

Health minister resigns over premium dispute

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Department of Health Minister Yaung Chih-liang (楊志良) tendered his resignation in a shock move yesterday, saying he could not fulfill Premier Wu Den-yih's (吳登毅) request that 75 percent of the insured be exempted from a proposal to increase national health insurance premiums.

Wu rejected Yaung's resignation late last night, however. Executive Yuan spokesman Johnny Chiang (江宜樺) said the premier hoped Yaung would stay in the position.

Yaung stuck to his original proposal, in which 41 percent of the insured would see a slight increase in their premium in order to pull the debt-ridden Bureau of National Health Insurance (BNHI) out of its predicament.

Under the current system, the premium rate for employees is set at 4.55 percent of 30 percent of their registered insurance subscription (投保額).

The Department of Health (DOH) proposed raising that percentage to 5.09 and that the new payment scale be applicable to all workers earning at least a monthly income of NT\$24,000.

“You can't say you have already decided [to resign]. You can't [resign now]. You can't ... At this moment ...”
— Premier Wu Den-yih

If approved by the Executive Yuan, which is highly unlikely, only 59 percent of the insured, or 13.9 million people, would be spared from paying an average of NT\$97 extra per month.

Farmers, fishermen, the military and low-income families would not see a change in their rates under the proposed plan.

Yaung said the increase in premiums could potentially help the bureau roll in an additional NT\$4.5 billion (US\$141 million) per year.

The 63-year-old Yaung is the third health minister to step down under President Ma Ying-jeou's (馬英九) administration in less than two years, serving just seven months.

His departure leaves the universal healthcare controversy in limbo.

“National insurance cannot fail, especially during an economic downturn. This is the government's most solemn commitment to the people,” the minister said.

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Yuang insisted that it would be impossible to meet the premier's expectation and dig the bureau out of its NT\$58.8 billion hole.

The bureau estimates the debt could exceed NT\$101.5 billion by the end of the year, BNHI Director Cheng Shou-hsia (程秀夏) said.

Last Tuesday, Yaung pitched the plan to the premier, who rejected the idea.

He instructed the minister to return with a new plan within seven days that would exempt three-fourths of the insured from the new payment scale.

"Frankly, under the current law, it is impossible for us to come up with a plan [as per Wu's request] unless we pass an amendment to the National Health Insurance Act (全民健保法) immediately," Yaung said.

The act stipulates that everyone, regardless of income level, must be charged a uniform rate — a major reason for the downfall of the insurance system, the health department has said.

Yaung, known for his outspokenness, said now was the best time to throw the premium issue into the mix because "there might not be any room left" as the year-end special municipality elections are approaching.

"Taiwan holds elections every year," he said at the end of the press conference.

The two deputy health ministers, as well as Cheng, have also offered their resignations.

Yaung's announcement caught the Executive Yuan off guard.

Ma and Wu learned of the news when they were attending an event celebrating International Women's Day.

Wu received a call at around 3:30pm from an aide informing him that Yaung was to resign at 4pm.

He then walked out of the venue and called Yaung.

Wu was heard by reporters standing not far away telling Yaung: "You can't say you have already decided [to resign]. You can't [resign now]. You can't ... At this moment, how can you [resign now]? ... We are close to success. We are now entering the most important stage."

Yaung was scheduled to meet Wu at 6pm yesterday after the department's initial premium increase proposal was turned down by Wu in a meeting last Monday, the second time Wu had rejected Yaung's proposals.

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After the event concluded, Wu took questions from reporters on Yaung's resignation.

Wu said the department was unable to come up with a proposal that would exempt 75 percent of the insured from the premium hikes because Yaung considered it unlawful to adopt a multi-rate health insurance rate system.

The premier said he had told Yaung that adopting a multi-rate system would not violate the National Health Insurance Law (國保法), but Yaung still had concerns over its legitimacy.

The law allows the DOH to increase rates to a maximum of 6 percent. Currently the premium rate is set at 4.55 percent, which is applicable to all income brackets.

Wu and Yaung were in disagreement over whether the department can apply different premium rates to different insurance brackets, based on the insured's monthly earnings.

Wu said he had also told Yaung that the government would work hard to persuade the legislature, which is dominated by the Chinese Nationalist Party (KMT), to revise the National Health Insurance Law to legalize a multi-rate system for health premiums.

In response to Yaung's resignation, KMT Legislator Lo Shu-lei (羅淑蕾) said she was not surprised because Yaung had insisted on raising health insurance premiums.

Lo said government officials who could not carry out their policy or satisfy the public's needs should step down, adding that Yang had shown his "guts" by resigning.

Democratic Progressive Party (DPP) legislators lauded Yaung's move, saying it was long overdue.

"He should have stepped down long ago during the US beef controversy," DPP whip Lee Chun-yee (李俊毅) said. "Instead of taking political responsibility then, his resignation was because of a disagreement over National Health Insurance premiums ... which shows [the severity of] conflict within the Cabinet."

The fact that Wu was unaware of Yaung's resignation until the news broke shows that the Cabinet was experiencing a "breakdown in communications," Lee said.

Lee also responded to comments by Yaung during his resignation speech, in which he blasted the DPP for failing to support an increase in premiums.

Lee said the DPP believed Yaung should have resolved the drug pricing problems first and collected unpaid national health insurance bills from municipal health departments in order to help resolve the deficit.

DPP Legislator Huang Wei-cher (黃偉哲) also criticized Yaung for blaming the national health insurance's problems on the DPP and questioned his motives.

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“If he wanted to resign, he should have talked to the premier. What he did was instead was complain about the DPP through a press conference. This is not responsible behavior and we question his political bias,” Huang said.

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