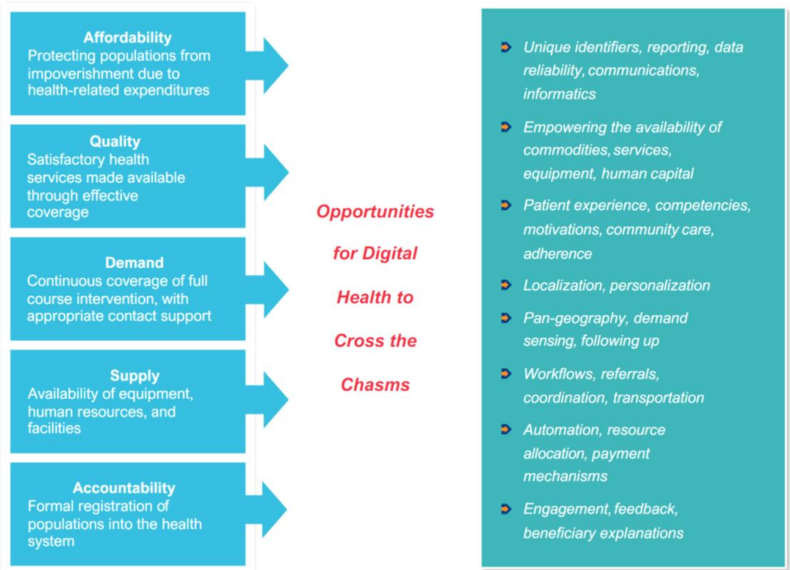

Figure 2: As per the APACMed report (and adapted from the WHO), there are clear linkages to delivering on our UHC promises by harnessing the potential of Digital Health technologies.

Figure 3: Graphical summary from the APACMed report of a proposed Digital Health value assessment framework, adopted from leading practices around the globe (including Korea).

Takeaway #3: Industry perspectives about the status of Digital Health reimbursement

Webinar stakeholders referred to the APACMed report, built upon member inputs, as a suggested framework for Digital Health value assessment and reimbursement. Rather than hard-cut answers to a very complex challenge, the purpose of the report is to foster dialogue between government/payer bodies and Digital Health industry leaders. For example, by taking steps to integrate Digital Health into national plans, to form multidisciplinary taskforces, and ultimately to design a roadmap for actionable implementation.

In Korea, stakeholders emphasized the need to hold further dialogue on the Relative Value Score, which is used to compare interventions in medical practice, including related to criteria such as impact to the healthcare workforce, cost efficiencies, and risk management. The goal being to increasingly insert the idea of Digital Health, as a comparable intervention, into the evaluation process.

In 2022 for example, approval for an electrocardiogram, using a wearable device tester which allows for continuous monitoring up to two weeks, has been achieved. Another achievement was the approval of a rehabilitation robot, which can be used to support the recovery of stroke patients.

So, while access to Digital Health is being improved through such approvals, compensation of fair value remains the open question. According to the webinar stakeholders, the Korean government is aware of the issue. A taskforce has been organized across the Ministry of Welfare, Ministry of Health, and Ministry of Food & Drug Safety, as well as industry and academic experts, to raise the dialogue at the national level. Very much in line with the APACMed report recommendations.

"It's time for us to prepare the roadmap for the value of Digital Health in Korea," said Jaeeun Myung of Medtronic. "Beyond safety and clinical effectiveness, as explained by APACMed, are considerations for the stability, user experience, economic impact, and social perspectives."

Next steps ahead for the continued journey of the DHRA mission

Clearly, there is tremendous opportunity for Digital Health technologies in the Asia Pacific. And yet, without progressive dialogue, we may never hit the ambitious targets. Fortunately, under the auspices of the APACMed DHRA, there is now a platform such dialogue. Further sharing sessions are being planned in Japan, India, and China, in addition to workshops in Australia and Korea (which have already held their first sharing sessions), cross-country alignment roundtables, and DHRA committee meetings. All in 2022. APACMed will concurrently continue to build out the DHRA itself, to collaborate with like-minded partnership groups, and to host masterclasses for a wider constituent base.

Stay tuned for more, and please do come along for the ride!

"APACMed can play a leading role in the discussion by informing governments about the latest advancements in technology" said Dr. Kim of the National Evidence-Based Healthcare Collaborating Agency in Korea. "A true public-private partnership is needed for Digital Health adoption."

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