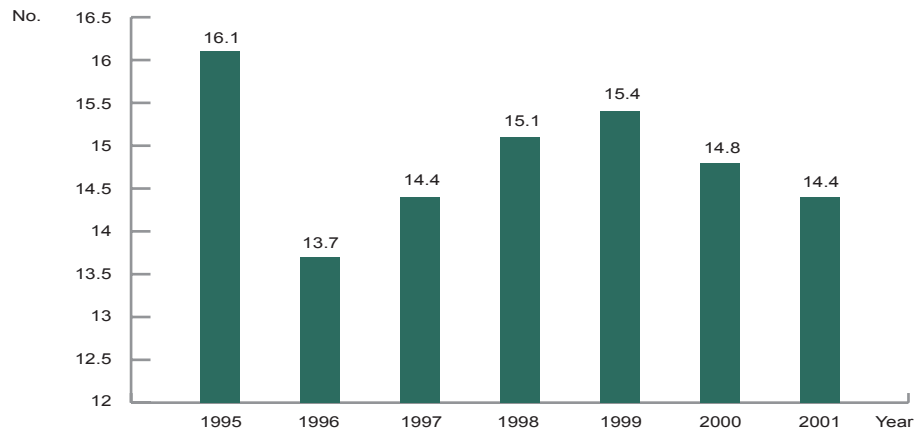


Figure 3-1 Average Number of Medical Care per Person



4. Review of Medical Costs

The review of National Health Insurance medical costs is divided into administrative review and professional review. Administrative review focuses on the accuracy of claims and is done by sampling. However, due to the huge amount of claims, some administrative review procedures are already computerized. Professional review is conducted by a medical service review committee comprising of medical and pharmaceutical experts with educational, clinical, or practical experience, and the medical service review teams from each district. By the end of December 2002, the Bureau of National Health Insurance had recruited 1,217 examining physicians. For services paid under global budget system, such as dental care, Chinese medicine, and western medicine in primary care the responsibility of professional review has been entrusted to related professional associations.

5. National Health Insurance IC Card

To provide better services to the insured, the Bureau of National Health Insurance began to

issue IC-chipped health insurance card to replace the current paper cards. The National Health Insurance IC Card is a personal health management card and a secured, full-function smart card. The National Health Insurance IC Card can be used not only to check the record of the holder's payment status and medical costs, but also to record medical visits. This will facilitate the reduction of waste on abuse of medical care resources, and help with the management of the insured as well.

To familiarize the insured with the use of the National Health Insurance IC Card in seeking medical care services, and to allow time for medical care institutions to be prepared and install necessary software, both the paper and the IC cards are used concurrently till the end of 2003.

Implementation of the National Health Insurance IC Card is a major national policy. With concerted efforts by the government, the insured, medical care institutions, and information and communications enterprises, the National Health Insurance now provides "all cards in one and one card for all" services leading the medical services advancing into the e-century.