Going Together
toward better health, better life

HIRA Sustainability Report 2010

HIRA Health Insurance
Review & Assessment Service

HIRA Sustainability Report 2010

Summary of the Report

Purpose of Publication

The HIRA reviews costs and assesses the appropriateness of medical care benefits in order to promote national health and social security. This report contains the HIRA's sustainability efforts and achievements with regard to these goals in three categories: economic, environmental and social responsibility.

Publication of the Report

This is our second sustainability report, which the HIRA will publish every two years. Its content focuses on strategies, systems, and achievements in four categories: healthy people, clean environment, hopeful society, and creative talent.The HIRA will continue to advance its sustainability management guided by GRI performance indicators. This report was published for our stakeholders - including customers, related institutes, government, communities, and employees.

Principle of Writing the Report

This report was written in accordance with GRI Sustainability Reporting Guidelines (G3), which emphasizes the highest levels of objectivity and fairness in materials and information. These details can be confirmed at the "GRI Index."

Scope and Period of the Report

The report includes sustainability efforts and achievements for the whole of the year 2009, as well as some of the major changes made in 2010. The quantitative achievements listed, attest to achievements made over the last 3 to 4 years. This report also includes the sustainability achievements made by the HIRA's HQs and its seven domestic branches.

Changes

During the reporting period, there were no major changes to the scale of HIRA's operation, ownership structure, business profile, or other related elements.

Verification of the Report

To enhance the reliability of the report, selected data and sentences of the report were verified by the Korea Productivity Center. The verification report was included on page 65.

For More Information on the Report

This report can be viewed at the HIRA homepage (http://www.hira.or.kr). For your opinions and further information on this report, please contact us at the following:

Creative Management Division, Planning & Coordination Department, HIRA
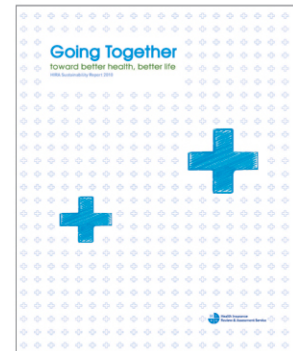
#267, Hyoryeong-ro, Seocho-gu, Seoul, Korea(137-706)

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Homepage: www.hira.or.kr   E-mail: dragon@hiramail.net
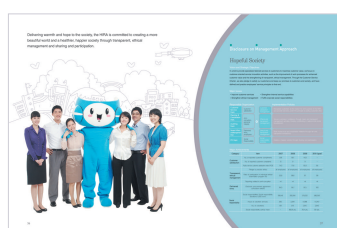
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Cover Story

"Plus(+)" expresses the determination of the HIRA to create a healthier and happier life that gives benefits(+) to everyone through reliable and fair health care review & assessment.

GRI G3 Application Level

The third party verifier, The Korea Productivity Center, confirms that this report meets the A+ requirements of the GRI G3 Guideline.

CONTENTS

CEO Message

HIRA's commitment to sustainability management

The HIRA pledges to create a world where
everyone may live a healthier, happier life.

Dear stakeholders,

I would like to offer my sincere thanks to all our stakeholders for their support and assistance. All the employees of the HIRA are doing their best to ensure a healthier and happier life.

In 2009, in a bid to fully guarantee necessary medical treatment while at the same time decreasing wasteful medical services, we boosted efficiency with an improved benefits criterion and raised the electronic review ratio to 45%. We also drove forward intensive customer service management, achieving high customer satisfaction levels despite difficult conditions. Furthermore, we won Korea's BSC Award, the most authoritative award in the management performance category.

Medical services are essential in guaranteeing the quality of people's lives and national economic development; thus, appropriate medical services should always be assured for all. However, the recent health care environment for medical services has grown ever more complicated and is rapidly changing compared with the past. Related agenda include low birthrates and an ageing population, an increasing number of chronic diseases, the public's increasing expectations regarding health care, the need to additionally secure insurance finance for expanding benefits and the surging quantity of medical reviews (amounting to some 1.3 billion cases).

These changes in the business environment and unexpected crises do not just pose threats to us, but present dynamic new opportunities for economic, environmental, and social harmony and growth. Thus, we are endeavoring to exploit the situation and achieve sustainable development.

The year 2010 marks both the 33rd anniversary of National Health Insurance and the 10th anniversary of the HIRA. The HIRA has thus far played a leading role in promoting national health and developing medical services by performing fair and rational review and assessment activities. Based on our ten years of achievements, we established the 2020 vision of, " To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment" and in July 2010, declared our commitment to act, going forward into the next decade.

With our new vision and accumulated professional capacity to review and assess medical benefits, combined with a more lenient regulatory attitude, we are committed to fulfilling our duties as a partner in medical services and as a national health promoter.

We will change our work paradigm focus from simply reducing workloads, to one that builds value and efficiency into our services. Furthermore, we will employ the SMART HIRA 2020 Strategy, to provide the best review and assessment services available.

We will strive to minimize the impact of health care review and assessment work to the environment while continuing to create new health values. We recognize the serious nature of the impact of environmental changes on people's lives and health, and we will respond to climate change and business changes through systematic monitoring and analysis, thereby strengthening the national health care infrastructure.

We continue to support and fulfill the UN Global Compact's ten principles, to which we committed our signatures in 2008. We will thus implement sustainability management, fulfilling our responsibilities to our stakeholders, and other associated social and environmental aspects. We will also continue to uphold international standards for human rights, labor, environment, and anti-corruption.

A new year of change has begun at the HIRA. This change will have an impact not only on the public, medical personnel, medical care institutions, National Health Insurance Corporation, government, and other stakeholders, but also on future generations. It will bring about a new future of medical security never before experienced in this country.
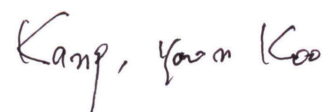
People often say, "Fast Alone, Far Together." We believe that "going together" is the basis for sustainable growth. Like a gyroscope maintaining its absolute direction, we are committed to promoting national health for the public and medical care institutions based on health care review and assessment that is both reliable and fair.

I hope that this sustainability report, only the second of its kind, will transparently disclose the HIRA's management activities and serve as a communication channel to all our stakeholders.

Thank you.
October 2010
Kang Yoon Koo, President of HIRA

About HIRA

The HIRA contributes to the promotion of national health by reviewing medical fees covered by health insurance, assessing the appropriateness of medical care benefits, developing review and assessment criteria, and Providing verification of health care benefit coverage service.

Overview

Name	HIRA
Date of establishment	July 1, 2000
Basis of establishment	National Health Insurance Act, Article 55
Type	Statutory agency
Budget	181 billion won
Total assets	144.5 billion won
Workforce	1,773(Dec. 2009)
Ownership	100% HIRA stake

HQs and Branches

Seoul Branch
HQs
Suwon Branch
Daejeon Branch
Daegu Branch
Changwon Branch
Busan Branch
Gwangju Branch

HIRA Overview

A statutory public corporation established on July 1, 2000 in accordance with Article 55 of the National Health Insurance Act, the HIRA is the country's only medical service review and assessment agency with the remit of promoting national health and social security.

The HIRA, the key engine for the development of the national health insurance system, is committed to ensuring the quality of national medical services and the appropriateness of medical costs. We pledge to enhance the environmental value for future generations and obtain the confidence of our stakeholders, in a bid to earn the public's trust and respect.
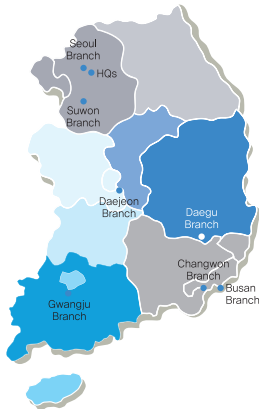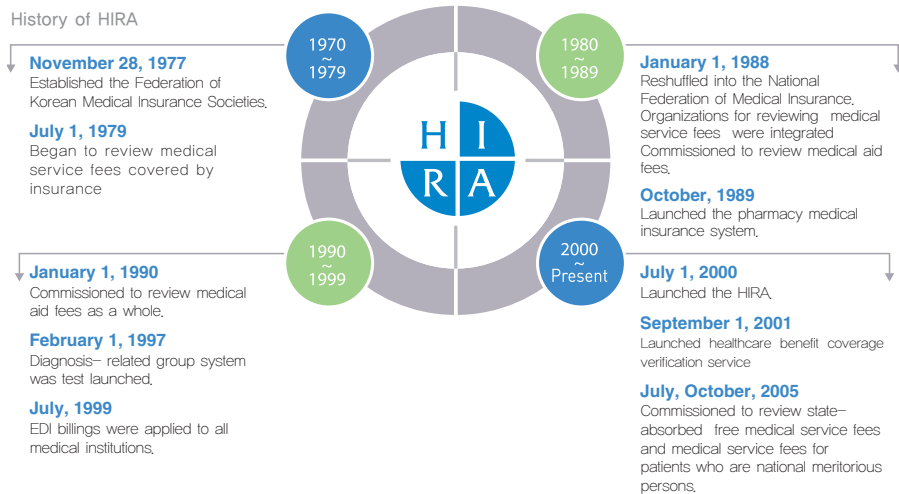
History of HIRA

1970~1979

November 28, 1977
Established the Federation of Korean Medical Insurance Societies.

July 1, 1979
Began to review medical service fees covered by insurance

1980~1989

January 1, 1988
Reshuffled into the National Federation of Medical Insurance. Organizations for reviewing medical service fees were integrated Commissioned to review medical aid fees.

October, 1989
Launched the pharmacy medical insurance system.

1990~1999

January 1, 1990
Commissioned to review medical aid fees as a whole.

February 1, 1997
Diagnosis– related group system was test launched.

July, 1999
EDI billings were applied to all medical institutions.

2000~Present

July 1, 2000
Launched the HIRA.

September 1, 2001
Launched healthcare benefit coverage verification service

July, October, 2005
Commissioned to review state–absorbed free medical service fees and medical service fees for patients who are national meritorious persons.

HIRA's Services

The HIRA performs high-quality review and assessment services to ensure that the public is provided with high-quality medical services. It also creates socioeconomic value for its diverse stakeholders including medical institutions, the pharmaceutical industry, the NHIC, and the government.

The HIRA, in accordance with the National Health Insurance Act, Article 56, reviews medical service fees and assesses the quality of medical services thereof; investigates conducts research on the review and assessment criteria; pursues international cooperation; and supports the government's policies. We also review and assess an annual total of 1.3 billion medical service fee claims amounting to KRW 44.5 trillion (for 2009), which are paid through the health insurance plan and medical aid, thereby contributing to national health promotion and national economic development.

Flow of review and assessment work

The insured — Visit → Medical services ← Healthcare Institution — Request for medical service fees → Notify of review and assessment results ← HIRA — Notify review results → NHIC

Confirm medical service fees
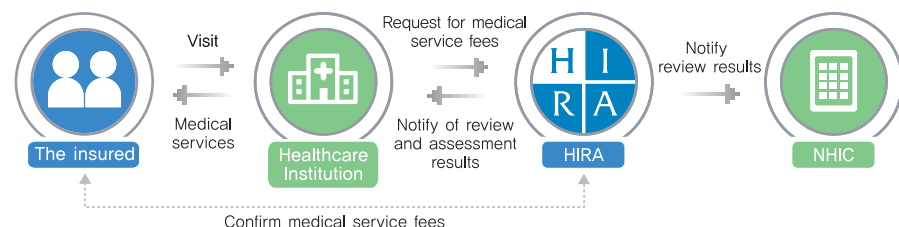
Governance and Organization

The board of directors endeavors to further its participation in management activities and enhance its professionalism in order to implement open management.

Composition and Operation of the Board of Directors

As the top decision-making body of the HIRA, the board reviews and resolves major items of agenda such as management objectives, and supervises and supports the management. The board, in accordance with the Act on the Operation of Public Agencies, consists of 15 members: the president, three standing directors, and eleven non-standing directors drawn from medical, labor, consumer/insurer groups and government sectors and who are experts in their respective fields. The HIRA's president concurrently serves as the chairperson.

The president is appointed by the President of Korea following the recommendation of the Executive Recommendation Committee and the Minister of Health and Welfare. Non-standing directors are appointed by the HIRA's president.

In 2009, the board held eight meetings, and reviewed and resolved 22 items of agenda, with a 97.7% attendance rate. Our efforts will continue to further activate the board.
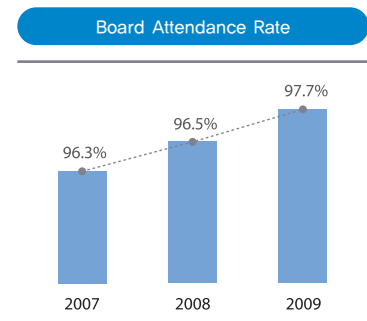
Evaluation of Board

The board is annually evaluated by governmental management assessment and internal assessment. The president, under a management agreement with the Minister of Health and Welfare, undergoes an evaluation of his or her performance and is paid accordingly. Standing directors, under a performance agreement with the president, are paid according to the results of a performance evaluation.

Role of Non-standing Directors and Strengthening of Their Professionalism

Non-standing directors receive prior explanations of the agenda, management information through online and offline channels, and other diverse forms of support to encourage them to positively participate in management. They are also granted the right to request audits and data to help them make rational decisions. They are also allowed to participate in studies on the re-allocation of the organization, manpower and jobs, etc. as panelists and advisors.

Composition of the Organization

The HIRA consists of an HQs and seven branches. It has under its control Health Insurance Review & Assessment Policy Institute as well as. To ensure the advancement and efficiency of management, it re-allocates its manpower, reorganizes its organization, and thus strengthens its capabilities to respond to future requirements.

Board Attendance Rate

2007	2008	2009
96.3%	96.5%	97.7%

Organizational Chart

⊙ Seven branches: Seoul, Busan, Daegu, Gwangju, Daejeon, Suwon, Changwon

CEO

Board of Directors

Healthcare Review & Assessment Committee

Auditor	Executive Director	Executive Director	Executive Director	R&D Center
Auditing Dept.	Planning & Coordination Dept.	Healthcare Benefit Standards Dept.	Comprehensive Review System Planning Dept.	Healthcare Policy Research Dept.
	General Affairs and Management Dept.	Medical Resources Management Dept.	Healthcare Fee Review Dept.	Review and Assessment Research Dept.
	Customer Service Dept	Drug Management Dept.	Quality Assessment Dept.	
	PR Dept.	Information and Communication Dept.	Healthcare Expenses Investigation Dept.	

Korea Pharmaceutical Information Service

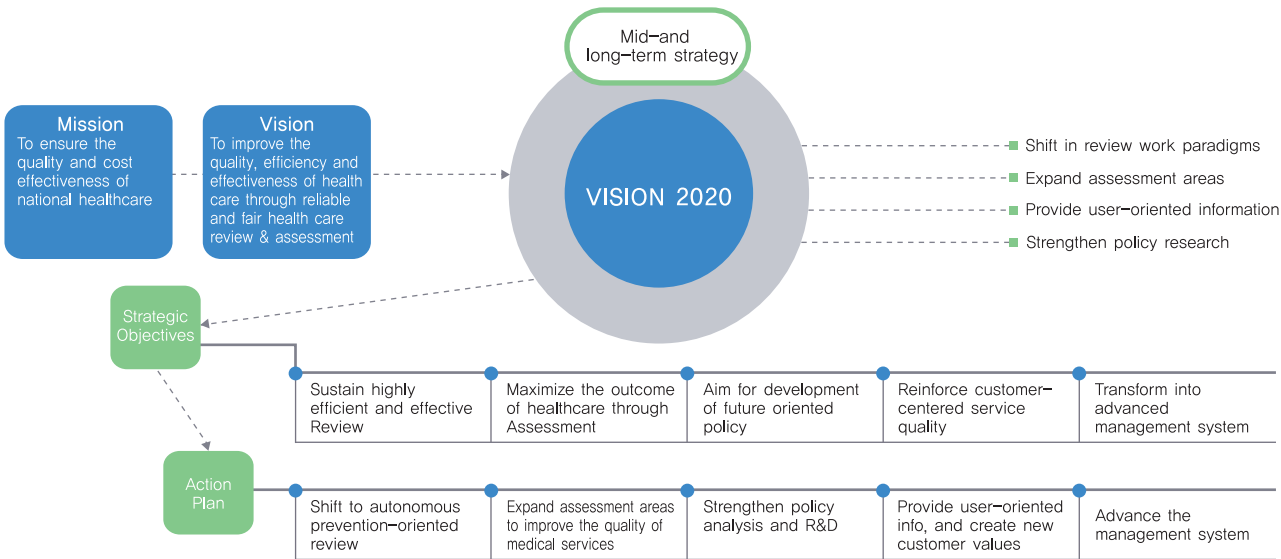# Vision and Strategy

By executing "reliable and fair health care review & assessment", we are creating a healthier, happier society.

Formulation of 2020 Vision and Management Strategy

In July 2010, we declared the 2020 Vision and Smart HIRA 2020 Strategy, which were designed to reflect internal and external environmental changes and our mission and future ideal image, in a bid to achieve a second leap forward for the next decade based on the country's 33 years of national health insurance planning, and on our ten years of achievement and evaluation. This move was staunchly supported by the strong leadership of the CEO and the participation of other employees.

The HIRA is committed to presenting a clear direction and sustainable goals for our review and assessment services, leading innovation, and winning the public's confidence.

Mid-and long-term strategy

Mission
To ensure the quality and cost effectiveness of national healthcare

Vision
To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment

VISION 2020

- Shift in review work paradigms
- Expand assessment areas
- Provide user-oriented information
- Strengthen policy research

Strategic Objectives

| Sustain highly efficient and effective Review | Maximize the outcome of healthcare through Assessment | Aim for development of future oriented policy | Reinforce customer-centered service quality | Transform into advanced management system |

Action Plan

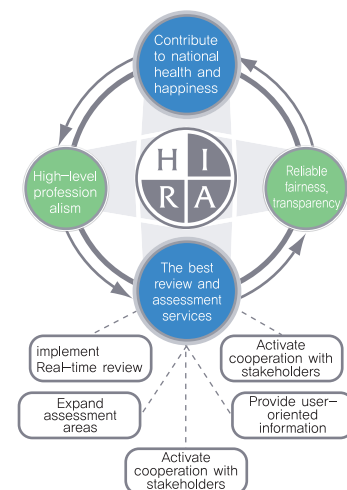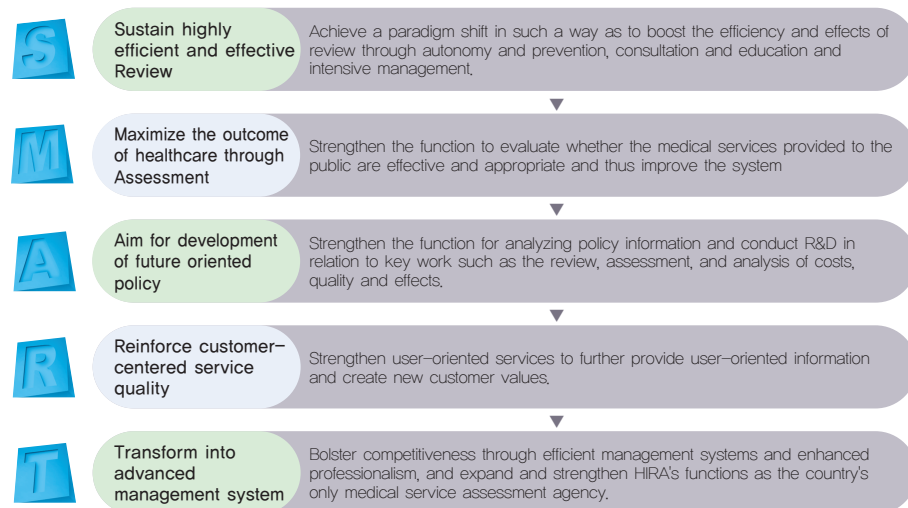| Shift to autonomous prevention-oriented review | Expand assessment areas to improve the quality of medical services | Strengthen policy analysis and R&D | Provide user-oriented info, and create new customer values | Advance the management system |

2020 New Vision

In a pledge to create a hopeful society where all people are healthy and happy through the fair and transparent review of medical fees and the assessment of medical service quality, we have established a new vision aimed at providing "health care review and assessment that is reliable and fair, for the promotion of national health."

To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment	A pledge to review based on fairness, transparency, and professionalism, as well as on principles and criteria, to promote national health and to ensure the stabilization of insurance finance.
	A pledge to achieve rational assessment based on fairness, transparency, and professionalism in order to improve the quality of medical services, and thereby contribute to national health promotion and medical development.
	A pledge to embrace the spirit of working together with diverse stakeholders, through their participation and our cooperation with them, as well as by communicating and establishing a win-win relationship with them.
	A pledge to enhance the efficiency, effectiveness and safety of medical services through reliable and fair health care review & assessment as well as to promote national health and to win the public's confidence.

SMART HIRA 2020

The SMART HIRA 2020 Strategy focuses on a shift in review work paradigms, a strengthening of the role of the HIRA as the nation's medical assessment agency, expanded provision of user-oriented info, the stepping up of its policy analysis and research functions, and the refinement of management.

S	Sustain highly efficient and effective Review	Achieve a paradigm shift in such a way as to boost the efficiency and effects of review through autonomy and prevention, consultation and education and intensive management.
M	Maximize the outcome of healthcare through Assessment	Strengthen the function to evaluate whether the medical services provided to the public are effective and appropriate and thus improve the system
A	Aim for development of future oriented policy	Strengthen the function for analyzing policy information and conduct R&D in relation to key work such as the review, assessment, and analysis of costs, quality and effects.
R	Reinforce customer-centered service quality	Strengthen user-oriented services to further provide user-oriented information and create new customer values.
T	Transform into advanced management system	Bolster competitiveness through efficient management systems and enhanced professionalism, and expand and strengthen HIRA's functions as the country's only medical service assessment agency.

Prospects for Business Climate

The low birthrate, ageing population, and changes in disease structures involving an increase in chronic diseases are emerging as pressing social issues. The government is striving to make a leap forward for Korea as a developed nation by creating new growth engines based on efficient management and green growth. Also, the diverse demands of stakeholders are increasing, prompting us to further fulfill our environmental and social responsibilities and implement transparent and ethical management.
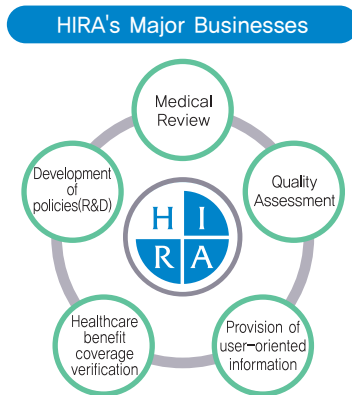
We are striving to proactively cope with these environmental changes and achieve growth together with our stakeholders, and have formulated mid-term sustainability objectives according to our strategic objectives in order to achieve our 2020 vision.

HIRA's Mid-term Sustainability Objectives

|	2009	2010	2011
Sustain highly efficient and effective Review	• Electronic review rate: 45% • Improvement ratio of changing medical service paterns autonomously by informed medical institutions: 52%	• Electronic review rate: 50% • Improvement ratio of changing medical service paterns autonomously by informed medical institutions: 57%	• Electronic review rate: 55% • Improvement ratio of changing medical service paterns autonomously by informed medical institutions: 63%
Maximize the outcome of healthcare through Assessment	• Expand areas of assessment (32% of the total medical service fees) • Implement pay for performance(P4P) demonstration project for year 2	• Expand areas of assessment (34% of the total medical service fees) • Implement pay for performance(P4P) demonstration project for year 3	• Expand areas of assessment (36% of the total medical service fees) • Implement and Expand pay for performance(P4P) project
Aim for development of future oriented policy	• Develop 30 policy research issues • Review 11 items for the strengthening of health insurance security	• Develop 33 policy research issues • Review 13 items for the strengthening of health insurance security	• Develop 36 policy research issues • Review 15 items for the strengthening of health insurance security
Reinforce customer-centered service quality	• Customer satisfaction score: 80 points • Period of handling complaint: 23 days	• Customer satisfaction score: 82 points • SPeriod of handling complaint: 21 days	• Customer satisfaction score: 85 points • Period of handling complaint: 17 days
Transform into advanced management system	• Management evaluation grade: B • Integrity assessment score: 8.31 points	• Management evaluation grade: A • Integrity assessment score: 8.50 points	• Management evaluation grade: A • Integrity assessment score: 8.80 points

Major Business Areas

The HIRA guarantees the provision of quality of medical services for the public while containing unnecessary medical services by reviewing and assessing medical service fairly and objectively, thereby contributing to national health promotion.

HIRA's Major Businesses

- Medical Review
- Quality Assessment
- Development of policies(R&D)
- Healthcare benefit coverage verification
- Provision of user-oriented information

Review and Assessment Service

Established in July 2000 for the integration of health insurance management systems and the accurate review of medical service fees, the HIRA performs its business tasks as a professional medical service agency. Our major stakeholders include the general public, medical service providers, the NHIC, and the government (Ministry of Health and Welfare). These stakeholders perform their duties as follows:
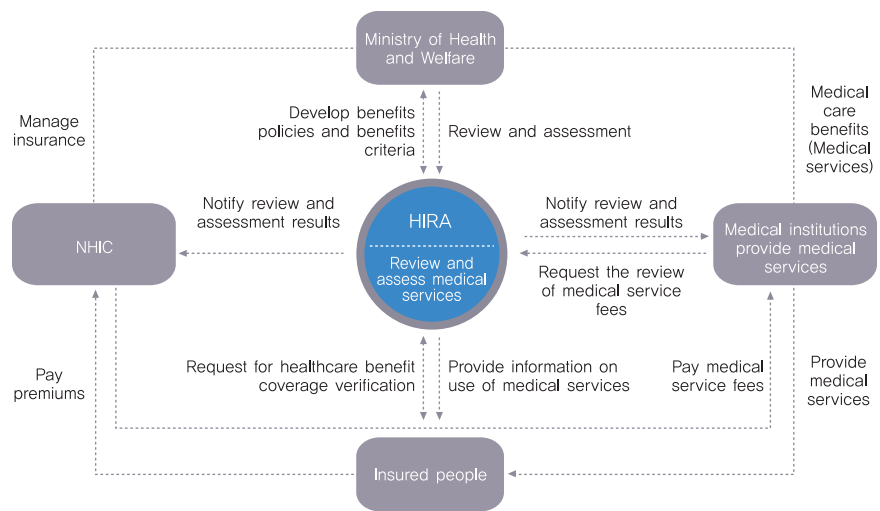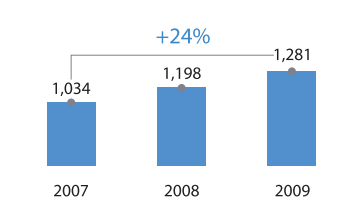

Medical Service Fee Review

Medical Expenses
(Unit: 100 billion won)

+22%

2007	2008	2009
366	396	445
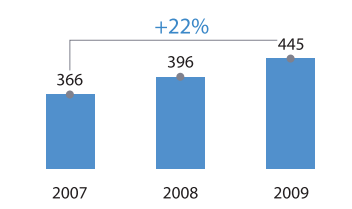
Medical Service Claims
(Unit: million cases)

+24%

2007	2008	2009
1,034	1,198	1,281

Review of Medical Service Fees

The HIRA fairly and objectively reviews whether or not the medical service fees claimed by hospitals, clinics, pharmacies and other medical institutions have been determined appropriately and effectively from the medical and pharmaceutical perspectives, and whether medical services have been provided in accordance with the National Health Act and its Enforcement Ordinances. We thus prevent errors, excessive medical services, and other improper expenditures in order to ensure that the insurance premiums paid by the public are properly expended. In 2009, 1.3 billion medical service fee claims, amounting to 44.5 trillion won (health insurance and medical benefits), were reviewed. The HIRA will expand its use of information technologies to review the increasing number of claims promptly, scientifically and efficiently.

Quality Assessment of Medical Service

Through the quality assessment of medical service, we evaluate the medical and pharmaceutical validity of examinations, surgeries, drug adminstration, tests and other medical benefits (medical services) provided to the public, as well as the cost-effectiveness thereof. We thereby prevent the erroneous or abusive use of medical services, improve effective medical service practices, and encourage economic medical service activities. We evaluated the quality of medical service beginning with five items in 2001. In 2009, we assessed 25 items and 126 indicators, including haemodialysis and hospitalization with the nation's psychiatry departments.

Healthcare benefit coverage verification service

Under the services for Healthcare benefit coverage verification service, the patients can request whether the medical service fees charged to them by medical institutions fall into the non-benefit category (i.e. whether they are excluded from medical care benefits under the Health Insurance Act or the Medical Benefits Act); whether they have paid medical fees coverable by insurance; and whether they can get a refund on them from the relevant medical institutions. Under these services, 7.23 billion won were refunded to the beneficiaries in 2009. Since March 1, 2009, these services have been operated only by the HIRA to boost professionalism and efficiency; previously, they were jointly operated with the NHIC.

The services are provided via the internet homepage (www.hira.or.kr) or through written requests. For further information, please contact the homepage's Cyber Consultation Page or the Customer Service Center (1644-2000).

Statistics on Healthcare benefit coverage verification service

	No. of confirmations(cases)			Refund amount (million won)		
Year	2007	2008	2009	2007	2008	2009
Results	15,569	24,876	43,958	15,172	8,983	7,232

Provision of User-oriented Information on Medical Services

To guarantee the public's right to know and to select medical institutions, we disclose information on the results of quality assessments of medical care benefits, and on medical services. We provide information on 50 medical services, including the treatment of gastric cancer and other major cancers and surgeries, as well as on special medical care institutions that conduct haemodialysis, organ transplantation, and so forth and that operate intensive-care rooms.

We provide information on assessment results and medical services via diverse channels, including TV, radio, our Internet homepage/magazine/PR materials, and various meetings. To make this information more accessible to the general public, we are unifying our methods of information provision and improving public access to our homepage. We also serve as the national hub of health care statistics based on the world's largest national medical service information databases (130TB). We provide statistics for numerous studies and analyses for public purposes.
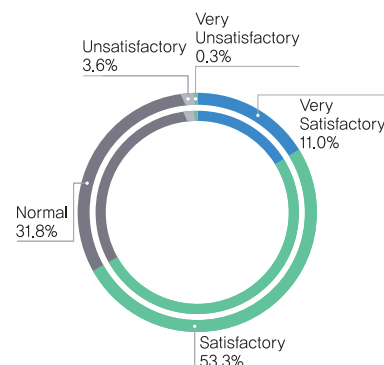
Disclosure of Assessment Results

Category	2007	2008	2009	Change ('09/ '08)
Areas of evaluation results disclosed	6	8	9	13%
No. of evaluation results disclosed	13	17	18	6%
No. of medical service information items provided	40	44	50	14%

Development and medical Support for Government Policies

We develop and operate practical benefits criteria. As such, we guarantee the provision of appropriate medical services to the public; assess whether to apply health insurance to new medical services, pharmaceuticals and treatment materials; and evaluate the economy of the prices. We thereby expand medical coverage, and operate the DUR service, which is designed to prevent drug accidents. we also undertake to develop, support and execute the government's policies. Furthermore, we prevent false and improper claims for medical service fees so as to protect the finance of health insurance, and strive to strengthen public trust by supporting the Ministry of Health and Welfare in its investigations of medical institutions. In this regard, in 2009, we investigated 954 medical institutions. We are also pushing to further implement incentive systems for voluntary reporting and other guidance-oriented policies.

Public Satisfaction with the Provision of Medical Service Information

Survey conducted via the internet (September 2009)

- Very Unsatisfactory 0.3%
- Unsatisfactory 3.6%
- Very Satisfactory 11.0%
- Normal 31.8%
- Satisfactory 53.3%

Development and Support for Health Insurance Policies

Develop, analyze and support policies

Strengthen coverage	Support policy	Analyze policy
• Improve benefits criteria, strengthen coverage, and promote rational financial expenditures	• Rationalize drug expenditures • Ensure the transparency of drug distribution	• Develop, analyze and research policies efficiently, and expand these efforts
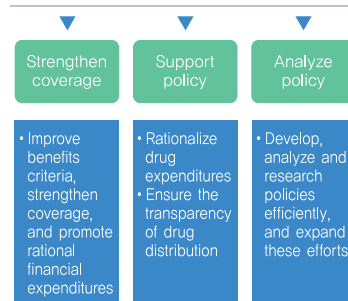
Risk Management

We operate a agency-wide warning system designed to comprehensively control diverse risk factors. In this way, we support rational decision-making in the implementation of our strategies.

Activities to prevent risks

The rapidly changing business environment and increasing uncertainties require us to further control diverse risk factors from the agency-wide perspective. We operate a warning system designed to effectively prevent and control risks. We use the audit information system to enhance audit efficiency. We also link risk control with internal audit activities and obtain feedback from working departments so as to be able to always search and inspect risks. In this way, we manage risks closely between various departments.

Evaluation of Internal Compliance System

We regularly inspect and evaluate the internal compliance system. In 2009, in particular, in order to ensure the reliability of our review and assessment work, we audited the internal control status of the review system to identify problems an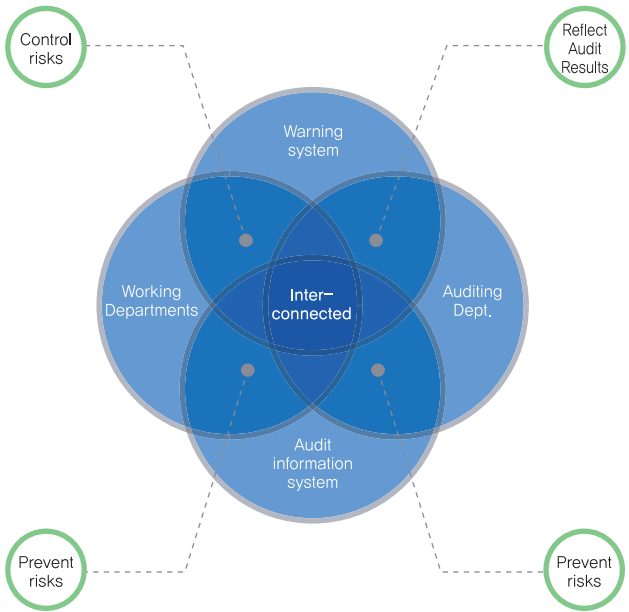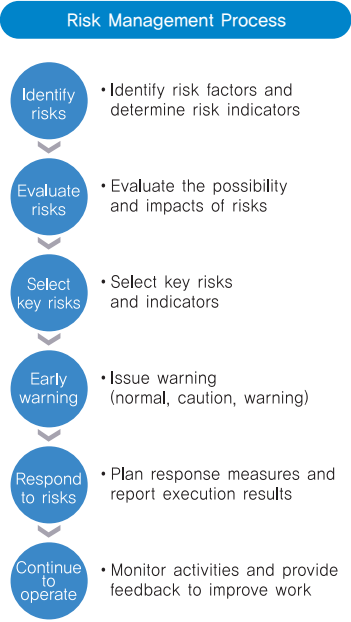d derive solutions to them. We thus improved the internal compliance system in connection with various issues such as sorting out high-price billings, complementing the checking functions, and securing the effect of the rechecking functions. We also evaluated the internal accounting management system in order to identify the suitability of accounting treatment and enhance the reliability of financial statements; we evaluated 130 performance items in finance planning and results, finance management, finance execution, corporate card management, etc, thereby confirming that the appropriate compliance had been implemented.

Internal Audit

We have shifted the focus of our annual comprehensive audit paradigm in a practicality- and performance-oriented direction so as to conduct a total audit on related working departments, shedding the audit of individual departments practiced so far. The comprehensive audit is annually conducted to enhance the effect of internal compliance through the audit system. We also implement the immunity system, a positive administrative system by which we do not hold related employees accountable for procedural faults or violations of regulations By this system we reduce the penalty if such mistakes are committed in the process of positively performing duties with integrity for the public good, thereby enhancing work efficiency and reducing unnecessary punishment.

Risk Management Process

Identify risks
- Identify risk factors and determine risk indicators

Evaluate risks
- Evaluate the possibility and impacts of risks

Select key risks
- Select key risks and indicators

Early warning
- Issue warning (normal, caution, warning)

Respond to risks
- Plan response measures and report execution results

Continue to operate
- Monitor activities and provide feedback to improve work

Measures to Respond to Various Risks

Category	Types of risk	Response to risk
Operational risk	Delaying work due to halted work systems	• Resume work within 3 hours of a disaster's occurrence by operating the disaster recovery system
Information risk	Store data in servers of national medical service information	• Operate a permanent working system for 24-hour-a-day all year round • Data are double-stored by both the HQs and the seven branches
	Cyber hacking	• Operate a 24-hour-a-day monitoring system through the total enterprise security management system
	Leakage of personal information	• Form an exclusive team to protect personal information • Inspect personal information protection, educate and publicize
Financial risk	Financial risk	• Develop internal electronic compliance solutions (accounting management system) • Manage business budget status in real time, using the Web

Sustainability Management System

We are creating a sustainable society by ensuring economic reliability and environmental health, and fulfilling our social responsibilities.

Sustainability Management: Vision and Strategy

We established a sustainability management vision aimed at strengthening customer trust in our work based on sustainability management; to realize this vision, we are striving to achieve four goals, namely, healthy people, a clean environment, a hopeful society, and creative talent, in association with our mid-term management objectives (2011~2013).

Enhancing customer reliability through sustainability management

Healthy people
Advancement of management, innovation of processes

Clean environment
Eco-friendly policy, green growth, energy saving

Economic Development (growth, development)

Environmental Performance (saving, protection)

Sustainability Management

Social Conthbution (sharing, happiness)

Human Respect (win–win, respect)

Hopeful society
Corporate social responsibilities, communication with communities

Creative talent
Human management, life–work balance, human resources development

Sustainability Managemout Organization

Decision — CEO — Board of Directors

Consultation — Sustainability consultation (Economical, Environmental, social, human aspects)

Planning — Planning & Coordination Dept.

Execution — HQs and branches

Sustainability Management Implementation System

Our sustainability management system is designed to protect national health via the review and assessment of medical services, and to serve as a public agency by practicing environmental management and green management as well as fulfilling other social responsibilities. We balance environmental management and corporate social responsibilities on the basis of employee value-oriented, people-respecting management.
As such, we aim to create new values and to win the public's staunch confidence.

Sustainability Management Organization

Since 2009, our Planning & Coordination Dept. (Creative Management Devision.) has been leading the sustainability management of HQs and branches in order to systematically conduct the relevant initiatives. The Planning Coordination Office is committed to reflecting the opinions of our stakeholders, namely, employees, customers, related institutes, the NHIC, communities, and the government. The Ethical Management Committee and the Green Management Committee, as advisory groups, help to define the overall direction for sustainability.

Developmental Stages of Sustainability Management

Developmental stages		Infrastructure construction (2009)	Growth and development (2010~12)	Sustainability management (2013~15)
Four categories	Healthy people	Enhance the credibility of medical service review and assessment	Enhance the efficiency of medical service review and assessment	Enhance the value of medical service review and assessment
	Clean environment	Implement environmental management by sector	Strengthen the combined environmental management system	Maximize environmental value
	Hopeful society	Innovate services to make them customer–oriented	Create new customer values	Leap forward as the nation's most reliable agency
	Creative talent	Establish an image of forward–looking talent	Foster the best professional talent	Implement human management geared toward respect for people

UN Global Compact

The HIRA endeavors to observe and practice the ten principles of the UN Global Compact in four specific areas.

THE GLOBAL COMPACT

WE SUPPORT

The UN Global Compact is the businesses' voluntary accord to realize sustainability management through protection of human rights, eco-friendly efforts, observance of international labor standards, and prevention of corruption diffusion, so as to improve social ethics and international environments, and achieve the continuous development of global economy. As such, it is the global standard for social responsibility management.

UN Global Compact

In November 2008, the HIRA signed up for the UN Global Compact in a bid to implement ethical and transparent management and social responsibility management. By doing so, we declared the support for and fulfillment of the ten principles in the four areas of human rights, labor, environment, and anti-corruption. We are committed to observing and practicing the ten principles, and we will report such achievements through our sustainability reports.

| Principles		HIRA's policies and regulations	GRI indicators
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	[Ethics Charter] Respect the mutual trust of employees	HR1 HR2 HR3 HR4 HR5 HR6 HR7 HR8 HR9
	2. make sure that they are not complicit in human rights abuses.	[Employees' Code of Conduct, Article 24]Ban on sexual harassment [Collective Bargaining Agreement, Chapter 3, Article 30]Ban on sexual harassment and violence at work [Collective Bargaining Agreement, Chapter 8, Article 67] Handling of employees' grievances	HR1 HR2 HR8
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	[Collective Bargaining Agreement, Chapter 1, Article 1, Article 6] Respect the only negotiation body, the enforcement of agreement, and rights [Collective Bargaining Agreement, Chapter 2, Article 12]Guarantee the union's activities [Collective Bargaining Agreement, Chapter 7, Article 58 or Article 65] Mandatory negotiation, procedure of collective negotiation, writing of agreement, and meetings for negotiation	HR5 LA4 LA5
	4. the elimination of all forms of forced and compulsory labour;	[Labor Standards Act, Article 7] Ban on forced labor [Collective Bargaining Agreement, Chapter 3, Article 28, Article 31] Overtime work, working hours	HR7
	5. the effective abolition of child labour; and	[Labor Standards Act, Article 64] Minimum age and employment approval and authorization certificates	HR6
	6. the elimination of discrimination in respect of employment and occupation.	[Personal Affairs Regulation, Article 12]Ban on discrimination by gender, age and education [Collective Bargaining Agreement, Chapter 3, Article 29] Gender equality in employment and working conditions	HR4 LA2 LA10 LA13 LA14
Environment	7. Businesses should support a precautionary approach to environmental challenges;	Compliance with [Basic Environmental Policy Act] [Basic Natural Environment Act] [Act on Saving and Promotion of Resources], and other local environmental laws and regulations	EN4
	8. undertake initiatives to promote greater environmental responsibility; and	[Formulation of plans for cutting down on materials and energy] −2009: saved 1,146 billion won [Collective Bargaining Agreement, Chapter 6, Article 57]Activities to improve the environment of communities	EN4 EN7 EN8
	9. encourage the development and diffusion of environmentally friendly technologies.	[Priority purchase of eco-friendly products] −Priority purchase of eco-friendly products and recyclable products (2009: products worth 2,3 billion won were purchased)	EN5 EN6
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	[Ethics Charter][Accord on transparent society in the health and medical area] [Employees' Code of Conduct, Chapter 3, Article 11, Article 19] Ban on giving and taking bribes [Regulations on employees' integrity agreement] Prevention of corruption related to work	SO2 SO3 SO4

Stakeholder Participation

We reflect the diverse opinions and demands of stakeholders through open communication channels.

Communication with Stakeholders

The HIRA defines its stakeholders as "customers, the government, related institutes (the NHIC, pharmaceutical organizations, etc.), and the communities (residents, social volunteer organizations, media, etc.)". The stakeholders were defined in consideration of their impact on and interest in the HIRA, among other factors.

We operate diverse communication channels to gather stakeholders' opinions, and reflect the constructive opinions in our policies and sustainability strategies.
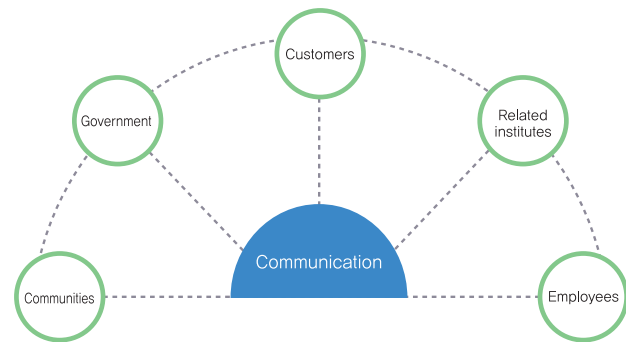
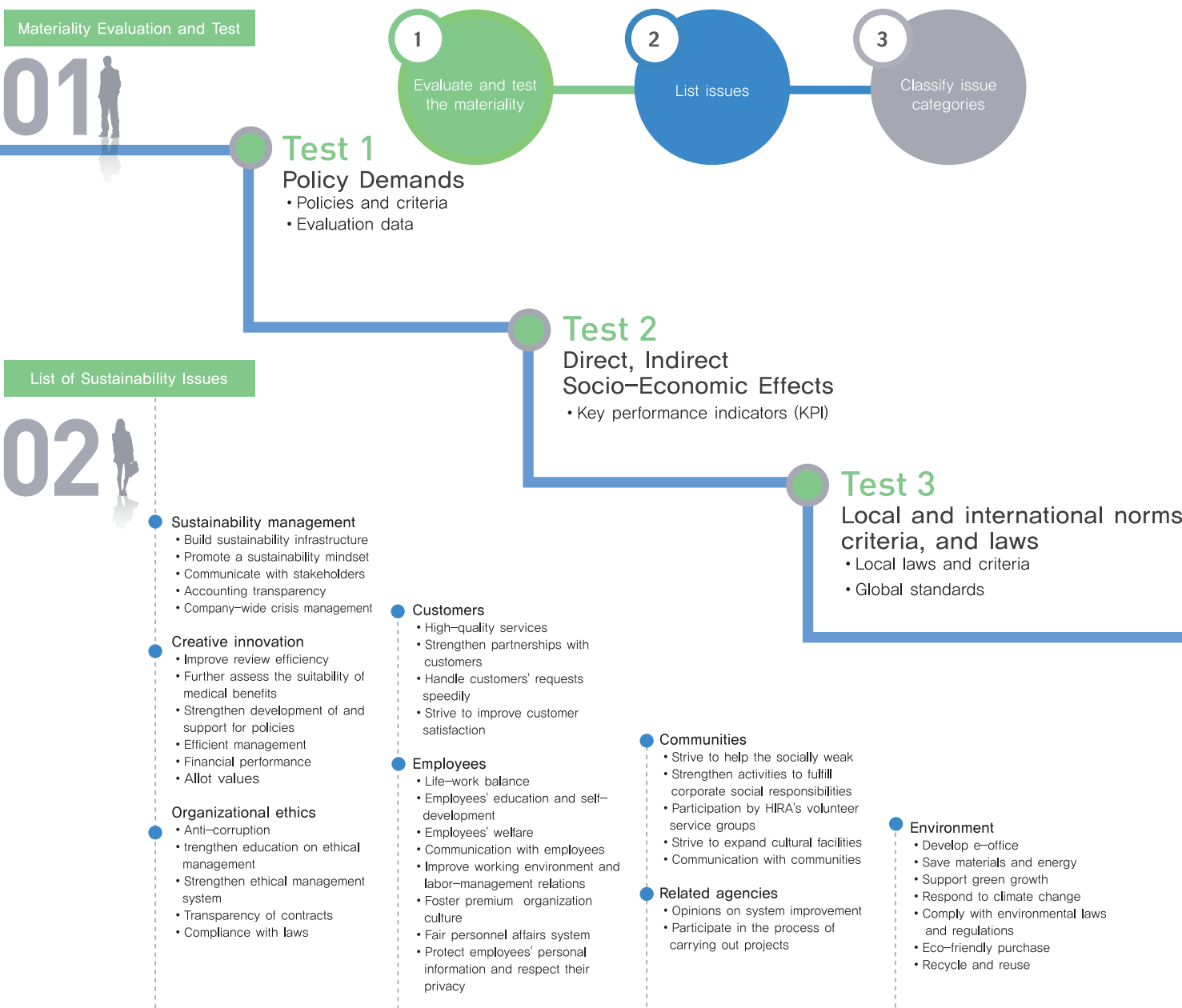Definition of Stakeholders and Communication Channels

Category	Definition	Communication channels	Major activities
Customers	The general public Users who verify their healthcare benefit coverage Medical institutions (doctors and pharmacists, working staff of medical institutions, etc.) Producers and importers of drugs and treatment materials, etc.	HIRA homepage, blog	Management disclosure, customers' opinions, sustainability reports, etc.
		Customers' participatory activities	Customer satisfaction consultation group, CRM, customer consultation, etc.
		Satisfaction surveys	Customer satisfaction surveys, happy calls, etc.
		Media	CEO interview, press releases, TV/radio campaigns, etc.
		Periodicals	Monthly magazine (The People Who Create Health), various publicity materials, etc.
Government	MOHW, MOSF, National Assembly, Anti-corruption and Civil Rights Commission of Korea, the Board of Audit and Inspection of Korea, etc.	Policy data	Reporting materials, HIRA policy trends, research papers, etc.
		Committees	Board, Medical Service Review and Assessment Committee, and Professional Evaluation Committee for Medical Services, Treatment Materials, Pharmaceutical Materials, and Herbal Medicine
		Workshops, etc.	Departments' working consultation, workshops, seminars, symposiums, public hearings, etc.
		Sustainable networks	Anti-corruption and Civil Rights Commission of Korea
Related institutes	NHIC, National Evidence-based Healthcare Collaboration Agency, medical organizations, pharmaceutical/medical device industry organizations, consumers, civic groups, laborers, user groups, research agencies and societies, etc.	Committees	Board, Medical Service Review and Assessment Committee, and Professional Evaluation Committee for Medical Services, Treatment Materials, Pharmaceutical Materials, and Herbal Medicine
		Meetings	Meetings, seminars, symposiums, explanatory sessions, public hearings, etc.
		Permanent collaboration channels	Conclusion of MOUs
		Others	HIRA Executive Leader Program (HELP)
Communities	HQs and seven branches Local governments (Seocho-gu Ward Office, etc.) Social volunteer service organizations Media	Employees' participation	HIRA's volunteer group, With-U, volunteer activities by branch, etc.
		HIRA homepage	Sustainability reports
		Committees, etc.	Ethical Management Committee, Green HIRA Committee, agreement on transparent society, etc.
		Media	Media reports, interviews, etc.
Employees	HIRA's workforce of 1,773 people	Employees' participation	CEO's message, monthly meetings, visits to the frontlines, strategic meetings, high-ranking officials' meetings, policy meetings, Open Discussion, lunch meetings, lunchtime talks, Juniors' Board, etc.
		Homepage, intranet	Labor Union's homepage, sustainability reports, KMS, etc.
		Satisfaction surveys	Employee satisfaction surveys
		Consultative councils, etc.	Regular labor-management consultative meetings, labor-management meetings

Customers

Government   Related institutes

Communities   Communication   Employees

Key Issues of Sustainability Management

The sustainability report focuses on key issues related to the management activities of stakeholders and the HIRA. The GRI guidelines require us to identify, analyze and cope with the interests and demands of stakeholders and to reflect them in the report.
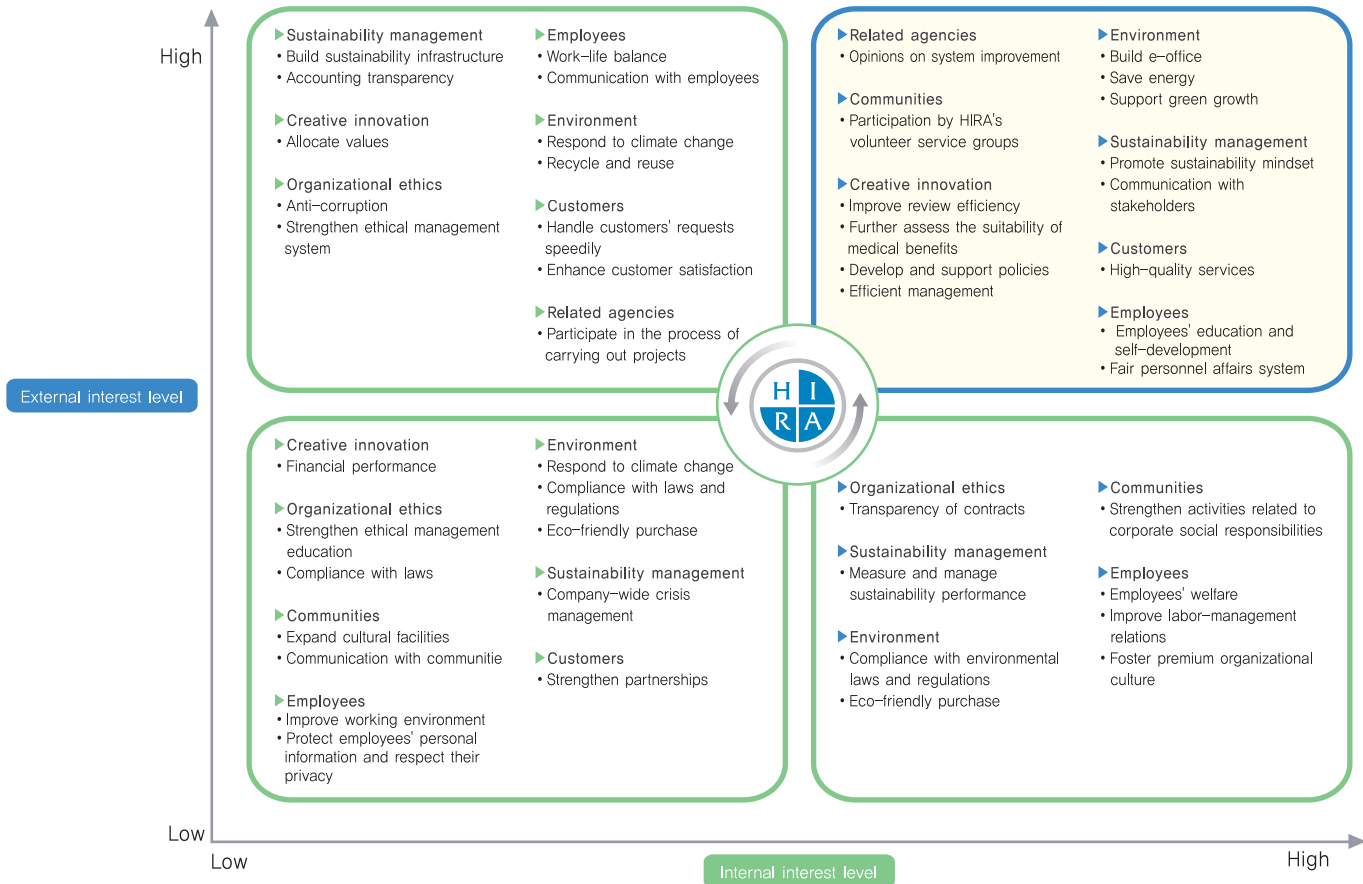
This report contained key issues related to the HIRA's vision, strategies and policies, the government's policies, direct and indirect economic effects, and social responsibility management. It also reflected local and international norms and laws related to the HIRA, meetings with external stakeholders, analysis of internal stakeholders' demands and surveys, benchmarking of leading agencies, and the last one year's worth of media reports related to the HIRA. These issues were prioritized and evaluated through the materiality matrix.

The report reflected the key issues of sustainability management derived from the materiality evaluation after verifying them through a third party.

Materiality Evaluation and Test

01

1 Evaluate and test the materiality

2 List issues

3 Classify issue categories

Test 1
Policy Demands
 • Policies and criteria
 • Evaluation data

Test 2
Direct, Indirect
Socio-Economic Effects
 • Key performance indicators (KPI)

List of Sustainability Issues

02

Test 3
Local and international norms,
criteria, and laws
 • Local laws and criteria
 • Global standards

Sustainability management
 • Build sustainability infrastructure
 • Promote a sustainability mindset
 • Communicate with stakeholders
 • Accounting transparency
 • Company-wide crisis management

Creative innovation
 • Improve review efficiency
 • Further assess the suitability of medical benefits
 • Strengthen development of and support for policies
 • Efficient management
 • Financial performance
 • Allot values

Organizational ethics
 • Anti-corruption
 • trengthen education on ethical management
 • Strengthen ethical management system
 • Transparency of contracts
 • Compliance with laws

Customers
 • High-quality services
 • Strengthen partnerships with customers
 • Handle customers' requests speedily
 • Strive to improve customer satisfaction

Employees
 • Life-work balance
 • Employees' education and self-development
 • Employees' welfare
 • Communication with employees
 • Improve working environment and labor-management relations
 • Foster premium organization culture
 • Fair personnel affairs system
 • Protect employees' personal information and respect their privacy

Communities
 • Strive to help the socially weak
 • Strengthen activities to fulfill corporate social responsibilities
 • Participation by HIRA's volunteer service groups
 • Strive to expand cultural facilities
 • Communication with communities

Related agencies
 • Opinions on system improvement
 • Participate in the process of carrying out projects

Environment
 • Develop e-office
 • Save materials and energy
 • Support green growth
 • Respond to climate change
 • Comply with environmental laws and regulations
 • Eco-friendly purchase
 • Recycle and reuse

03

High

External interest level

▶ Sustainability management
• Build sustainability infrastructure
• Accounting transparency

▶ Creative innovation
• Allocate values

▶ Organizational ethics
• Anti-corruption
• Strengthen ethical management system

▶ Employees
• Work-life balance
• Communication with employees

▶ Environment
• Respond to climate change
• Recycle and reuse

▶ Customers
• Handle customers' requests speedily
• Enhance customer satisfaction

▶ Related agencies
• Participate in the process of carrying out projects

▶ Related agencies
• Opinions on system improvement

▶ Communities
• Participation by HIRA's volunteer service groups

▶ Creative innovation
• Improve review efficiency
• Further assess the suitability of medical benefits
• Develop and support policies
• Efficient management

▶ Environment
• Build e-office
• Save energy
• Support green growth

▶ Sustainability management
• Promote sustainability mindset
• Communication with stakeholders

▶ Customers
• High-quality services

▶ Employees
• Employees' education and self-development
• Fair personnel affairs system

▶ Creative innovation
• Financial performance

▶ Organizational ethics
• Strengthen ethical management education
• Compliance with laws

▶ Communities
• Expand cultural facilities
• Communication with communitie

▶ Employees
• Improve working environment
• Protect employees' personal information and respect their privacy

▶ Environment
• Respond to climate change
• Compliance with laws and regulations
• Eco-friendly purchase

▶ Sustainability management
• Company-wide crisis management

▶ Customers
• Strengthen partnerships

▶ Organizational ethics
• Transparency of contracts

▶ Sustainability management
• Measure and manage sustainability performance

▶ Environment
• Compliance with environmental laws and regulations
• Eco-friendly purchase

▶ Communities
• Strengthen activities related to corporate social responsibilities

▶ Employees
• Employees' welfare
• Improve labor-management relations
• Foster premium organizational culture

H I R A

Low

Low

Internal interest level

High

Test 4

Stakeholders' participation
• Surveys, meetings, etc. (internal, external stakeholders)

Test 5

Benchmarking
• Benchmark sustainability reports of advanced public agencies

Test 6

Media search
• Search and classify media reports (2009.1~2010.9)

Enhancing medical service quality, guaranteeing the appropriateness of costs, and building the trust of both the public and medical care institutions: the HIRA aims to improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment

Healthy People

Vision and Strategic Objectives

The HIRA, as the medical service review and assessment agency dedicated to making the public healthier and happier, undertakes a review and assessment of quality of medical care benefits, develop review and assessment criteria, and conduct other activities specified under the National Health Insurance Act. In this way, we endeavor to protect national health. Under the vision of "To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment", we have devised and are implementing five major strategic goals to ensure the quality of medical services and the appropriateness of medical costs: 1) Sustain highly efficient and effective Review; 2) Maximize the outcome of healthcare through Assessment; 3) Aim for development of future oriented policy; 4) Reinforce customer-centered service quality; and 5) Transform into advanced management system.

Key Issues

- Improve review and assessment services
- Reduce national medical expenditure and Protect the public's rights and interests
- Support medical-care institutions • Develop and analyze Policy issues.

Organization

- Planning & Coordination Dept.
- Comprehensive Review System Planning Dept.
- Healthcare Fee Review Dept.
- Quality Assessment Dept.
- Customer Service Dept.

Formulate mid−term management objectives

Enhance the value of review and assessment work
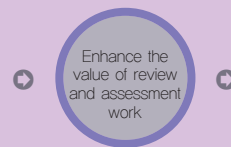
Policies

- Standardize and scientize the review work so as to ensure the quality of medical services and the suitability of medical costs
- Expand and activate the work of assessing medical services
- Expand the disclosure of information to guarantee the public's medical options
- Provide Healthcare benefit coverage verification service to protect the public's rights and interests
- Ensure the transparency of drug distribution, and rationalize pharmaceutical expenditure
- Ensure efficient manpower operation, cut down on budgets, and improve work procedures so as to enhance management efficiency

Major Achievements

Category	Item	2007	2008	2009	2010 (goal)
Business size*	No. of claims reviewed (million)	1,034	1,198	1,281	−
	Medical service fees (100 billion won)	366	395	445	−
	No. of medical care institutions	76,803	78,461	80,270	−
Business results	Review acceptance (%)	98.7	99.0	99.0	100
	Review conducted within the prescribed period(%)	97.6	99.1	99.4	100
	No. of assessment items	22	23	25	28

* As regards the business size(No. of claims, Medical service fees, No. of medical care institutions), its target indices are impossible to define due to external factors, etc.; however, since they are considered to be an important issue for both the HIRA and its stakeholders, the relevant yearly results are indicated.

Creative, Innovative Management

The public's ever increasing demands and expectations regarding medical services, along with the government's of the health insurance guarantee policy, has heightened the importance of the HIRA's review of medical service fees, assessment of the quality of medical services, and policy development functions.


Balanced Scorecard Hall of Fame

HIRA's Creative, Innovative Management

The year 2010 is very significant in that it marks the 33rd year of the implementation of national health insurance and the tenth anniversary of the HIRA; as such, in an effort to design the course of action for the next ten years on the basis of our past ten years of achievements, we declared the 2020 new vision of "To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment." Furthermore, in a bid to strengthen our profile as a medical service review and assessment agency and better serve our customers, we set five major strategic goals, 1) Sustain highly efficient and effective Review; 2) Maximize the outcome of healthcare through Assessment; 3) Aim for development of future oriented policy; 4) Reinforce customer-centered service quality; and 5) Transform into advanced management system.

Workshop to celebrate our 10th anniversary

Ensuring National Medical Service Quality and Cost appropriateness

| Sustain highly efficient and effective Review | Maximize the outcome of healthcare through Assessment | Aim for development of future oriented policy | Reinforce customer −centered service quality | Transform into advanced management system |
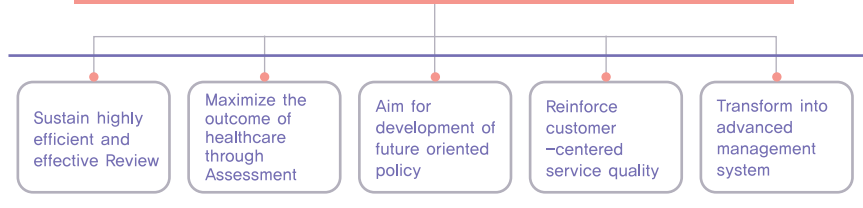
Creating Public Value

We review and assess medical services amounting to 1.3 billion claims and 44.7 trillion won annually (2009), thereby assisting national health promotion and economic development.

Surging medical expenses, whose rate of increase outstrips that of GDP, cause financial worries over health insurance benefits, and adversely affect economic growth potential. We are committed to offering high quality review and assessment services to ensure quality of medical services for the patients. We also create the socio-economic value of diverse stakeholders, such as medical-care institutions, the pharmaceutical industry, the NHIC, and the government. In 2009, we thus reduced medical service fees by 813.4 billion won.
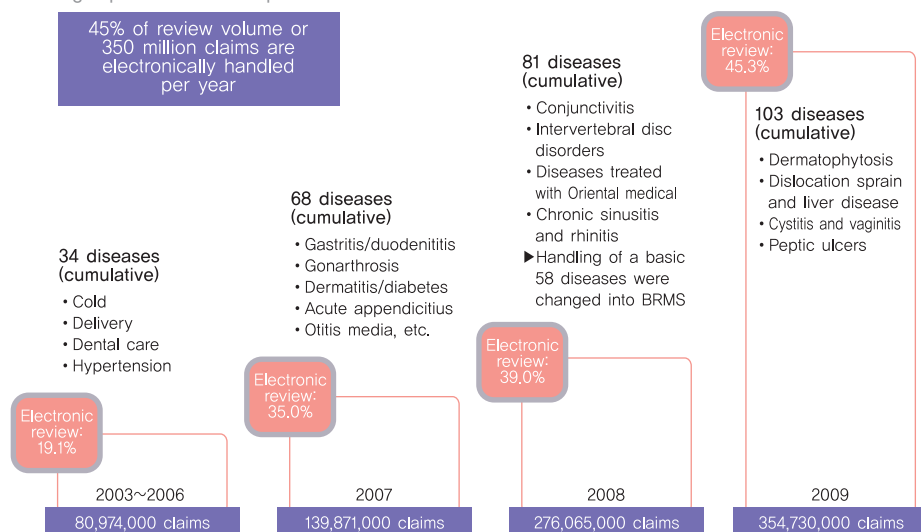
High quality review and assessment services

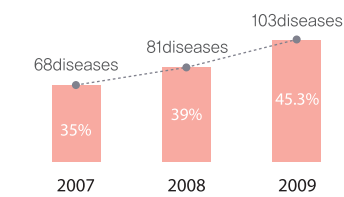| Category	Description	Reduction
Prevention	· Provide diverse information on review and assessment results and consultations tailored to various medical institutions to ensure appropriate medical services · Expand prior check services to minimize claim errors	385.7bn won
Review adjustment	· Use IT and ensure electronic review work · Enhance review efficiency through selection and concentration strategy	321.5bn won
Post− management	· Review and reexamine to retrieve fees · Prevent financial leakage through onsite investigations, etc	106.2bn won

Electronic-based Review Program

We use world-class IT (ISO9001) and continue to further handle review and assessment work electronically. Our BRMS (Business Rule Management System) allows us to efficiently and consistently handle the review volume, which surges by 10% each year, expanding our review and assessment capacity for medical-care institutions. The system, the optimal method for electronic inspection, is easy to maintain and improve.

Ensuring sophisticated review process

45% of review volume or 350 million claims are electronically handled per year

34 diseases (cumulative)
· Cold
· Delivery
· Dental care
· Hypertension

Electronic review: 19.1%

68 diseases (cumulative)
· Gastritis/duodenititis
· Gonarthrosis
· Dermatitis/diabetes
· Acute appendicitius
· Otitis media, etc.

Electronic review: 35.0%

81 diseases (cumulative)
· Conjunctivitis
· Intervertebral disc disorders
· Diseases treated with Oriental medical
· Chronic sinusitis and rhinitis
▶Handling of a basic 58 diseases were changed into BRMS

Electronic review: 39.0%

103 diseases (cumulative)
· Dermatophytosis
· Dislocation sprain and liver disease
· Cystitis and vaginitis
· Peptic ulcers

Electronic review: 45.3%

2003~2006	2007	2008	2009
80,974,000 claims	139,871,000 claims	276,065,000 claims	354,730,000 claims

Expansion of Electronic Review

	68diseases	81diseases	103diseases
	35%	39%	45.3%
	2007	2008	2009

Improvement of the 6-sigma technique-based review process

To enhance the quality and productivity of medical service fee review, we adopted the 6-sigma technique. In 2007, we drove ahead with the first-stage review quality improvement project. In 2008, we executed the second-stage review process improvement project: improvement of the automatic distribution system, refinement of review messages, improvement of the review reservation/closing process, and development of the reviewing screen for duplicate prescriptions.

6-Sigma Initiatives

6-sigma tasks	Implementation overview	Results
Improve the automatic distribution system	Changed the review volume allocation method from manual to electronic automation	· Automatic allocation ratio: 95% · Curtailed working hours: 23,520 hours a year (curtailed 12.3)
Refine review messages	Improved the review message screen	· Reduced unnecessary messages (21.7% → 6.0%) · Reduced the number of clicks for checking messages (curtailed 75 hours per review staffer)
Improve the review reservation /closing process	Dramatically improved the search for review reservation / closing screen Improved the claim statement serial number process	· Reduced the number of clicks for reservation completion (19 → 15) · Reduced the number of clicks for reservation closing (7 → 5)
Develop the review screen for duplicate prescriptions	Created the function to search pharmaceutical components	· Curtailed review period · Made it easy to check duplicate prescriptions
Improve the review reservation management system	Improved the review reservation management screen and systemized the management	· Curtailed the handling period for reserved claims (27.4 days → 12.1 days) · Curtailed the no. of reservation steps (2 steps → 1 step)
Improve the review adjustment description system	Installed an automatic search function	· Curtailed the description period (13,110 days → 2,185 days) · Increased adjustment notice rate (6.9% → 30.0%)

2008 — 70% of the total

2009 — 75% of the total

2010 — 80% of the total

2011 — 85% of the total

2012 — 90% of the total
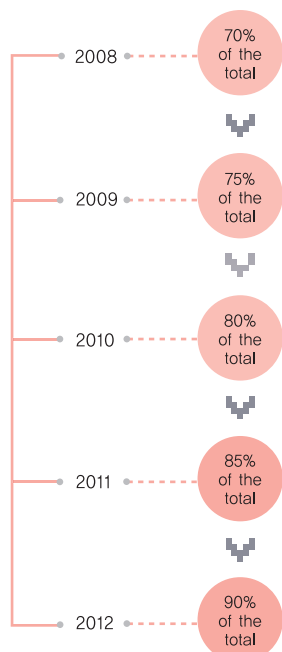
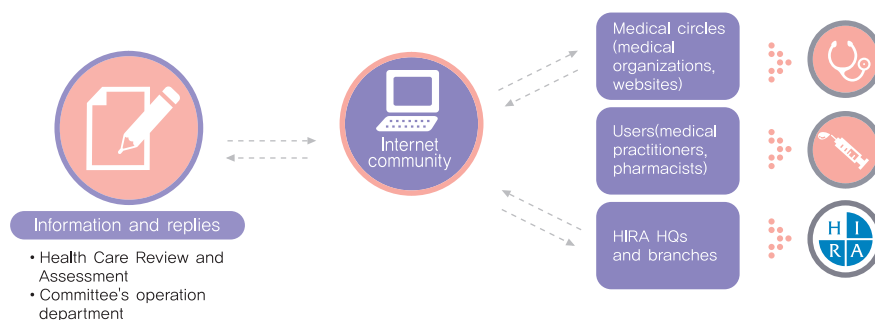## Development of the Review Knowledge Bank

To review the appropriateness of medical services and medical service fees, comprehensive information is required, such as medical and pharmaceutical knowledge, review criteria, and accumulated review examples. To that end, we developed a knowledge and information review bank to improve our review quality. In 2009, we developed the information database in the Oriental medicine area and updated the disease information to provide fresh knowledge and information.

Provision of Knowledge and Information

Type of information	Description
Integrated search of review knowledge	Comprehensively search information in each field
Review criteria under new notices	Provide review criteria specified under new notices
Multidisciplinary teams	Search interdisciplinary teams' institutes and provide their composition information
Information on diseases handled by Oriental medicine	Link to and use external sites (Oriental medicine education materials, history of Oriental medicine, various symptoms, pharmaceutical materials, prescriptions, etc.)
Information on diseases	Outline of diseases, diagnosis, treatment, prognosis, etc.
Test reference ranges	Major test items and test reference ranges
Review work handbook	Provide the yearly updated handbooks for reviewing medical services and expenses
Definition of practices	Indications, medical treatment outline, and examples in relation with medical practices
Medical dictionary & Anatomy	Link to and use external sites
Review criteria	Notices, administrative interpretation, review guidelines, etc.
New therapeutics	Notices and items filed for new therapeutics
KFDA's drug information	Information on various pharmaceutical drugs' efficacy, effects, use methods, and doses, provided by KFDA
Drugs for cancers	Types of drugs, committees, types of evaluation, etc.
Prior application for cancers	Classification of cancers, application period, admission period, etc.
Therapeutical material expenses	Codes, classification and shapes of therapeutic materials
Information on medical devices	Description and practicality of medical devices, etc.

Improvement of Review Criteria and Disclosure of Review Information

We improve the criteria review through evidence-based decision making using our professional human resources to enhance user acceptability. We expand communities with medical circles to encourage the use of appropriate medical services, and provide diverse review information for customers to guarantee their right to know.

Information and replies
• Health Care Review and Assessment
• Committee's operation department

Internet community

Medical circles (medical organizations, websites)

Users(medical practitioners, pharmacists)

HIRA HQs and branches

## Inducement of Accurate Claims of Medical-care Benefits Expenses

In 2009, we provided information and services tailored to medical care institutions, and standardized disease codes, lowering the disease code error rate to 1%. To encourage accurate claims of medical-care benefits expenses, we are pushing to minimize claim errors as an area of improvement under the mid-term management goals.

Major Projects

Category	Description
Induce the entry of accurate disease codes	• Developed combined codes for diseases handled by Medicine and Oriental medicine (Medicine disease codes+Oriental medicine disease codes = a combined total of 29,272) • Produced and distributed leaflets on legal epidemics (4 times) • Produced and distributed tailored disease code handbooks (added 705 dental institutions) • Notified 1,292 related institutions of deleted codes • Handled 13 disease code problems through Q&A cyber space
Prevent claim errors	• Provided prior inspection of medical fee claims to 40 medical care institutions • Expanded no. of service items (16 → 23)
Improve claim methods and criteria, and strengthen publicity	• Improved claim methods (14 → 24) • Expanded education to medical care institutions and medical practitioners (18 → 23) • Strengthened publicity (14 → 24 sessions) • Produced and distributed PR booklets (1,800 → 1,900 institutions)

Error Rate in Disease Code Entry

(per 100 medical bills)

19.7% (2006), 2.7% (2007), 1.5% (2008), 1.0% (2009)
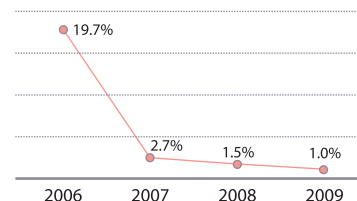
Autonomous Improvement System for Appropriate Medical Services

We changed the existing comprehensive management system for insurance benefits suitability into an autonomous improvement system; thus, we conduct comprehensive information activities such as the increased provision of medical service information, and consultation and education services. The autonomous improvement system for appropriate Medical Service is a comprehensive consulting concept-based work management system designed to exploit our review, assessment and field investigation results, providing tailored total information for medical care institutions to allow them to examine and resolve their problems. We thus encourage medical care institutions to autonomously execute appropriate medical services and improve their treatment patterns, thereby improving the quality of national medical services.
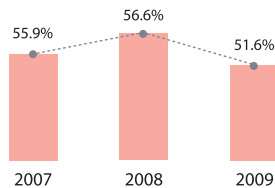
Major Projects

Projects	Description	Results
Activate preventive activities	Expand consultation activities through the autonomous improvement system using information tailored to medical care institutions	• Consultation recipients: 3,534 → 4,486 • No. of consultation services: 4,350 → 6,274
	Expand customer visitation services	• No. of field visitations: 628 → 976 • No. of users' visitations to the HIRA: 817 → 570
Expand autonomous improvement system for appropriate medical services	Expand the autonomous improvement system from hospitals and clinics to general hospitals and higher-ranking hospitals, thereby providing comprehensive consultation services	• Over 85% of general hospitals are satisfied
Improve the information management system of medical care institutions	Develop information provision document forms and expand the profile information of medical care institutions	• Time required to complete consultation data: 8 hours → 5 to 10 minutes

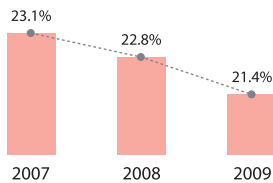Autonomous Improvement Rate of Medical Care Practices

+11.9%p

40% (2007), 45.7% (2008), 51.9% (2009)
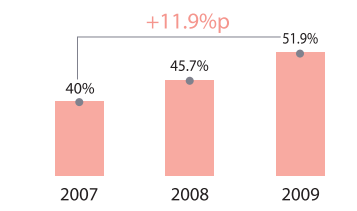
Improvement of Treatment Pattern

Antibiotic prescription rate

Year	Rate
2007	55.9%
2008	56.6%
2009	51.6%

Injection prescription rate

Year	Rate
2007	23.1%
2008	22.8%
2009	21.4%

6 or more drugs prescription rate

Year	Rate
2007	14.9%
2008	14.0%
2009	13.2%
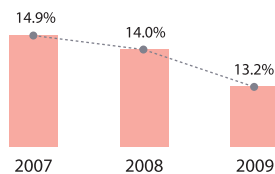
Expansion of Quality Assessment Items

We have expanded the quality assessment so as to guarantee medical service quality while containing unnecessary, inefficient or wasteful factors, promoting the equality and efficiency of medical services. The number of our medical care service quality assessment items was just five in 2001, but increased to 25 in 2009, to include hemodialysis and psychiatry hospitalization. To strengthen quality management, we have continued to expand the area of medical treatment, the number of assessment indices, and the share ratio of medical expenses covered by assessment.

Expansion of Assessment Items

Category	2007	2008	2009	Change ('09/ '08)
Assessment items (cumulative)	22	23	25	8.7%
Assessment indices	44	76	126	65.8%
Area of treatment	8	12	16	33.3%
Share ratio of medical expenses	28%	30%	32%	6.7%

Expanded Disclosure of Assessment Results

To guarantee the public the right to select better medical options based on accurate information, we continue to disclose the results of our assessments of various medical institutions and the relevant medical service information. On our website, we disclose hospitals which prescribe and use fewer injections and antibiotics, and conduct campaigns designed to prevent the misuse and abuse of drugs. As such, we endeavor to guarantee medical service quality and the people's appropriate use of medical services. As a result, we continuously reduced the use of antibiotics and injections in 2009 as well.

Disclosure of Assessment Results and Medical Service Information

Category	2007	2008	2009	Change ('09/ '08)
Disclosed areas of assessment results	6	8	9	13%
No.of Disclosed assessment results	13	17	18	6%
Disclosed Medical items of medical service information	40	44	50	14%

Strengthening publicity, national health campaigns etc.

Category	Description of projects	Results
Cyber publicity	Opened the quality assessment Information blog	240,000 people/year
	Linked assessment information to websites	Link to 42 websites
	Disclosed assessment results on our website	Assessment items, 18 times
	Published QI newsletters (6 times)	Mail sent to 93,000 people
Media publicity	Sponsored MBC TV Morning Show program	Send each assessment item, 5 times
	Radio campaign	Campaigns about the right use of antibiotics and injections
	Featured special articles in daily newspapers	15 times
Publication	Distributed posters and leaflets	Distributed to 4,967 institutions

Implementation of Incentives for Improvement of Medical Service Quality

The incentive system aims to provide economic incentives to boost the morale of medical providers whose excellence has already been proven, and to encourage the improvement of medical service quality among less medical providers. Based on the assessment results, we implement Pilot incentive programs and total prescription reduction incentive programs.

Incentive Overview and Results of Incentive System

Category	Project description	Results
pay for performance (P4P) demonstration project	• Target institutions : Tertiary care hospitals(43) • Target diseases/etc: caesarean delivery, acute myocardial infarction (2) • Grading: targets are classified into five grades based on the evaluation results • Change: Incentives are added to 1st-class institutions, and removed for 5th-class ones	• Providing incentives to excellent institutions: 21 institutions, Provided 453 million won to 21 institutions * Increased incentives and reduced incentives are being applied in 2010
Pilot incentive program for total prescription reduction	• Project period: July '08 – June '09 (1 year) • Target areas: Daegu, Gwangju, Daejeon, Suwon and Changwon • Target departments: seven including internal medicine and otorhinolaryngology	• 32.7% of the targets reduced their drug expenses (6.7 billion won)

Activated Support for Quality Improvement (QI) of Medical Care Institutions

To allow medical care institutions to voluntarily recognize the need for improving medical service quality and take the corresponding improvement measures, we perform QI support activities.
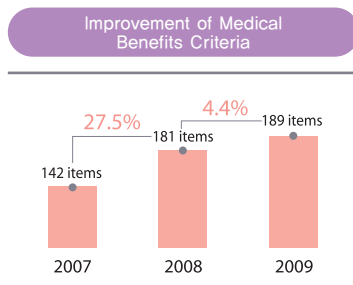
QI Education

Category	2008	2009	2010
No. of sessions	2	4	4
Participants	60	160	200
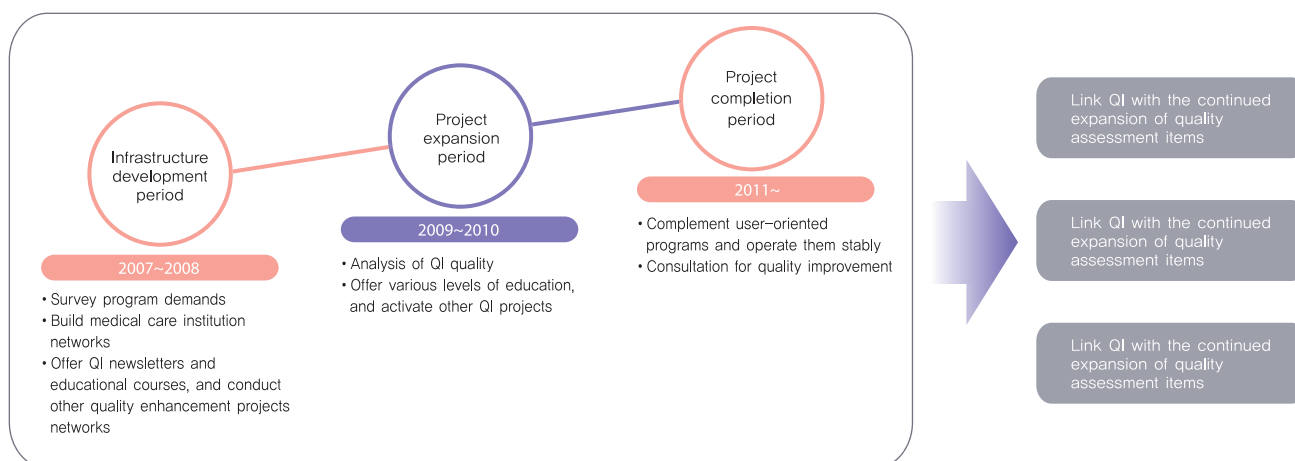
Development and Support for Government Policies

We develop and support government to improve and enhance national health society.

Improvement of Medical Benefits Criteria

27.5%   4.4%
181 items   189 items
142 items

2007   2008   2009

Expanded Benefits Coverage for Appropriate Medical Services

We have boosted benefits coverage for serious diseases, etc. and stepped up our support for government policies so as to reduce the public's medical expense charges. We have also improved the medical fee system, reflecting the changing medical environment, so as to efficiently use the national insurance finance. In 2009, we expanded benefits coverage of 12 of serious diseases areas, reducing the public's medical expenses by 357.7 billion won.

New Coverage Benefits

Category	Project description
Strengthen coverage for cancers and other serious diseases (357.7bn won in 12 areas)	· Expanded the range of diseases such as rare intractable diseases for which beneficiaries' charges may be reduced (135 → 153 diseases) · Reduced beneficiaries' charges for cancers, and heart and cerebrovascular diseases (10% → 5%) · Reduced beneficiaries' charges for tuberculosis (hospitalization charges: 20% → 10%, Outpatients charges: 30~60% → 10%) · Established inflammation care fees for infected patients, etc.
Expand the support for benefits policies (169.8bn won in Oriental medicine and dental areas)	· Converted Oriental medicine physical therapies and dental caries into covered items
Support policies for low−birth countermeasures, etc. (119.1bn won in 17 areas)	· Activated vulnerable medical areas (increasing medical fees in diagnostic departments which residents avoid) · Improved medical fees in areas where frequent complaints arise

Improvement of Benefits Criteria for Convenient Use of Medical Services

To positively guarantee necessary medical services while containing unnecessary medical services to the maximum extent, we are pushing to improve the benefits criteria for 189 review adjustment items and to disclose the review guidelines and examples, so as to maximize the guarantee of necessary medical services for the public.

Improvement of Benefit Criterias

Total	Outside the benefits criteria	Impossible to calculate separately	Outside the approval	Review adjustment
189 items	111	13	38	27
179.7 bn won	· 127 items including the criteria for varicose vein surgeries amounting to 119.5bn won, and 62 items including automatic skin staplers amounting to 60.2bn won			

Strengthening Benefits Coverage via the Rationalization of Pharmaceutical Drug Criteria
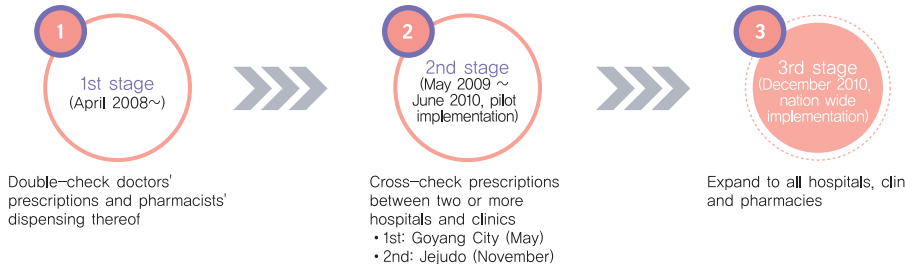
We pinpointed and improved impractical drug benefits criteria, enhancing public safety with regard to the use of drugs, and cutting unnecessary drug expenditure. In 2009, we expanded the drug benefits coverage for rare diseases, and as such we improved the benefits criteria for 268 items, further strengthening benefits coverage.

Expanding the Drug Utilization Review Service (DUR) for the Prevention of Drug Accidents

We operate the Drug Utilization Review Service (DUR) in real time to monitor the simultaneous prescription of drugs which may cause problems when taken all together.

Since April 2008, we have inspected whether drugs banned for co-medication and certain ages, as well banned drugs, are being included in prescriptions. In 2009, we expanded the pilot implementation of the DUR system; we thereby ensure the public's safe use of drugs, and contain the misuse and abuse of drugs.

Expanded Pilot Implementation of DUR Service

1

1st stage
(April 2008~)

Double-check doctors' prescriptions and pharmacists' dispensing thereof

2

2nd stage
(May 2009 ~ June 2010, pilot implementation)

Cross-check prescriptions between two or more hospitals and clinics
• 1st: Goyang City (May)
• 2nd: Jejudo (November)

3

3rd stage
(December 2010, nation wide implementation)

Expand to all hospitals, clin and pharmacies

Drug Utilization Review Service Poster

Efficient Support for Field Investigations into Medical Care Institutions

We conduct investigations into whether medical care institutions' claims for medical expenses are legal and valid in order to retrieve inappropriate revenues and take administrative measures where applicable, supporting the MOHW's field investigations. On the basis of these field investigations, we identify medical care institutions' false and inappropriate claims to prevent the leakage of insurance finance and to protect patients' rights.

Support for Policy Development for Health Insurance Benefits

We produce base data necessary for devising health insurance benefits policies, analyze the effect of coverage policy execution as well as medical expenditure trends. As such, we conduct research on the formulation of the MOWH's health insurance policy. By doing so, we promote national health and ensure the appropriateness of medical cost expenditure.

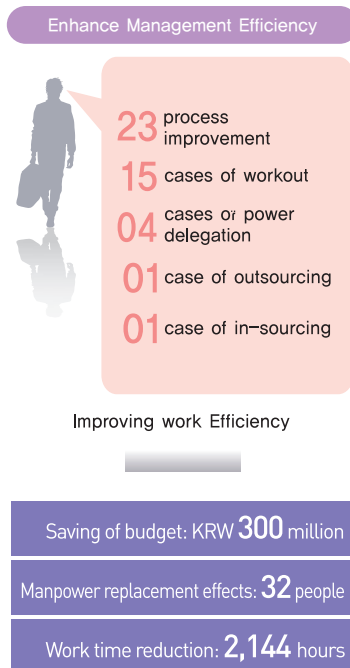| Category	Description
Policy R&D and support	· Research on remote online medical services and hospice and palliative care services, publication of HIRA policy trends, holding of forums on review and assessment, etc.
Monitoring of medical service trends	· Activate the monitoring system for medical service trends, and produce medical trend analysis reports

Efforts to Prevent the Spread of Influenza A(H1N1)

We formed and deployed the Influenza A (H1N1) Countermeasure Situation Team to prevent the spread of the disease. With the disease alert level upgraded from "watch" to "serious," we expanded the team into the Influenza A Countermeasure Support Center. The center, through various hub hospitals, identified in real time the number of general disease wards, serious disease wards, and isolated wards, as well as the ownership of ventilators and the treatment status of hospitalized patients. We also identified the status regarding the administering, distributing and stockpiling of antiviral agents, as well as patients with chronic diseases, etc. for vaccination, so as to provide the information to the government and relevant institutions. As such, we fully mobilized all our frontline human resources and functions so as to facilitate the diagnosis and treatment of H1N1 flu, assisting and reinforcing the government's measures to block the spread of the disease early on.

Advancement of Management

In line with the government's plan for the advancement of public agencies, we are working to boost the efficiency of our inherent and key functions.

Enhance Management Efficiency

23 process improvement

15 cases of workout

04 cases of power delegation

01 case of outsourcing

01 case of in-sourcing

Improving work Efficiency

Saving of budget: KRW **300** million

Manpower replacement effects: **32** people

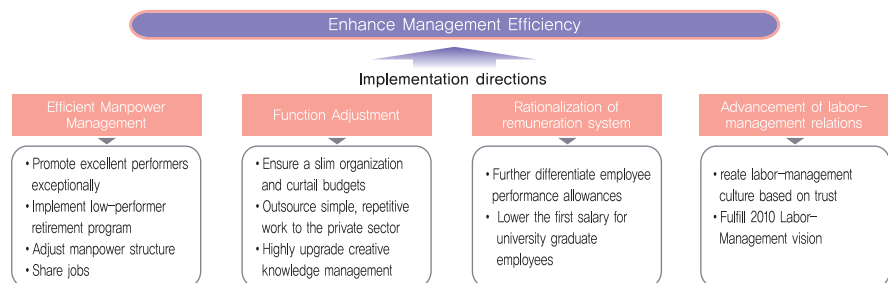Work time reduction: **2,144** hours

Efficient Management

In line with the state's call for the advancement of public agencies, we are implementing strategies and key tasks to increase our management efficiency each year, so as to become a highly productive and performance-oriented public agency.

Reorganizing Work Centering on Our Key Jobs

In February 2009, we pushed to reshuffle our organization. Under the initiative, we linked the follow-up review and preventive functions, and consistently executed our work centering on key jobs, such as the control of duplicated work related to the criteria for medical service fees and insurance benefits. We also outsourced simple and repetitive work, consultation services, driving and telephone exchange, call centers, and other function-oriented work to the private sector (curtailing 68 posts), customer achieving a slimmer organization and enhancing our efficiency. By furthering management advancement, we will curtail a further 178 employees by 2012.

Enhance Management Efficiency

Implementation directions

Efficient Manpower Management	Function Adjustment	Rationalization of remuneration system	Advancement of labor-management relations
• Promote excellent performers exceptionally • Implement low-performer retirement program • Adjust manpower structure • Share jobs	• Ensure a slim organization and curtail budgets • Outsource simple, repetitive work to the private sector • Highly upgrade creative knowledge management	• Further differentiate employee performance allowances • Lower the first salary for university graduate employees	• reate labor-management culture based on trust • Fulfill 2010 Labor-Management vision

Offsetting Manpower Expansion Factors by Scientizing Work and Boosting Efficiency

We are rationally reducing the workload and thus offsetting the review manpower expansion factors. To that end, we have applied the artificial intelligence-aided electronic review system more extensively in handling the medical service fee review volume, which increases by over 10% each year (curtailing 150 employees).

We are also striving to expand the DUR service, to refine the review methods, and to encourage medical care institutions to inspect their claims for medical service fees.

Advancement of Business Administration

We plan to further implement the performance-linked rewarding system to boost our management efficiency. We will expand the gap in performance-based annual salaries between employees from 20% in 2007 to 100% in 2010. In 2009, we revised the regulations for further linking performance evaluation to personnel affairs management; thus, we reflected the performance evaluation results to account for 10% of the total employee evaluation. We also lowered the first salary for university graduate employees by 11.14%. In 2010, we will implement the low-performer retirement program, under which we put the 1% lowest-performers on reeducation programs, along with retirement measures to be taken against lowest-performers who fail to improve.

Advancement of Labor-Management Relations

We embrace a trustful management culture so as to facilitate labor-management communication, advance relations, and create a trustful win-win organizational culture. Under the agreement of the 2010 Labor-Management vision, we are practicing exemplary labor-management relations through dialogue and cooperation.

Advancement of Knowledge-based Management

In June 2007, we opened the Ji (knowledge) zone website to share employees' best practices, experience and knowledge and systematically manage accumulated knowledge. Through the Ji zone system, which combines knowledge-based management and suggestion activities, we endeavor to use knowledge to the maximum extent, and share knowledge between employees and departments to promote knowledge-based management.

To enhance the quality of knowledge posted on the Ji zone system, the Knowledge Masters and the general manager-class suggestion evaluators fairly evaluate and manage the listed knowledge and suggestions on the basis of objective and multi-dimensional criteria. In particular, the number of suggestions for work improvement increased from 3,108 in 2007 to 3,634 in 2009, up by over 17%. Employees' participation rate increased from 67.5% in 2007 to 69.8% in 2009. We have stepped up the incentives available for excellent suggestions, such as the provision of career development and education opportunities, in addition to mileage-based financial rewards and prizes. In this way, we are able to secure excellent knowledge. For such knowledge-based achievements, we won the Maekyung-Booz Innovation Award hosted by the Maeil Business Newspaper. In 2010, we will formulate the 'KM-Level Up 2012' plan to devise and implement a three-year strategy for the advancement of knowledge-based management.

Projects	Results
Develop a knowledge-based website	– Knowledge-based website Ji zone (智zone) (June 2007) – Reinforced the knowledge-based management system (2009)
Conduct CoP activities to improve work	– CoP and membership increased (2009: 108 CoPs, 2,795 members)
Develop job knowledge in a timely fashion, and promptly disseminate	– Create best practices · Produce guide books on responding to customers by phone, etc. · Develop a system to manage frequent claim types
Select and deploy experts in various sectors to enhance the productivity of knowledge	– Knowledge Masters (63 people) in various areas (knowledge map)

Knowledge-based Management System

智 ZONE
Knowledge-based Management System

Knowledge Items Listed in KMS

(No. of items)

2007	2008	2009
3,108	2,935	3,634

Development of Next-generation IT System

With the aim of implementing the optimized information system to provide customer-oriented information services, we provide high-quality IT services based on the top-notch information and communication infrastructure. The local largest-scale electronic medical service fee claim system (EDI) curtails the review period and simplifies the submission of various documents by enabling electronic claims for medical service fees and notifying the results electronically. In particular, the electronic claim method dramatically reduces the use of paper, cuts down the consumption of resources, and protects the environment. We earned international patents for the medical service fee claim system in Korea, Japan, and South Africa. We acquired quality certification (ISO 9001) for the whole information and communication area from ISO, enhancing our information services to the international level. Our EDI claim system is now being benchmarked internationally, so we have more than 10 visitations from the international community each year to observe our system.
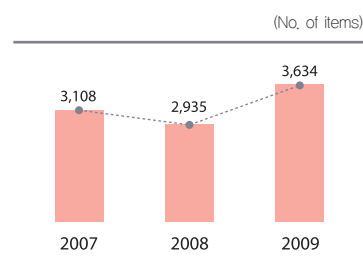
Acquired Certifications

Year	Certification description	Remarks
June 2006	The electronic medical service fee method was locally patented.	KIPO
December 2007	The portal system (internet, intranet, claim SW certification) earned certification (ISO9001).	KSA
November 2007	The electronic medical service fee method was internationally patented.	South Africa
August 2008	The electronic medical service fee method was internationally patented.	Japan

To create a happier society for humanity and nature, the HIRA is creating new values through green management, toward a greener, healthier future for next generations.

Clean Environment

Vision and Strategic Objectives

In line with the government's plan to join the ranks of the world's five major green powers by 2050, the HIRA endeavors to implement three strategies and ten projects to create green health values along with sustained growth and welfare. The low-carbon, green growth vision is essential to ensuring sustainable growth and the development of not only manufacturing and energy companies, but also public agencies. We have made diverse efforts to lead this green paradigm.

We are committed to respecting human life and protecting nature to improve the quality of life and conserve the global environment, thereby leading sustainable development for humanity.

Major Issues

- Support the creation of new green growth engines
- Create a national health management infrastructure to cope with climate change
- Strengthen environmental management (development of an energy-saving management system)
- * These issues were determined in line with the Five-Year Plan for National Strategies for Green Growth and the HIRA's mid-term management strategies.

Responsible Organization

Planning & Coordination Dept.	Eco-friendly management strategies and support for green growth policies
General Affairs and Management Dept.	Manage energy consumption volume, practice environmental protection
Healthcare Benefit Standard Dept. Drug Management Dept.	Realize green health through medical service review and assessment

Implementation Policies

- Declare green management : Share the vision across the company
- Related departments devise action plans : Promote green growth atmosphere and regularly check the progress
- Launch brainstorming-type team, green task force: Devise action plans according to selected themes
- Devise green management strategies : 3 strategies, 10 key targets, 30 projects
- GREEN HIRA COMMITTEE : comprises 16 external experts to provide consultation services.

Major Achievements

Category	Item	2007	2008	2009	2010 (goal)
Green management system	Purchase of eco-friendly products of the total(%)	70.4%	78.2%	93.0%	80% (government criteria)
	Violation of environmental laws and regulations	nil	nil	nil	nil
Environmental protection	CO_2 emissions (tCO$_2$)	2,344	2,338	2,494	2,174
Energy consumption volume	City gas consumption(Nm³)	72,153	74,105	85,339	71,750
	Diesel consumption(ℓ)	1,000	1,000	960	1,000
	Electrical consumption(Mwh)	4,903	4,879	5,174	4,524

Implementation of Green Management

We voluntarily practice green management to create new growth engines for our future generations.

Green HIRA Committee

Laying the Foundations for Green Management

We devised green management strategies with the government's Five-Year Plan for National Green Growth Strategy, and are committed to creating green health values along with economic growth and welfare.

Vision

To create green health values along with growth and welfare.

Strategic Direction

- Ensure sustainable management combining knowledge and information and transparent and ethical management
- Ease regulations, and support new growth engine industries in the health care field
- Create the foundations for national health management to respond to climate change
- Boost activities to reduce the consumption of energy and resources and to improve the environment
- Promote green management through the linkage of the HIRA, medical care institutions, and communities

Environmentally−Conscious Workplace

With abnormal temperatures associated with global warming emerging as a global issue, greater attention has been focused on energy recently than at any other time. We recognize that energy consumption is the cause of global climate change and a growing shortage of resources; we have thus devised and are implementing systematic measures to reduce energy consumption. Such efforts include the holding of Green HIRA Day and the installation of solar energy systems and LED lights at HQs. We are thus endeavoring to promote affirmative change for a better future.

Response to Environmentally−Related Diseases Associated with Climate Change

The WHO began to publish official data on the impact of climate change on public health in 1990. It states that climate change is crucial. With the recent increase in environmentally-related diseases associated with climate change posing a threat to national health, we are responding to climate change by creating statistical databases about disease information. In October 2009, we developed statistical indices for three diseases, namely, allergic rhinitis, asthma, and atopy. In the following month, we listed the indices in the third-quarter medical review and assessment statistical book.

Development and operation of an eco−friendly assessment information system

In a bid to maximize the speed, accuracy and efficiency of our work, and realize a paperless working environment, we have developed an assessment information system designed to enable integrated management of the entire-assessment process. This system has allowed us to produce data to minimize the workload and to link the data with the result disclosure screen, enhancing customers' access to such information and minimizing inefficiency at work.

We are also minimizing the number of cases requiring more review data, and have activated data submission via the Web, thereby reducing the environmental influence derived from paperwork in an effort to support green growth activities.

Environmental Protection Activities

We conduct diverse campaigns aimed at restoring the environment, which is essential to human health, to its natural state.

Observance of Laws

We observe the Basic Environmental Policy Act, Atmospheric Environment Conservation Act, Water Environment Conservation Act, and Natural Environment Conservation Act, among others. In the last three years, we have not violated any environmentally-related laws.

Saving Materials and Recycling Resources

We declared our commitment to green management in 2009 in a bid to ensure the well-being of humanity and conserve the global environment. Since then, we have continued with our efforts to that end. In October, we encouraged all our employees to take oath to participate in the 3Rs Campaign, namely, Reduce, Reuse, and Recycle, reducing waste and carbon emissions. We installed recyclable product collection boxes, and donated 1,008 mandatory recyclable electronic appliances (mobile phones, MP3 players, cameras, wire phones, electronic dictionaries, etc.) to the National Council of Green Consumers in Korea, thereby contributing to the recycling of resources. We also donated 494 used computers to digitally-challenged areas (Kopino, Cebu, the Philippines), helping to prevent environmental pollution resulted from waste electronics, and to recycle resources. We will continue to improve our systems and conduct eco-friendly campaigns to further promote the recycling of resources and protection of the environment.

Activating All Employees' Recycling of Resources

Since 2006, we have held Beautiful Bazaars to recycle resources and donate money to our needy neighbors. In 2009, we sold employees' used products at our HQs and branches, generating the sum of 15,057,350 won; we donated some of the money to patients with intractable diseases, and the remaining balance to the Beautiful Shop.
We also opened the Green Share Marketplace, a campaign involving public agencies, in an effort to promote the recycling of used products in line with the government's policy.

Community's Environmental Project

In an effort to assist the community's environmental cleanup campaigns, we are participating in Seocho-gu office's Seocho Green Zone project. Our family volunteer group continues to participate in campaigns to transform waste edible oils into eco-friendly soaps and donate them to welfare facilities and elderly people living alone. We also participate in campaigns to protect the natural environment around Mt. Cheonggye and prevent wildfires, cooperating with the communities in conserving the environment and ensuring a sustainable future.

Volunteering to Make Eco-friendly Soap

HIRA's Green Management Declaration

- **HIRA's Green Management Vision**
  We create green health values along with green growth and welfare.
- **We put the following measures into practice to achieve our green management vision.**
  First,   we focus on the creative development of our review and assessment work to create and contribute to green growth engines in the health care field.
  Second, we save resources and energy in all our activities to protect the global environment and strengthen our environmental competitiveness.
 Third,   we build a joint network with customers to contribute to low-carbon, green growth.
  Fourth,   we embrace green management and transparent and ethical management as our key values to develop into a green HIRA trusted by the nation and society.

Sustainable Use of Resources

We consider not only quality and price but also the environmental factor in purchasing products, thereby practicing green responsibility.

Electronic Approval Ratio

2007	2008	2009
99.3%	99.7%	99.8%
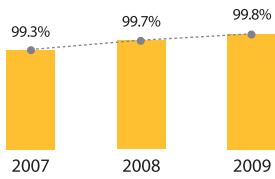
Building of the e-office Environment

We have converted paper fax into Web fax, and introduced the electronic approval system, which enables us to manage and keep various documents electronically, while cutting down on printing paper and electrical costs. We have developed a paperless meeting operation system by installing beam projects in conference rooms, etc, creating a paperless meeting culture. Through the IT work management system, we manage work schedules, draft memo reports, and share meeting data, thus preventing the waste of unnecessary resources and enhancing work efficiency.

We have created a green office environment and conduct eco-friendly activities, such as minimizing electricity consumption and paper data production.

Campaigns for Saving Energy

We observed the Green HIRA Day on which we do not use cars or elevators. This allows us to effect an annual cut of 3,996ℓ of gasoline and 8.5 tons of CO_2. We have also installed solar power generators, LED lights, and bike stands, cutting greenhouse gas emissions amounting to 2.5 tons of CO_2. Furthermore, we have cut the use of A4 paper by 63,000 sheets per year, fostering a paperless meeting culture. We have also implemented a hybrid car purchase policy, conducted a campaign in which we only drive to and from work by car on alternate days, and installed bike stands. With these green campaigns, our employees helped save energy, cutting down on costs and curtailing diesel consumption by 4%.

Materials and Energy Saving Results (2009)

Category	Materials and Energy Saving Campaigns	Reduction amount
Total		150,886,032 won
Alternative electric power	Installation of solar power generators Use of LED lights	288,000 won 1,500,000 won
Saving Energy	Partial removal of office lights (1,000 fluorescent lights were removed from HQs) Observation of Green HIRA Day Reduction of elevator operation Cars only driven every other day	108,427,200 won 7,909,632 won 2,041,200 won 30,720,000 won

Purchase of Eco-friendly Products

2007	2008	2009
70.4%	78.2%	93%
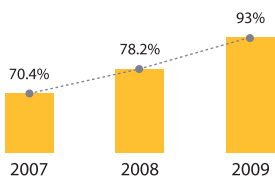
Expansion of Eco-friendly Products

We purchase good recycling (GR) products that comply with the prescribed certification criteria as specified by the Notice of the Ministry of Knowledge Economy, helping to raise local industries' sustainability. GR marks are granted to those companies which are proven by product inspection and factory inspection by the National Institute of Technology and Quality to be equipped with systems capable of continuing to produce GR products.

We set the eco-friendly product purchase goal at 75% in 2008, and 80% in 2009, but we outperformed the initial figure by 13%, achieving an eco-friendly product purchase rate of 93%. We will continue to increase our eco-friendly purchases.
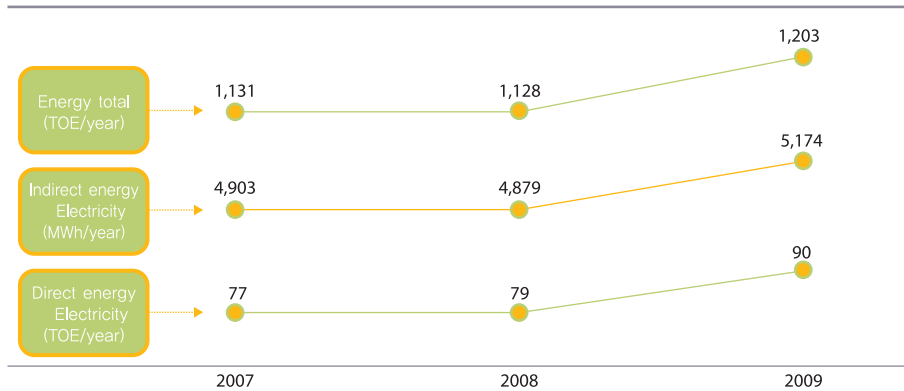
Utilization of Resources

Water and Wastewater _ In 2009, we consumed a total of 24,849 tons of water. Our major water supply source is tap water, and we do not use underground water or reused water. Thus, our water supply is not seriously restricted. Used domestic water is treated by the local government's sewage treatment plant. Thus, the impact of our discharged wastewater on the final discharging areas, such as the destruction of biodiversity, is deemed to be minimal.

In 2009, our tap water consumption increased due to a rise in the workforce including the recruitment of new employees.
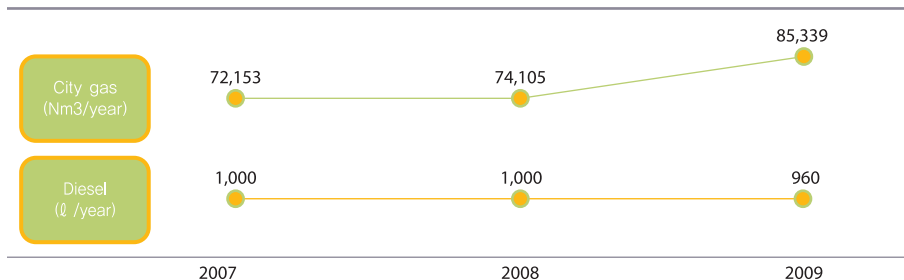
Disposal of Waste _ Most of our waste is domestic waste. In the process of providing our services, we do not create hazardous materials such as the types of wastes and product packaging waste specified in Basel Conventions I, II, III, and IV. Furthermore, we have all our domestic wastes managed by specialist firms, thereby minimizing environmental pollution. Our total waste for 2009 amounted to 11,120kg, and we began measuring the total volume of recyclable waste in January 2010.

Use of Energy _ In 2009, the volume of our carbon dioxide emissions increased by 6.67%, or city gas consumption by 15.15%, and our electrical consumption by 6.04%, from the previous year. This increase is attributable to a rise in the numbers of employees and electrical installations, and an unusually cold winter season.

Tap Water Consumption
(Unit: ton)

2007	2008	2009
23,389	22,471	24,849

Carbon Dioxide Emissions
(Unit: tCO$_2$)

2007	2008	2009
2,344	2,338	2,494

Energy Consumption
(Unit: TOE)

Indirect / Direct

	2007	2008	2009
Total	1,131	1,128	1,203
Indirect	1,054	1,049	1,113
Direct	77	79	90

Direct and Indirect Energy Consumption Trends (HQs)

	2007	2008	2009
Energy total (TOE/year)	1,131	1,128	1,203
Indirect energy Electricity (MWh/year)	4,903	4,879	5,174
Direct energy Electricity (TOE/year)	77	79	90

Direct Energy Consumption (HQs)

	2007	2008	2009
City gas (Nm3/year)	72,153	74,105	85,339
Diesel (ℓ /year)	1,000	1,000	960

35
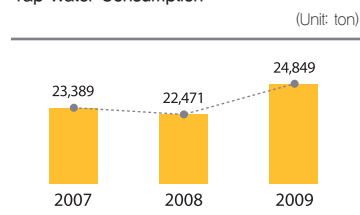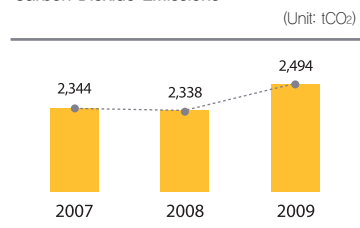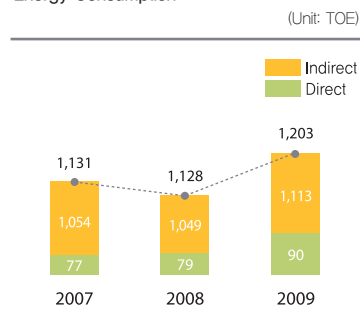
Delivering warmth and hope to the society, the HIRA is committed to creating a more beautiful world and a healthier, happier society through transparent, ethical management and sharing and participation.

Hopeful Society

Vision and Strategic Objectives

In a bid to provide specialized tailored services to customers to maximize customer value, we focus on customer-oriented service innovation activities, such as the improvement of work processes for enhanced customer value and the strengthening of transparent, ethical management. Through the Customer Service Charter, we also pledge to satisfy our customers and keep our promises to customers and society, and have defined and practice employees' service principles to that end.

Major Issues

- Improve customer services
- Strengthen ethical management
- Strengthen internal service capabilities
- Fulfill corporate social responsibilities

Responsible Organization / Implementation Policies

Responsible Organization		Implementation Policies	
Customer Service Dept.	Customer satisfaction	Customer satisfaction management	Recognize customers as the reason for and purpose of the HIRA, and provide services under the principle of putting customers first.
Planning & Coordination Dept. / Auditing Dept.	Anti-corruption, personal integrity	Ethical and transparent management	Secure customers' confidence through clean and transparent management activities, thereby contributing to national and social development.
General Affairs and Management Dept.	Partnered firms, employees	Ethical and transparent management	Build mutual trust and cooperative relations through fair and transparent transactions.
PR Dept.	Social Responsibility	Social responsibility activities	Realize a happier society through sharing and participation.

Major Achievements

Category	Item	2007	2008	2009	2010 (goal)
Customer satisfaction	No. of reported customer compliments	556	857	1153	–
	No. of reported customer complaints	12	9	9	–
	Public-service customer satisfaction index (PCSI)	74.3	77.6	83.3	85
Transparent, ethical management	Pledge to practice ethics	all employees	all employees	all employees	all employees
	Ratio of participation in individual ethical examination program (%)	33.8	98.6	97	99
	Reporting related to anti-corruption	nil	nil	nil	nil
Partnered firms	Electronic procurement agreement conclusion ratio(%)	94.0	95.7	97.5	100
Social responsibility	Social responsibilities Social responsibility donations (1,000 won)	199,146	282,584	579,332	586,056
	Hours of volunteer services	393	2,294	11,088	112,167
	No. of volunteers	139	576	2,610	2,640
	Social responsibility activity index	–	68.26 pts.	78.4 pts.	80 pts.

Customer Satisfaction Management

Under the management policy of "strengthening customer-oriented services," we are endeavoring to promote a customer-oriented mindset among our employees and build the management system accordingly in an effort to provide the best services to our customers

FAIR?
FAIR means being consistently FRIENDLY to customers, providing ACCURATE review and assessment services, being INTERACTIVE with customers, and thus respecting customers and earning their RESPECT.

CS Vision and Implementation System

In an effort to redefine our business implementation system as a customer-oriented one, and to establish the culture of customer satisfaction, we declared "the FAIR partner for national health and happiness" as our new CS vision in January 2010. We are thus endeavoring to practice the best-level customer satisfaction management so as to satisfy and impress customers. The customer satisfaction management work is led by the Client Support Dept., and is conducted by the HQs customer center, branches' customer centers, and Call Center by addressing customers' demands and complaints as the first priority. The Client Support Dept. not only conducts the external customer support, but also educates the internal employees about kind services. It also monitors employees' response to customers, pinpoints and improves inadequate telephone, response and hospitality services, and provides feedback on the results to employees.

CS Vision	"FAIR Partner" for national health and happiness			
Service Identity	Always be FAIR and Right			
CS Strategic Direction	Establish a customer-oriented culture, and strengthen CS capabilities	Strengthen the CS evaluation system	Standardize the customer contact environment and strengthen quality management	Revitalize VOC services, and solidify customer contact management
Shared Value	Fairness		Professionalism	Transparency

Redefinition of Customers according to Customer Value Trends

In accordance with the dictum that "agencies that fail to win the hearts of customers cannot survive," we perform our work with the focus on the provision of high-quality review and assessment services. Our customer satisfaction management seeks to not only provide review and assessment services but also to provide a new value and meaning of health and happiness to customers. We have shed the existing fragmental definition of the customer, and redefined the customer concept in line with the fundamental value of medical service quality and the appropriateness of medical of costs, as the 1) value-producing customer, 2) value-delivering customer, 3) value-demanding customer, and 4) value-impacting customer. We thus seek to provide differentiated customer satisfaction services for all our customers.

Type of customer	
Category	**Types of customers**
Value-producing customers	• Employees, partnered firms
Value-delivering customers	• Medical care institutions, pharmaceutical companies, and importers and suppliers of drugs and therapeutical materials
Value-demanding customers	• General public (medical service users), research institutes and researchers for the medical industry
Value-impacting customers	• Government, National Assembly, The Board of Audit and Inspection, media agencies, NHIC, civic groups, social security agencies, expert groups, etc.

Customer Satisfaction Management System

Implement CS evaluation system

Revitalize CS organization

Highly refine customer satisfaction management system

Strategic CS management

Gather, analyze and use VOC

Practice of Customer Service Charter

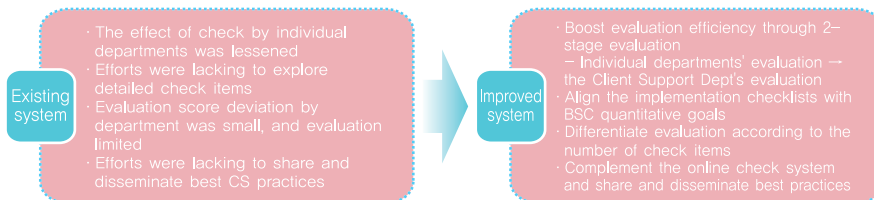In August 2005, we enacted the Customer Service Charter and declared customer satisfaction management to provide services from the perspective of customers and to improve work quality. We are endeavoring to better execute customer services through the faithful fulfillment of the Customer Service Charter, and to cater to customers' expectations. Notably, in May 2009, we materialized and specified implementation standards for key works such as review guidelines, when to disclose assessment results, and information on the progress of medical service confirmation services for the public. We are thus expanding and strengthening our customer-touching services.

Customer Service Charter

- Customer Service Charter
- HIRA's major services
- Key work service standards
- Customer hospitality service standards
- Customer satisfaction survey and announcement of results
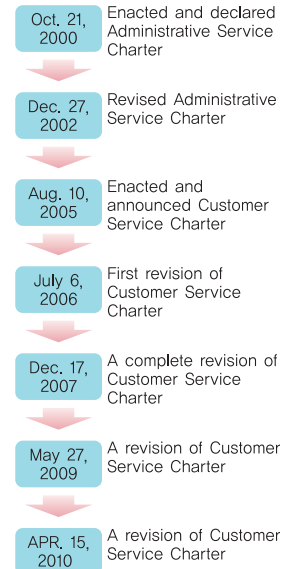- Message for customers
- Customer hospitality standard manual
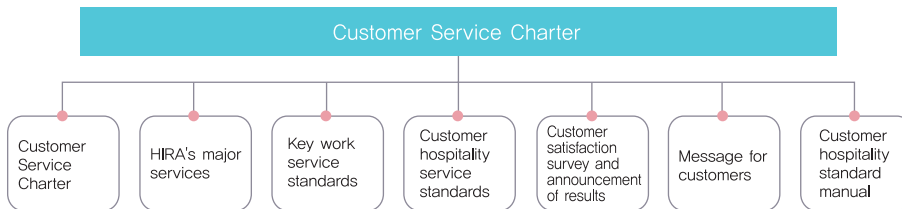
In 2009, we strengthened the monitoring system for the observation of the Customer Service Charter by allowing the job to be undertaken by the Customer Service Dept.'s evaluation, aligned the implementation checklists with BSC quantitative goals, and developed an online ehecking system, thereby dramatically improving the Charter monitoring system.

Improvement of Customer Service Charter Inspection System

Existing system
- · The effect of check by individual departments was lessened
- · Efforts were lacking to explore detailed check items
- · Evaluation score deviation by department was small, and evaluation limited
- · Efforts were lacking to share and disseminate best CS practices

Improved system
- · Boost evaluation efficiency through 2-stage evaluation
  - Individual departments' evaluation → the Client Support Dept's evaluation
- · Align the implementation checklists with BSC quantitative goals
- · Differentiate evaluation according to the number of check items
- · Complement the online check system and share and disseminate best practices

As a result, the score of service standard implementation increased by 0.9 to 99.7 points from 2008, and is continuing to improve. We will ensure that the standards of the Customer Service Charter are met and observed.

History of Customer Service Charter

Date	Event
Oct. 21, 2000	Enacted and declared Administrative Service Charter
Dec. 27, 2002	Revised Administrative Service Charter
Aug. 10, 2005	Enacted and announced Customer Service Charter
July 6, 2006	First revision of Customer Service Charter
Dec. 17, 2007	A complete revision of Customer Service Charter
May 27, 2009	A revision of Customer Service Charter
APR. 15, 2010	A revision of Customer Service Charter

Customer Service Charter

The HIRA ensures the appropriateness of national medical services so as to help improve the quality of medical services and promote national health. Also, all staff members of the HIRA pledge to practice customer satisfaction management to provide the best services to the public taking the following oath.

First, we shall always listen to customer voices, and think and act from the perspective of the customers.

Second, we shall provide customers with prompt, fair, accurate and comfortalde services.

Third, we shall keep our promises to our customers, and protect their confidentiality.

Fourth, we shall disclose the necessary information to customers to the maximum extent, and thus implement transparent management.

Fifth, we shall listen to customers' inconveniences and complaints so as to correct an error and improve our services.

To honor our pledge, we will establish exacting service implementation standards and fulfill them faithfully. Furthermore, we will fulfill all the social duties required of a public agency, and practice ethical management.

No. of SMS provided to customers				
Category	2006	2007	2008	2009
Services items (item)	80	93	117	140
SMS provided (1,000)	1,580	2,449	2,095	2,474
No. of requesting institutions	75,108	44,883	48,963	53,669

| The Rate of Reflection of Suggestions on HIRA Homepage Improvement				
Category	2006	2007	2008	2009
Suggestions	58	59	51	51
Improvements	55	57	48	48
Reflection (%)	95%	97%	94%	94%

Evaluation of Cutomer Service Implementation

We continue to survey and analyze customers' expectations of our services and evaluation results, which enables us to evaluate the results of service implementation with a view to further upgrade our service quality.

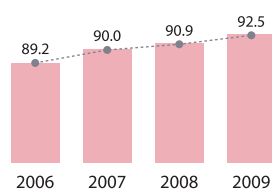Happy Call Satisfaction Survey [the public, medical care institutions]

(Unit: point)

2006	2007	2008	2009
84.8	85.7	86.4	86.2
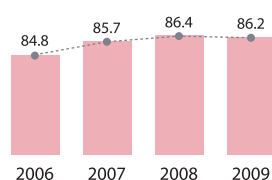
Our Happy Call system is designed to directly check and resolve customers' complaints and difficulties in 36 areas where the largest number of questions and petitions regarding our assessment arise.

No. of reported kind employees [external customers]

(Unit: case)

2006	2007	2008	2009
204	556	857	1153

External customers' reports on kind employees are increasing each year. We regularly monitor our customers' voices and reflect them in our work.

Monitoring of Telephone Services (kindness) [employees]

(Unit: point)

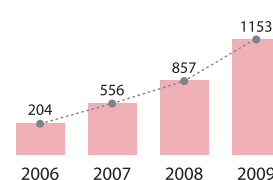| 2006	2007	2008	2009
89.2	90.0	90.9	92.5

We monitor and evaluate employees' telephone hospitality services, the first contact with customers. The 2009 survey indicated that they were "very satisfactory," showing a continually high level of service.

Public–service Customer Satisfaction Index [Customers and medical–care institutions]

(Unit: point)

2006	2007	2008	2009
69.3	74.3	77.6	83.3
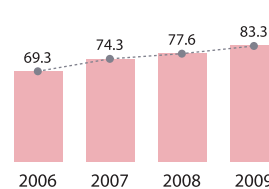
Public-service customer satisfaction surveys, organized by the government (MOSF), indicate a continued improvement. In 2009, in particular, our score entered the 80-point range for the first time. We use customer satisfaction survey results as a VOC channel to implement customer satisfaction management and improve our services for the public.
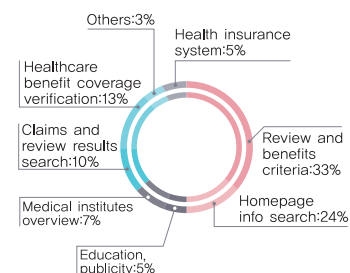
Positive Response to Customers' Opinions

We systemized the handling of Voices of Customers (VOCs) from acceptance to processing and analysis, boosting efficiency. We receive VOCs from diverse channels, and analyze them to use the results in assessing the effects of policy implementation, resolving customers' complaints, improving related processes, devising strategies efficiently, and developing new businesses. We have developed a VOC-integrated management system to convert VOCs into a management resource, and to create a customer value-oriented management foundation.

In 2009, we collected and managed 320,000 VOCs through diverse online and offline channels; in particular, we operated customer centers and direct phone call reception systems, and saw the number of VOCs by phone surge to about 300,000, up 1,570% from a year earlier.
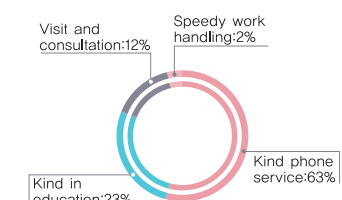
VOCs by Reception Channel

	Reception channels	2008	2009	Remarks
Home page	Customers' suggestions (external channels)	90 received (25 adopted)	104 received (18 adopted)	Up 14
	Customers' suggestions (internal channels)	1,221 registered (261 implemented)	1,002 registered (260 implemented)	Execution rate, Up 45%
	Booking for consultations	1,223	1,660	Up 35.7%
	Cyber consultation	5,256	6,288	Up 19.6%
	Report on kind services	857	1,153	Up 34.5%
	Report on unkind services	9	9	The same as the previous year
	Suggestions to HIRA's president	17	12	–
	Advisory Community	57	143	Up 150.9%
	Health Insurance Finance Keeper	114	183	Up 60.5%
	Opinions on homepage improvement	48	51	Up 6.3%
Phone	Customer Center (incoming)	10,128 (605/day)	272,366 (1,077/day)	Average daily calls handled, up 78%
	Direct phones	8,129	32,509	Up 300%
Offline	Customer Satisfaction Management Advisory Group	35	105	Up 200%
	Meetings with Customers	247 meetings	311 meetings	VOCs, 685
	Mobile consultation services	328	847	Up 158%

Analysis of Customer Suggestion Types

- Others:3%
- Health insurance system:5%
- Healthcare benefit coverage verification:13%
- Claims and review results search:10%
- Review and benefits criteria:33%
- Medical institutes overview:7%
- Homepage info search:24%
- Education, publicity:5%

Analysis of Kind Service Types

- Visit and consultation:12%
- Speedy work handling:2%
- Kind in education:23%
- Kind phone service:63%

Analysis of Unkind Service Types

- Delay in request handling:11%
- Inconsiderate:11%
- Inaccurate work handling:22%
- Unkind phone service:56%
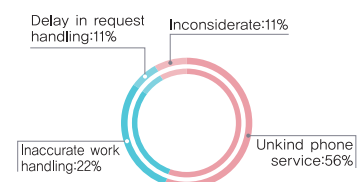
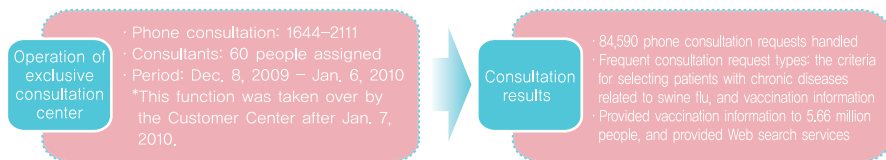**Operation of Customer Center _** In April 2009, we officially opened the Happy Call 1644-2000 Customer Center in order to promptly resolve customers' questions about medical service review and assessment. For five months from December 2008 to April 2009, we test-operated the center, which is now staffed with 40 specialist consultants dedicated to providing speedy consultation services with the aim of "resolving all consultation work from medical service fee confirmation to information on medical-care institutions with One Call". We pledge to provide a faster, more accurate, and kinder consultation so as to impress customers beyond satisfaction

Frequent Consultation Request Types with Customer Center

Ranking	Frequent consultation request types	Description	No. of consultation requests	Rate
1	Medical fees and criteria	Criteria for medical fees and benefits, benefits/non–benefits	60,285	22.1%
2	Inquiries about Influenza A(H1N1)	Inquiries about influenza A(H1N1) vaccination and chronic patients	32,130	11.8%
3	Requests for healthcare benefit subjects	The method and procedure of requesting the confirmation of medical service fees, and refunds	25,674	9.4%

Operation of an Exclusive Consultation Center for Influenza A(H1N1) Vaccination _ To positively prevent the spread of Influenza A(H1N1), we opened an exclusive vaccination consultation center: Influenza A(H1N1) vaccination; Ask HIRA (1644-2111).

Operation of exclusive consultation center	· Phone consultation: 1644–2111 · Consultants: 60 people assigned · Period: Dec. 8, 2009 – Jan. 6, 2010 *This function was taken over by the Customer Center after Jan. 7, 2010.	Consultation results	· 84,590 phone consultation requests handled · Frequent consultation request types: the criteria for selecting patients with chronic diseases related to swine flu, and vaccination information · Provided vaccination information to 5.66 million people, and provided Web search services

Operating of a permanent system to monitor medical service fee criteria to ensure convenient national medical services _ We set 2009 as the year for improving the benefits criteria for ensuring appropriate national medical services, and are now operating a system to monitor the benefits criteria via online and offline channels. In particular, under our policy of ensuring practical benefits criteria for appropriate medical services, on April 1, 2009, we opened an online benefits criteria inquiry center. This center aims to gather diverse field opinions to improve irrational benefits criteria. The center can be accessed at our homepage (www.hira.or.kr)

Efforts by the CEO listening to customers' voices

A big forum to pledge customer satisfaction services (April 13, 2010)
- Impressing customers more than satisfying them
In 2009, the HIRA opened a workshop to pledge customer satisfaction services in order to evaluate the results of the public-service customer satisfaction survey to objectively assess the degree of customer satisfaction, and to build a consensus on and practice what is necessary to enhance customer satisfaction. President Kang Yoon-goo urged participants to make more effort because employees' pride in the organization is pride in themselves, which leads to pride in their work, making employee satisfaction very important, and because high-ranking managers' kind consideration of employees greatly influences their satisfaction. He further asked them to transform the HIRA into an organization that satisfies both internal and external customers. Selected discussion results are now being implemented.

Enhancement of CS Capabilities

Customer-tailored Education _ In order to share our vision and policy with our stakeholders, and to create a HIRA tailored to customers, we offer various specialized education courses to the public, medical care institutions and related institutes

Category	Targets	Course	No. of sessions	Participants
Open lecture	· General public · Employees of medical care institutions · Related institutes	· Newly opened courses · Specialized courses by department of diagnosis, etc.	222	8,834
Education for university students	· Preliminary health care personnel	· Roles and functions of HIRA	43	2,513
Specialists' course	· Medical and industrial circles, etc.	· HELP top-manager course	2	65

Education to University Students

CS Education for Customer Satisfaction Management _ In order to realize our CS vision, we foster competitive CS specialists who are capable of playing a leading role in creating customer-oriented changes.

Direction	Promote customer-oriented mindset	Strengthen the professionalism of CS organization	Strengthen CS response
Objectives	· Promoste a CS mindset · Strengthen customer relations management · Boost CS action capabilities	· Identify latest trends and movements · Learn about customer satisfaction management, satisfaction survey and other management techniques	· Strengthen customer contact point hospitality services · Improve CS mindset · Improve phone consultation services
Major courses	· Strengthen customer satisfaction mindset · Educate about CS mindset in line with the results of customer satisfaction management review · Education of new employees, for 2009, etc.	· Conferences on advanced practices – South Korea's public conferences – Conferences on customer satisfaction · Specialized education courses – Customer satisfaction survey course – CRM expert course	· Strengthen the capability of the contact point organization to respond to customers · Strengthen capabilities to manage customer relations · Educate about CS action capabilities
Targets	All employees, new employees, etc.	CS staffers	Customer contact point staffers, CSO, etc.

Efforts to Establish a Customer-oriented CS Culture _ In order to autonomously resolve problems in connection with customer requests, we operate CS CoPs according to work types and customer contact points to promote a CS mindset among our employees, and strengthen voluntary CS action, thereby endeavoring to establish a customer-oriented culture. According to our company-wide CS master plans, we implement CS activity and practice measurement indices according to departments and reflect the results in the agency-wide BSC.

Protection of Customers' Personal Information _ With the ever increasing number of cases of personal information leakage damage, the protection of personal information is further emphasized. We operate diverse systems to protect personal information, such as education about personal information protection and the distribution of guidebooks on information protection. As a result, in terms of our protection, information handling, and technical protection of personal information, the HIRA earned an excellent average of 91.7 points in the Ministry of Health and Welfare's checking and evaluation. As such, to date, we have not caused any accidents related to personal information.

Results of Personal Information Protection Education

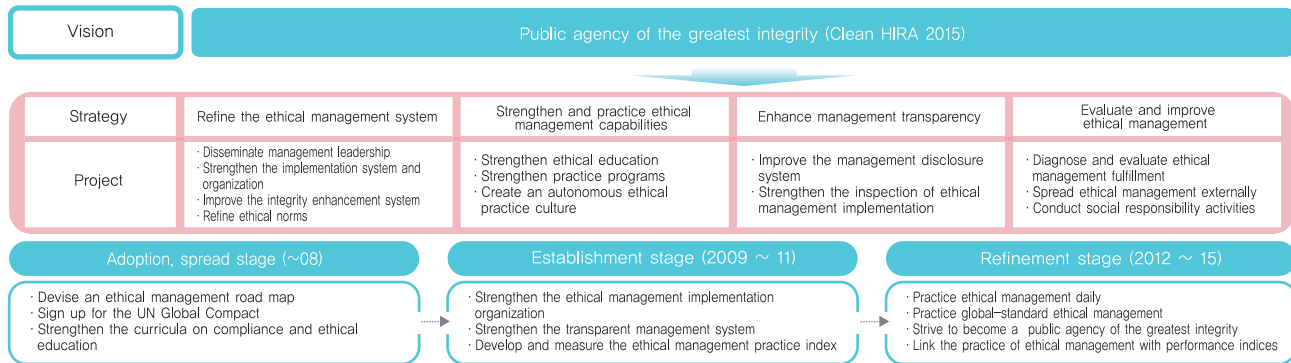| Targets	Description	
All employees	Education about personal information protection and information security	12 sessions
Staffers personal information	Specialized education for information security staffers, and participation in various seminars	15 sessions
Employees of external company	Education about the protection of personal information and security information	3 sessions

Transparent, Ethical Management

We practice transparent, ethical management by performing our duties fairly.

Outline of Ethical Management Implementation

We pledge to implement clean, transparent management to boost our stakeholders' confidence and trust in us, practicing the country's best ethical management. To that end, we practice transparent decision making, promote the culture of practicing ethical management autonomously, we are also building a crisis management system. We believe that ethical management is not only essential for sustainable development and enhanced competitiveness, but also serves as the criteria for all employees' behavior and values in their activities. In particular, the HIRA as a public agency not only fulfills its legal responsibilities but also reflects the ethical standards required by society in all its business activities to practice them with top priority. At the early ethical implementation stage, we endeavored to lay strong foundations, and to cultivate an ethical mindset among our employees. In 2004, we enacted the Employee Code of Conduct, paving the way for the full-swing implementation of ethical management.
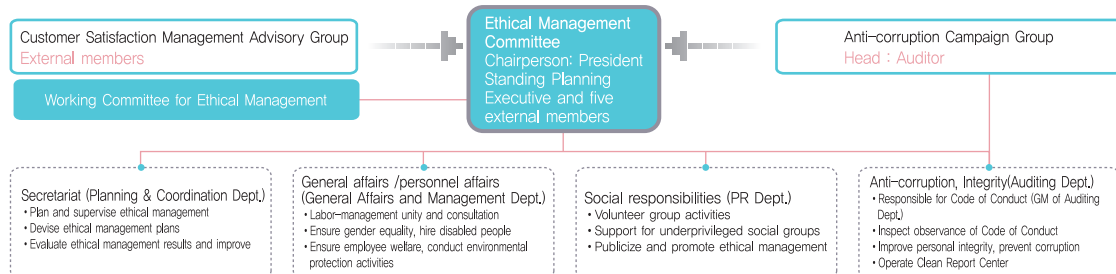
Ethical Management Implementation System and Road Map

Vision	Public agency of the greatest integrity (Clean HIRA 2015)			
Strategy	Refine the ethical management system	Strengthen and practice ethical management capabilities	Enhance management transparency	Evaluate and improve ethical management
Project	· Disseminate management leadership · Strengthen the implementation system and organization · Improve the integrity enhancement system · Refine ethical norms	· Strengthen ethical education · Strengthen practice programs · Create an autonomous ethical practice culture	· Improve the management disclosure system · Strengthen the inspection of ethical management implementation	· Diagnose and evaluate ethical management fulfillment · Spread ethical management externally · Conduct social responsibility activities

Adoption, spread stage (~08)	Establishment stage (2009 ~ 11)	Refinement stage (2012 ~ 15)
· Devise an ethical management road map · Sign up for the UN Global Compact · Strengthen the curricula on compliance and ethical education	· Strengthen the ethical management implementation organization · Strengthen the transparent management system · Develop and measure the ethical management practice index	· Practice ethical management daily · Practice global-standard ethical management · Strive to become a public agency of the greatest integrity · Link the practice of ethical management with performance indices

Implementation System of Ethical Management

Ethical management is undertaken by the Planning & Coordination Dept. which supports decisions on major policies, manages related plans, and coordinates major jobs. We operate the Ethical Management Committee as a review and advisory body to devise and coordinate ethical management policies: Consisting of a president, executive director of planning, and five external members, it reviews and resolves on ethical management plans, as well as on the revised and amended ethical regulations, and checks the progress and results of ethical management implementation. Furthermore, the Auditing Dept. is responsible for agency-wide anti-corruption and integrity work, while the PR Dept. comprehensively plans and manages social responsibility activities.

Implementation System of Ethical Management

Customer Satisfaction Management Advisory Group
External members

Working Committee for Ethical Management

Ethical Management Committee
Chairperson: President
Standing Planning Executive and five external members

Anti-corruption Campaign Group
Head : Auditor

Secretariat (Planning & Coordination Dept.)
· Plan and supervise ethical management
· Devise ethical management plans
· Evaluate ethical management results and improve

General affairs /personnel affairs (General Affairs and Management Dept.)
· Labor-management unity and consultation
· Ensure gender equality, hire disabled people
· Ensure employee welfare, conduct environmental protection activities

Social responsibilities (PR Dept.)
· Volunteer group activities
· Support for underprivileged social groups
· Publicize and promote ethical management

Anti-corruption, Integrity(Auditing Dept.)
· Responsible for Code of Conduct (GM of Auditing Dept.)
· Inspect observance of Code of Conduct
· Improve personal integrity, prevent corruption
· Operate Clean Report Center

Regulations related to Ethical Management

In order to set the criteria for employees' behavior and judgment, we have established an ethical regulation system consisting of the Ethics Charter, the Employee Code of Conduct, and ethical guidelines. The Ethics Charter embodies the basic spirit and norms of ethical management, and declares our employees' determination to practice it on behalf of our stakeholders. The Employee Code of Conduct defines employees' behavioral standards as regards practice of the Ethics Charter. The ethical guidelines specify the criteria and procedure for implementing the Ethics Charter and the Employee Code of Conduct.

Employees' Duty of Integrity _ We ensure that all employees fulfill the duty of integrity in accordance with the laws and enforcement ordinances, Employee Code of Conduct, and other related regulations, to ensure they perform their work sincerely and fairly. In particular, to boost the transparency of management and thereby bolster ethical management, standing executives are required to sign a work integrity agreement.
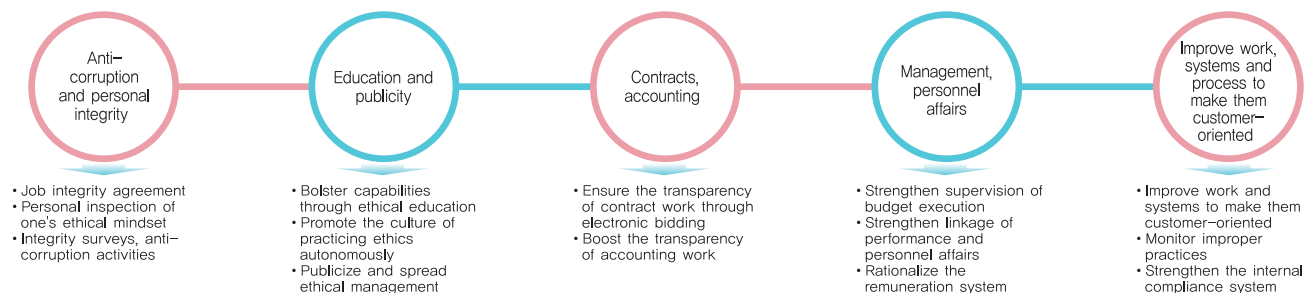
Establishment of a Healthy Work Culture _ Our employees are banned from inviting people related to their work to their congratulatory and condolence events; they are also banned from giving and receiving money of over 50,000 won and goods equivalent to this amount on these occasions. Employees are also banned from playing golf with people related to their work; if otherwise unavoidable, employees should report such plans to the HIRA president.

Reporting of Violations and Guaranteeing the Security of Reporters _ We allow the reporting of employees' improper and corrupt practices to the HIRA president, Code of Conduct Chief, and the Anti-Corruption & Civil Rights Commission. The HIRA president may confirm the fact and impose punishment on the employees in question in accordance with the Disciplinary Regulation. We also ensure the confidentiality of reporters and the reported details; if the reporter is found to have breached the regulations, he or she may have their punishment reduced or exempted from it.

Transparency of Budget Execution _ To ensure the transparent use of our budgets, we disclose our expenditure execution results on our website every month. We also ban the personal use of corporate cards (clean cards), as well as the use of corporate cards for entertainment establishments which have nothing to do with the performance of our work.

Compliance with Laws and Regulations _ Our employees fully observe not only anti-corruption laws related to ethical management, the National Health Insurance Act and other related laws and regulations, but also our internal Ethics Charter and Code of Conduct. These efforts have thus far prevented the violation of laws in relation to corruption and bribes. Our employees do not donate money for improper political activities and other illegal activities.

Ethical Management Implementation System through Overall Management Improvement

Anti-corruption and personal integrity	Education and publicity	Contracts, accounting	Management, personnel affairs	Improve work, systems and process to make them customer-oriented
• Job integrity agreement • Personal inspection of one's ethical mindset • Integrity surveys, anti-corruption activities	• Bolster capabilities through ethical education • Promote the culture of practicing ethics autonomously • Publicize and spread ethical management	• Ensure the transparency of contract work through electronic bidding • Boost the transparency of accounting work	• Strengthen supervision of budget execution • Strengthen linkage of performance and personnel affairs • Rationalize the remuneration system	• Improve work and systems to make them customer-oriented • Monitor improper practices • Strengthen the internal compliance system

Clean Reports			
Category	2007	2008	2009
Clean reports	Nil	Nil	Nil
Insiders' reports	Nil	Nil	Nil

Management Disclosure Items			
Category	2007	2008	2009
disclosure items	17	18	20

Ethical Management Practice Program

We encourage employees to voluntarily participate in diverse ethical management activities through various online and offline programs such as employee ethical management education, the self-inspection program for promoting an ethical mindset, and the ethical management leadership system. In this way, we are striving to strengthen our frontline-oriented ethical management system.

Strengthening of Ethical Management Education _ We operate diverse, systematic ethical management education courses and programs to encourage employees to voluntarily participate in ethical management. All employees receive basic education on ethical management through cyber educational courses.

Self-Inspection of Ethical Management Mindset _ To foster employees' ethical mindset and conduct self-inspection, we allow employees to use a software program designed for solving ethical dilemmas and conducting self-inspection (Clean HIRA Day) once a month. Since 2008, we require all employees to participate in this program, dramatically enhancing the participation ratio to 97%.

Operation of Ethical Management Practice Leader System _ In order to encourage each department to voluntarily practice ethical management with a view to establishing ethical and transparent management, we designate ethical management leader in each department. The ethical management leaders have meetings with the top management so as to disseminate the top management's determination for ethical management to their departments. They also involve difficulties related to the practice of ethical management and address them.

Public Disclosure of Management Performance _ We positively disclose important management performance and information, and improve work processes so as to strengthen the transparency of our business. Through the public disclosure of our management performance on our website, and through Alio, the combined management disclosure system for public agencies, we disclose information on our management performance, and monitor our operations under related staffers' real names according to individual items, once-monthly-mutual inspection and notification, and the electronic system. We implement more detailed disclosure criteria than the combined disclosure criteria required of public agencies to disclose our management performance. We also implement additional disclosure items such as review results, the results of the handling of requests to identify the targets of medical benefits, and the results of supporting onsite investigations into medical care institutions.

Enhancement of Transparency of Contract Arrangement _ The work of arranging contracts, given its nature, requires many face-to-face contacts with clients, and is exposed to the risk of corruption, allowing it to be recognized as highly corruptible. To prevent corruption in this line of work, we operate the Integrity Agreement System, conduct contracts without face-to-face contact, and implement electronic procurement.

Category	Description
Integrity Agreement System	Require the submission of a written pledge to fulfill the Integrity Agreement when arranging contracts for all transactions including product purchase and construction works.
Contracts without face-to-face contacts	In the case of contracts valued at over KRW 10 million, we only visit the client once; thereafter, we handle the contract work without further visitation and without face-to face contacts until completion of the project.
Electronic procurement contracts	We observe the public bidding principle for contracts worth KRW 10 million or more through electronic procurement.
Pre-disclosure system for contract projects	We disclose contract projects worth an estimated KRW 80 million or more in advance, ensuring transparency.

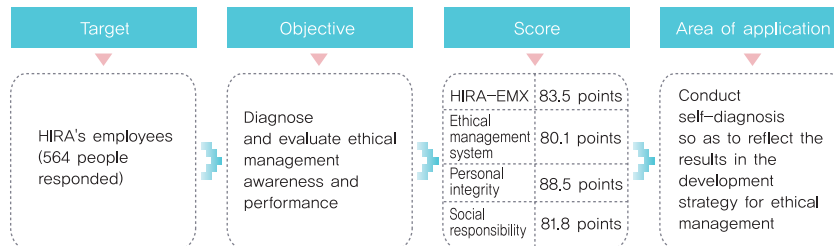## Development of the Monitoring System for Ethical Management

We conduct multifaceted surveys of our ethical management practice so as to improve the system. Specifically, we systematically evaluate ethical management plans and performance results, and utilize the results in educational courses as well as reflecting them in our improvement of the ethical management system.

Integrity Survey by the Anti-Corruption & Civil Rights Commission _ In order to realize a high-integrity public agency through anti-corruption campaigns, we participate in the integrity survey conducted by the ACRC each year. Our integrity survey score stood at 8.45 points in 2009, up 0.35 from the previous year. We also scored 8.05 points, a somewhat low score, in the first internal integrity survey for agencies under the control of the Ministry of Health and Welfare. Based on these results, we are striving to improve our shortcomings and become a higher-integrity agency.

External Evaluation of Our Ethical Management Activities _ In order to diagnose our ethical management levels objectively, we participate in the survey program for Korean Business Ethics Index Sustainability Management. In the first year of participation, 2009, we obtained an "AA" rating, and we are aiming for the top rating "AAA" by improving those areas identified as vulnerable.

Our Evaluation of Ethical Management Performance _ We implement an ethical level diagnosis model (HIRA-EMX) designed to diagnose and evaluate employees' ethical management awareness levels and performance results with a view to pinpointing and improving vulnerable areas.

Diagnosis of Ethical Levels

Target	Objective	Score		Area of application
HIRA's employees (564 people responded)	Diagnose and evaluate ethical management awareness and performance	HIRA-EMX	83.5 points	Conduct self-diagnosis so as to reflect the results in the development strategy for ethical management
		Ethical management system	80.1 points	
		Personal integrity	88.5 points	
		Social responsibility	81.8 points	

2009 Survey on Ethical Management (targeting internal employees)

Q. The HIRA recognizes ethical management as an important value.

Affirmative ratio:91.9%

| Highly | 207 | 36.7% |
| Moderately | 239 | 42.4% |
| Somewhat | 72 | 12.8% |
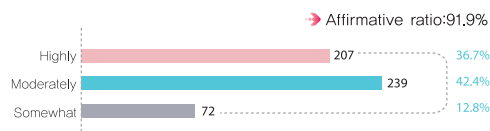
Q. I did not violate any laws or the HIRA's ethical regulations for myself or people specially related to me.

Affirmative ratio:94.9%

Highly	418	76.4%
Moderately	93	17.0%
Somewhat	8	1.5%
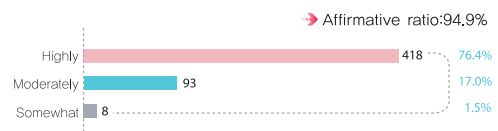
Q. The HIRA is fair and transparent in implementing customer service criteria or in handling customer claims.

Affirmative ratio:93.1%

Highly	222	40.6%
Moderately	229	41.9%
Somewhat	68	10.6%
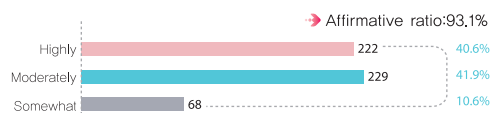
Q. The HIRA positively implements guidelines and systems to protect customer information.

Affirmative ratio:93.2%

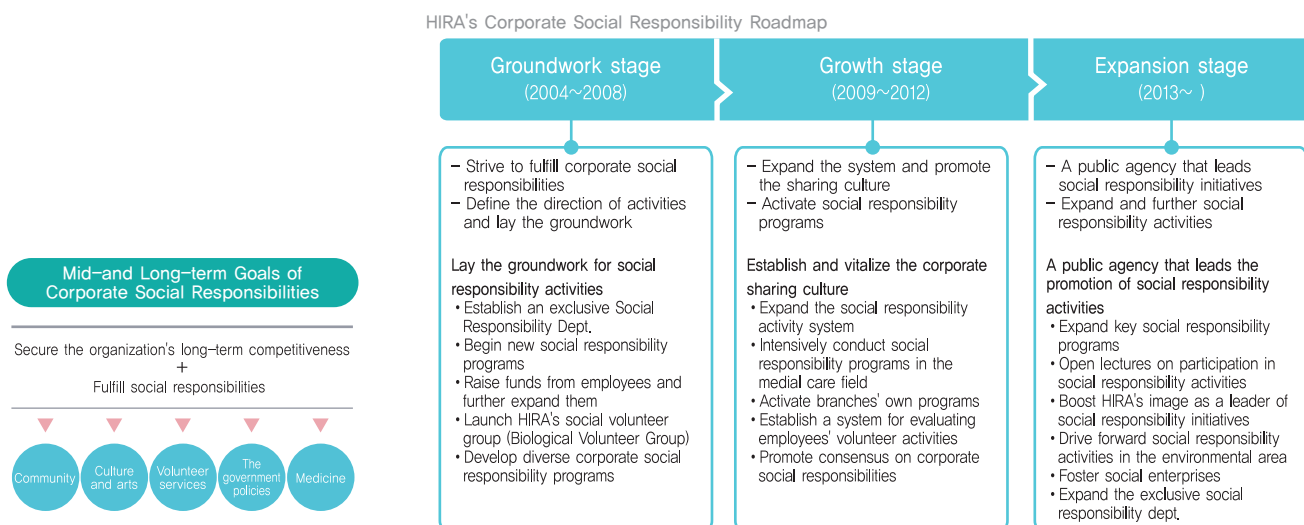| Highly | 197 | 36.2% |
| Moderately | 247 | 45.4% |
| Somewhat | 63 | 11.6% |
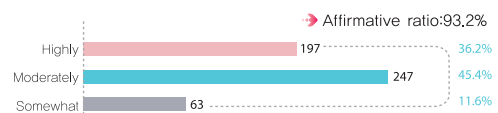
Social Responsibilities

In accordance with the philosophy of corporate social responsibility, namely, "Participation through the practice of sharing, involvement in the community, and cultural activities, "we pursue the vision of "achieving a happier life and a happier society through sharing and participation."

Social Responsibility Vision and Implementation System

We believe that we can achieve long-term sustainable development and growth by conducting a wide range of social responsibility activities. In 2006, we established an exclusive department for systematically conducting social responsibility activities, and we are now performing social responsibility activities in which employees all participate. In 2009, the president of HIRA was appointed as the head of HIRA's social volunteer service group, and the social responsibility committee was formed; thus, we are now fulfilling social responsibilities on a agency-wide basis. Currently, the PR division of the PR Dept., serving as the secretariat for social responsibility activities, controls 28 volunteer service clubs and organizes diverse sharing events.

HIRA's Corporate Social Responsibility Vision

A healthier life and a happier society through sharing and participation

HIRA

Practice sharing — Establish a sharing culture by allowing all employees to participate in social volunteer services

Participate through culture — Target social welfare facilities, underprivileged people, and other people estranged from cultural benefits

Get involved in the community — HIRA's Corporate Social Responsibility Vision

Mid- and Long-Term Business Portfolio for Corporate Social Responsibilities _ We are implementing diverse corporate social responsibility programs with the focus on five main themes, namely, medicine, the community, volunteer services, participation in government policies, and cooperation with the government. The themes conform to the characteristics of the HIRA as a specialized medical service review and assessment agency and social trends. Through these programs, we perform our social responsibility campaigns and promote the beautiful culture of sharing.

HIRA's Corporate Social Responsibility Roadmap

Groundwork stage (2004~2008)	Growth stage (2009~2012)	Expansion stage (2013~)
− Strive to fulfill corporate social responsibilities − Define the direction of activities and lay the groundwork Lay the groundwork for social responsibility activities • Establish an exclusive Social Responsibility Dept. • Begin new social responsibility programs • Raise funds from employees and further expand them • Launch HIRA's social volunteer group (Biological Volunteer Group) • Develop diverse corporate social responsibility programs	− Expand the system and promote the sharing culture − Activate social responsibility programs Establish and vitalize the corporate sharing culture • Expand the social responsibility activity system • Intensively conduct social responsibility programs in the medial care field • Activate branches' own programs • Establish a system for evaluating employees' volunteer activities • Promote consensus on corporate social responsibilities	− A public agency that leads social responsibility initiatives − Expand and further social responsibility activities A public agency that leads the promotion of social responsibility activities • Expand key social responsibility programs • Open lectures on participation in social responsibility activities • Boost HIRA's image as a leader of social responsibility initiatives • Drive forward social responsibility activities in the environmental area • Foster social enterprises • Expand the exclusive social responsibility dept.

Mid−and Long−term Goals of Corporate Social Responsibilities

Secure the organization's long−term competitiveness
+
Fulfill social responsibilities

Community | Culture and arts | Volunteer services | The government policies | Medicine

48

Medicine	• Support medical expenses for patients with intractable diseases • Share Hope event for patients with intractable diseases	• Donate blood for patients with intractable diseases • Hold the Beautiful Charity Bazaars for assisting patients with intractable diseases
Community	• Child Development Account (CDA) • Share Love event for national holidays	• Donate PCs and office supplies to needy people
Volunteer services	• Volunteer activities by the HIRA's various departments • Community services by HIRA's family volunteer groups	• Volunteer services by the HIRA's various communities
Government policies	• Participate in purchasing products in charity bazaars hosted by The Red Cross • Collect year-end donations for needy people • Make donation to Christmas Seals	• Participate in government-led charity bazaars • Collect donations for Korean troops
Others	• Share Love and Hope Stage event • Collection of donations and volunteer services for disasters	• Participate in the Social Responsibility Councils of Health Bodies

Social Responsibility Activities

Social Responsibility in the Medical Care Field _ We conduct corporate social responsibility campaigns in the medical field, such as the program to help patients with intractable diseases throuh, the With-U Campaign.

· **With-U Campaign for Supporting Medical Treatment Costs for Patients with Intractable Diseases**

Since 2004, HIRA employees have conducted campaigns to help financially-compromised patients struggling with unusual or intractable diseases by raising money for HIRA'S matching grants. We started to raise money by donating small change from our salaries; since June 2007, the account size per employee has been expanded to KRW 3,000. In 2009, we donated a total of KRW 85.23 million to 16 patients. For the six years since 2004, we have been helping 64 patients struggling with leukemia and other unusual intractable diseases.

· **Support for Eyesight Recovery Operation Costs**

Under an agreement concluded with the Korea Foundation for the Prevention of Blindness in December 2009, we continue campaigns to support the costs of eyesight recovery surgery for patients who are in danger of losing their vision but who cannot afford to undergo surgery. We plan to support surgery costs for 14 people including young people and adults.

· **Support for Patients on the MBC "Doctors" Show**

Under a three-party agreement involving the HIRA, the Social Welfare Fund Collection Association, and MBC to help medical treatment for patients appearing in MBC's TV Program medical documentary, Doctors, we conduct various sponsorship campaigns. In 2009, we raised a total of KRW 126 million on four occasions.

· **Support for Patients on the SBS "Pleasant" Show**

By participating in the SBS Pleasant Show as volunteers, we delivered KRW 110 million to eleven patients. This TV program dedicated to the public good aims to provide great hope and joy to our needy neighbors.

Amount of sponsorship

(Unit: 1,000won)

579,332

113,000

89,000

2007   2008   2009
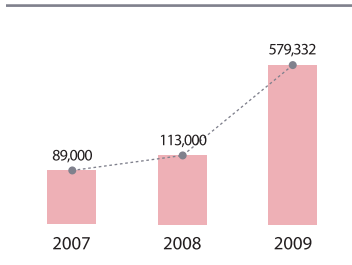
Creating a Happy Community _ We conduct various corporate social responsibility campaigns in order to establish friendly ties with diverse stakeholders in the community to create a happy and hopeful society.

· **Child Development Account (CDA)**

Since October 2007, we have implemented the Ministry of Health, and Welfare and Family Affairs-led program to support children from low-income families. Under the program, we donate the sum of KRW 3.5 million, including the employees' donation of KRW 2 million and the HIRA's matching grant of KRW 1.5 million, each month to assist these needy children's self-support. In 2010, we also donated this money to certain social welfare facilities to help certain selected children in the long term.

· **HIRA's Share Love Campaign on Holidays**

On raditional holidays, we visit our needy, underprivileged neighbors to share friendship and give financial help, thereby promoting the culture of sharing. Each department of the HQs and branch offices joins in these campaigns.

· **Beautiful Charity Bazaars with HIRA**

We hold charity bazaars, including the Beautiful Bazaar, for patients suffering from unusual and intractable diseases. Employees donate their personal possessions to the bazaars. Revenues accrued from these activities are donated to support the medical expenses of patients with unusual and intractable diseases, and we also generate revenues by running the Beautiful Shop to donate money to our needy neighbors.

HIRA Volunteer Groups' Activities _ The HIRA Volunteer Group was launched with just 139 members in July 2007. By 2010, however, it had expanded to all employees of the HQs and the branches in Seoul, Busan, Daegu, Gwangju, Daejeon, Suwon and Changwon. These numerous groups conduct volunteer campaigns tailored to their respective communities. We pledge to offer various incentives and implement other programs to further encourage employees to involve themselves in volunteer services. And we also strive to expand the recipients of our volunteer services to create a happy society.

· **Volunteer Activities Associated with Social Welfare Facilities**

At Seoul City Children's Hospital, adjacent to the HIRA, in Seocho-gu, we each month conduct volunteer services such as helping meal services, assisting bathing, and walking children in wheelchairs. At the Daniel Welfare Center, we clean up the facility, make kimchi, and offer recreational programs, inspiring hope and self-confidence in youth and practicing the sharing of friendship with socially disadvantaged people.

· **Social Responsibility Council of Health and Medical Organizations**

We positively participate in activities led by the Social Responsibility Council of Health and Medical Organizations, which consists of 14 members including the Korean Medical Association and the Korean Hospital Association. In conjunction with the council, we drive forward national health campaigns, and volunteer our time and effort to help socially disadvantaged people including disabled people, elderly people, children, the homeless, poor people, and patients with psychiatric diseases, unusual diseases and intractable diseases.

· **Blood Donation Campaigns**

We hold blood donation campaigns twice a year, one in the first and another in the second half. This campaign, reflecting the nature of the HIRA, aims to boost the local blood supply. In particular, since 2009, we have campaigned for blood donations to help children with unusual intractable diseases.

· **Participation in Various Volunteer Activities**

Our social responsibility campaigns include the organ donation campaign led by the MOHW (442 people), 2010 Share Hope sharing, Red Cross-led charity bazaars, and volunteer services providing free meals to needy people, as well as helping farmers, carrying briquettes, and serving elderly people at welfare facilities and living alone.

The HIRA's corporate social responsibility activities

Sharing friendships

Arbor Day event

Lunch Event for the Elderly

Delivery of briquettes

Donation of blood donation certificates

Blood donation campaign to help children with intractable diseases

The HIRA seeks to find hope in humans, and looks for a greater future through humans, promote national health, and create a happy life for our neighbors.

Creative Talent

Vision and Strategic Objectives

We are striving to strengthen our employees' professionalism in the work of reviewing and assessing medical services and to establish a pleasant working environment. In particular, we are implementing key talent fostering programs and diverse welfare programs aimed at achieving an effective work-life balance in a bid to move forward as an advanced public agency.

Key Issues

- Foster talent
- Expand welfare programs
- Establish win-win labor-management relations

Responsible Organization

General Affairs & Management Dept.	professional talent
	Fair personnel affairs
	Healthy workplace
	Labor–management unity

Implementation Policies

Develop professional talent	• Foster capability–oriented talent • Implement a life–long learning system • Implement fair evaluation and rewards • Ensure employee gender equality
Create a great workplace	• Strengthen family–friendly management • Expand employee welfare • Activate communication
Labor–management unity	• Establish an open corporate culture • Enhance employee satisfaction

Major Achievements

Category	Item	2007	2008	2009	2010 (goal)
Develop professional talent	Average learning time	124	144	147	150
	Manpower development cost per person	KRW 614,000	KRW 917,000	KRW 944,000	KRW 915,000
Labor–management unity	Employee satisfaction	60.3 points	64.7 points	65.8 points	70 points
Respect for people	Female managers (as % of relevant workforce)	45%	44%	52%	–
	Disabled employees (as % of entire workforce)	2.2%	2.3%	2%	3%

Development of Professional Talent

We are striving to develop future growth engines.

Female Managers and Higher Ranking
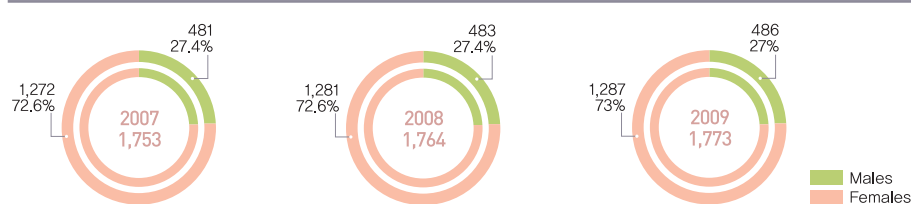
(Unit: people)

2007	2008	2009
46	49	52
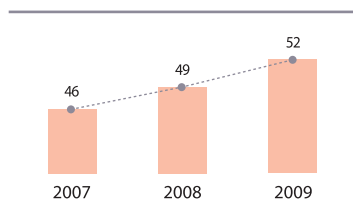
Percentage of Female Employees

Category	2007	2008	2009
Total	140	110	58
No. of hired females	113	91	40
Ratio of employment	80.7%	82.7%	69%

Workforce Overview

As of the end of December 2009, our workforce comprised a total of 1,773 employees, of whom regular employees numbered 1,747 and non-regular employees 26. Our female workforce, including nurses, accounts for 73% of all our employees. The recruitment rate of new female employees stands at 68%, making it far higher than the average female employment rate, and female managers or higher-ranking female employees account for 45% of our total management resources, a remarkably high percentage.

Male vs. Female (No. of employees, %)

2007	2008	2009
481 27.4%	483 27.4%	486 27%
1,272 72.6%	1,281 72.6%	1,287 73%
2007 1,753	2008 1,764	2009 1,773

Males
Females

Respect for Employees' Human Rights

We strive to create a gender equality working environment in order to positively utilize our female employees and enhance our competitiveness. We have many female employees due to the nature of our work; thus, we also operate a women's lounge and a nursing room in a new rented annex building to take good care of our female employees.

Also, in order to enhance employees' awareness of the importance of personal information and take precautions in handling personal information, we regularly offer education about the prevention of intrusions upon personal information along with actual examples of information leakage, and continue to use a security system to monitor the handling of personal information.

Ban Employee Discrimination

We endeavor to create a working environment free from discrimination where humans rights are respected on the basis of the internal regulations, including collective negotiation agreements and working rules. We ensure that there is no discrimination with regard to work, promotion, welfare, basic salaries, and so on. We prohibit gender discrimination, and implement the same basic salaries in the same employee rankings regardless of gender. We also use a system to monitor and audit gender discrimination. In January 2009, in a bid to implement the 「Act on the Prohibition of Discrimination against Disabled Persons, Remedy against Infringement of Their Right, etc」, we offered education on the two-dimensional bar-code system for blind people. In December, we provided lectures and survival OX quiz contests regarding the prevention of sexual harrassment in accordance with the Collective Negotiation Agreement, Article 30, 「Ban on Sexual Harrassment and Violence in the Workplace」, and showed a play about the prevention of seual harrassment. These efforts helped us to prevent any cases of sexual harrassment from arising during 2007~09.

Male vs. Female (No. of employees, %)

	Employment Overview			New employment (2009)		
	Total	Disabled	Science/technology	Total	Disabled	Science/technology
Workforce	1,773	42(2%)	1,292(73%)	58	0(0%)	36(62%)

Principle of Equal Employment

We hire employees under the principle of providing equal employment opportunities regardless of gender, education and physical conditions (including disabilities). We continue to keep the recruitment rate of disabled people at 2.8% of the entire workforce, and endeavor to implement our policy of human rights protection and equal opportunities to the maximum.

In 2009, women accounted for 69% of the total number of newly hired employees; as such, we are helping to stabilize female employment. In accordance with the HIRA's collective agreement, Article 29, we do not discriminate between males and females with regard to salaries and rewards, giving equal treatment to male and female employees alike; thus, we comply with ILO Convention NO.111 Discrimination (Employment and Occupation). We pay new employees 154% of the legally prescribed minimum salary, stabilizing their jobs and enhancing their satisfaction.

Prevent Forced Labor and Child Labor

We comply with the Labor Standards Act, ILO Convention No. 105 (Abolition of Forced Labour Convention) and the Labor Standards of the UN Global Compact's ten principles, as well as implementing collective agreements to prevent child labor and forced labor.

HRD Vision 2012

It is imperative to foster talent to allow the HIRA to grow into a world-best review and assessment agency to ensure the appropriateness of medical services . Thus, we have established an ideal HIRA talent image and the HRD Vision 2012, as well as a master plan to foster talent. Our efforts to make talent equipped with professionalism and creativity include a capability-oriented HR fostering program, the promotion of a self-motivated permanent learning culture in which employees can both work and learn, a post-retirement life plan, and a fair and rational performance-based personnel affairs and rewards system.

Korean HRD Grand Prize (Feb. 2009)

HRD Vision 2012
Foster the best experts, lay the groundwork for a successful corporate culture

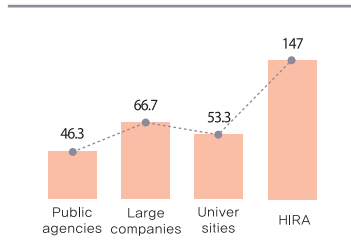| Stabilize/consolidate the life-long learning system | Build a sustainable growth system through CBC stabilization | Improve corporate culture |

HIRA Talent Image

Talent management lies behind every first-rate company's growth. Human beings are the most precious asset because they have vigor, life, intelligence, and morality. An organization is human, humans constitute an organization. To practice the "talent first" ideal, we foster professional talent, creative talent, innovative talent, and high-integrity talent as HIRA talent.

HIRA TALENT

Professional talent	Creative talent	Innovative talent	loyal talent
Talents equipped with professional knowledge	Talents that creating new values	Talents pursuing change and innovation	Talents working with integrity and passion and make themselves trustworthy

(Unit: hour)

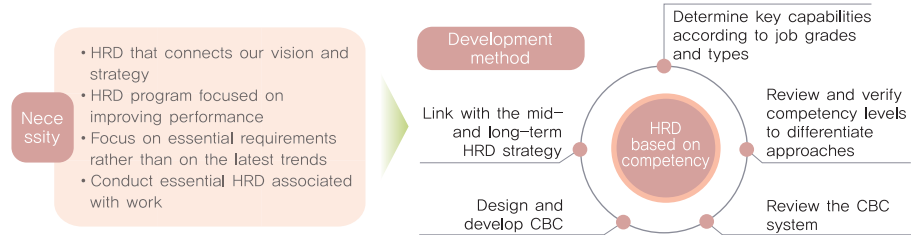|	46.3	66.7	53.3	147
	Public agencies	Large companies	Univer sities	HIRA
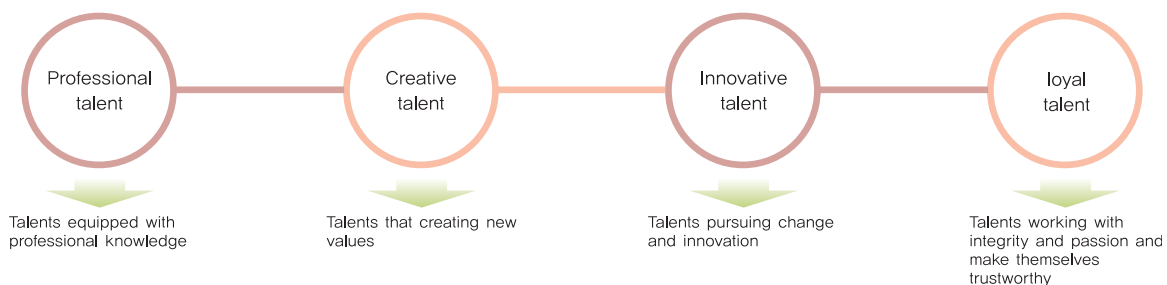
Foster Professional Talent

In order to strengthen our employees' capabilities, we increase their education time and provide financial support for self-initiated learning, expanding their learning opportunities. We also use internal and external experts to develop and implement specialized programs according to categories of work. These measures led directly to our winning the Korean Best HRD Award (December 2009), Corporate Best Learning Practice Award (September 2009), and Korean Best HRD certification (October 2009).

Development of a Competency-Based Curriculum (CBC) System for Self-Initiated Learning

Necessity
• HRD that connects our vision and strategy
• HRD program focused on improving performance
• Focus on essential requirements rather than on the latest trends
• Conduct essential HRD associated with work

Development method

Link with the mid- and long-term HRD strategy

Design and develop CBC

HRD based on competency

Determine key capabilities according to job grades and types

Review and verify competency levels to differentiate approaches

Review the CBC system

Education and Training

Each year we steadily expand the support available for education and training so as to encourage our employees to further invest in development of their competencies.

Yearly Education Results

Category	2006	2007	2008	2009
Goal	80 hours	90 hours	100 hours	110 hours
Results	122 hours	124 hours	144 hours	147 hours
rate	95.5%	95.65%	97.9%	98.1%

External Education Overview _ E-Learning (online)

Course \ Year	2007	2008	2009	Major courses
Foreign language	154 sessions (4,298 people)	84 sessions (4,272 people)	271 sessions (2,584 people)	English conversation, etc.
Book reading	61 sessions (249 people)	81 sessions (233 people)	82 sessions (305 people)	Creative thinking, redesigning of work, etc.
Cyber education	3 sessions (156 people)	76 sessions (426 people)	119 sessions (269 people)	Foster creativity capabilities, etc.

External Education Overview _ On-The-Job Training(offline)

| Course \ Year	2007	2008	2009	Major courses
Professional job training course	–	39 sessions (101 people)	48 sessions (177 people)	Develop strategical thinking and planning power, etc.
IT experts course	76 sessions (214 people)	76 sessions (214 people)	57 sessions (271 people)	Java programming, etc.
KHRDI	3 sessions (30 people)	2 sessions (143 people)	2 sessions (270 people)	Onsite investigation, enhancement of review and assessment job capabilities, etc.
Professional statistics course	12 sessions (58 people)	10 sessions (42 people)	10 sessions (39 people)	Basic statistics and its utilization

Life-long Learning System

We believe that employees are the most important element in strengthening our competitiveness and realizing sustainability management. To that end, we implement a life-long learning program to foster talent tailored to the ideal HIRA talent image. As such, we are striving to promote employee education.

HIRA Reader's Champion _ Since 2006 we have fostered internal instructors and supported our employees in their attempts to get the Integrated Certification for Professional instructors(ICPI). This program aims to encourage employees to acquire effective and excellent communication and lecturing skills. As of 2009, 67 employees completed the internal instructor's course and acquired professional instructor's licenses. These professional instructors are then assigned to give lectures on health insurance review examples and healthcare policies as such, we raise instructors in specialized areas so as to boost the efficiency of our education implementation. Also, in order to continue strengthening the capabilities of the internal instructors, we operate an in-depth external instructor's course and an internal instructor's course in conjunction with the "catalyst course" (refresher course, etc.).

Utilizing Internal Instructors _ In order to establish an efficient conference culture and active learning behaior, we have been fbring up facilitators since 2006. In 2009, 178 facilitators were leading conference meeting (by department and under CoP activities), as well as playing a coaching role in addressing problems.

Education Time Per Person

(Unit: hour)

2007	2008	2009
124	144	147
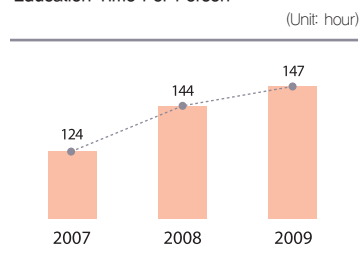
Education Cost Per Person

(Unit: KRW 1,000)

2007	2008	2009
614	917	944
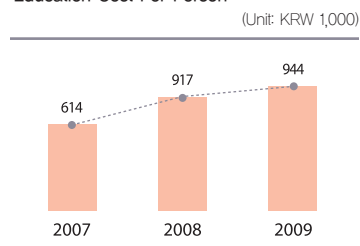
Cumulative No. of Educated People By Course

Category	2007	2008	2009
Total	4,434	7,013	6,247
Local and overseas research course	11	17	28
E-Learning course	2,909	4,269	3,350
Course by hierarchy	562	491	562
Statistical, computer course	132	200	144
Commissioned course	36	242	447
Facilitator, etc. course	82	51	56
HRD staff and mentoring course, etc.	277	219	258
Gender equality course	425	1,524	1,402

Mentoring Results for New Employees

Category	3rd period	4th period	5th period	6th period
Duration	Jun–Dec. '07	Feb–Jul. '08	Jun–Nov. '08	Jun–Nov. '09
Mentees	98	32	35	45
Outline	– Arranged through MBTI measurement – Exchanged department networks	– Used MBTI – Arranged human network	– Share MBTI results – Strengthened human network	– Shared MBTI – Understood corporate culture – Strengthened networking

Creating a Great Workplace

In accordance with our philosophy of respect for human beings, we help HIRA employees to achieve a good work-life balance.

Support for Employees' Club Activities

Welfare Support System

We implement a program aimed at creating a great workplace and ensuring that employees achieve a favorable work-life balance. We are also striving to establish a welfare system tailored to employee needs.

We have also integrated the management of welfare and consolidated the operation of a selective-based welfare system so as to enhance employees' satisfaction. We are pushing ahead with diverse systems and events to create a great workplace and a happy life for our employees. Mom and Dad's Workplace Experience, Family Volunteer Group, and other family-friendly campaigns will certainly enhance employees' concentration on work. Other welfare programs are also being implemented at present.

Support for childbirth
- Improve childbirth promotion system
  (Adopt a birth promotion subsidy system for pregnant employees)
- Gradually expand childbirth promotion fiunds
  -2007~2008: KRW 0.6 M − 1.3 M
  -2009: KRW 1 M − 1.3 M

Support for child care
- we supported child care services through community child care facilities, paid child care allowances to employees' preschoolers, and instituted the Home Day and the Child Care Day.

Support for long-term employees
- Offer memorable gifts to employees who complete 20 or 30 years of service
- Gradually develop a system to benefit retiring employees

Support for retiring employees
- Pay medical check expenses
- Recognition training system

Life Plan Program

We have implemented a severance pay system, and, since 2007, we have operated an out-placement program for retired employees to assist them to design a second life plan and settle comfortably into post-retirement life. In 2009, we expanded employee training programs into three courses - self-revolution Ⅰ, Ⅱ, and Ⅲ - organized by age; thus, we are now implementing the HIRA Life Plan Program, which will certainly help retirees to prepare properly for their future with confidence and pride adapt to society.

HIRA Life Plan Program

Self-revolution I (Value upgrade)	Self-revolution II (Career focus)	Self-revolution III (New life)
• Devise long-term future plan and set vision/goal • Discover strengths and talents, and enhance values	• Diagnose career path, design in-depth career path, and review capabilities and values • Specify career goals	• Design specific life goals and goals • Devise life goal implementation measures
New employees − employees in the over-39-year-old category	Employees in the 40- to-49-years-old category	50-year-old employees

Family-friendly Programs

We operate family-friendly programs designed to conform to the characteristics of our workforce, namely, the fact that there is a greater number of females (73%) and married women (75.4%). In 2009, 49 people participated in then Happy Family Photo exhibition; 307 people in the Mom and Daddy's Workplace Experience; and 230 people in the One-Heart Family Sports event. These efforts lead to increase loyalty and employes's satisfaction, which will in turn result in high worker productivity

HIRA Family Sports Day

Family-friendly Programs

Category	Description
Child care facilities workplace	• No. of members of the Puruni Children's House increased (48)
Regional child care facilities	• Support employees' child care through regional facilities
Home child care (preschooler children)	• Pay child care allowances
Home's Day, Children's Care Day	• Encourage employees to leave office on time every Wednesday and on the 6th day of each month (publicity and music broadcasting)

Welfare System Operation and Enhanced Employee Satisfaction

We operate diverse tailored welfare systems to enhance employees' satisfaction.

Welfare System

Category	Ongoing projects and planst	Results
Tailored welfare system	• Expand availability of condos • Diversify tailored portal systems	• Reflect the use of summer resorts in the 2010 budget • Push to improve the system for providing diverse welfare contents
Child care support system	• Expand the availability of the in-house child care facility, Puruni Children's House. • In-house child care facilities	• Secure a greater budget to expand availability • Secure more spaces when relocating facilities
Collective insurance	• To be expanded to other serious diseases, with cover for employees' family members	• Expand benefits, including those for spouses, by 100%

Employee Health Care

We provide our employees with a comprehensive medical examination once every other year. The scope of examination extends to general basic health matters, cancer, and adult diseases such as arteriosclerosis examination, body composition analysis, and ultrasonic examination. We use the examination results to prevent or diagnose diseases early on.

We also implement a musculo-skeletal system program whereby we conduct eight preliminary and detailed examinations a year, along with physical therapies. We also conduct smoking cessation and alcohol drinking reduction programs, and run a fitness center.

Support for Employee Health Care

Category	2007	2008	2009
Injuries	None	None	None
Occupational disease (musculo-skeletal disease)	41	15	0
Days of loss	41	15	0
Days of absence	0	0	0
Work-related accidents	1	1	0

Labor-Management Unity

We are striving to create a family-employee-company unified cooperative culture to promote the common interest.
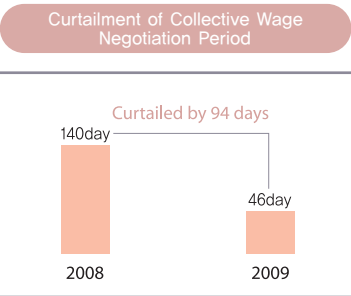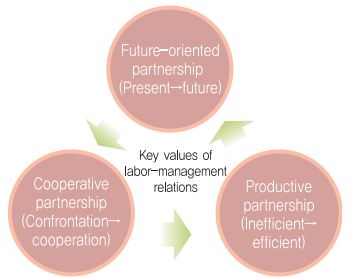
Win-Win Labor-Management Culture

We recognize the labor union as the representative of our employees and a key partner of our management, so we engage in sufficient consultation with the union regarding important decisions. Thus, we seek to promote win-win labor-management relations to satisfy employees and its creation ot value for stakeholders. In particular, we share important issues between labor and management, such as policy changes, vision, and mid- and long-term goals, through workshops, and labor-management consultation and discussions. We thus build mutual consensus to prevent disputes. Since the union was established in July 2000, these efforts have helped us to achieve successful collective wage negotiations without disputes.

We also complied with the government's wage guidelines to keep the total rate of increase on labor costs to within 1.7%. We simplified the remuneration system; converted 60% of the total 160% bonus into the basic salary, laying the foundations for the annual salary system. Thus, the basic salary rate increased from 70% in 2008 to 75% in 2009. We continued to expand the performance-based annual salary gap between employees; the gap increased from 30% in 2008 to 40% in 2009.
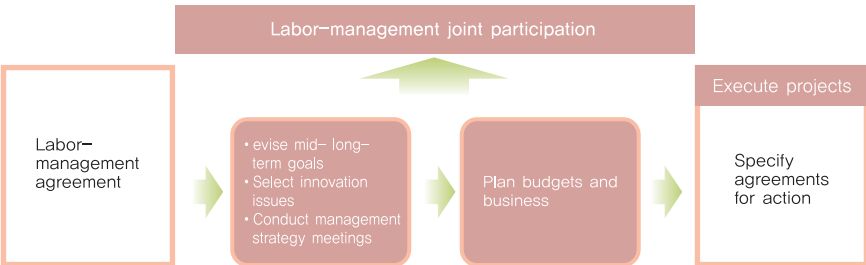
Union Overview

The union of the HIRA was launched in 2000. The union HQs are located at the main office, and there are seven branches nationwide. The HIRA guarantees the formation of the union and its activities; as of December 2009, 1,055 employees had joined the union.

Under a joint collective bargaining agreement (Article 58, Duty of Negotiation), we conduct labor-management negotiations according to the principles of trust, sincerity and stability, and guarantee freedom of association, not refusing the other party's requests for collective bargain without justifiable reason. Furthermore, we guarantee the union's right to and freedom of collective negotiation.

Labor-Management Consultative Council

We hold labor-management consultative council meetings biannually. The council consists of six members including the union chairperson and the HIRA president. The agenda includes enhancement of productivity, promotion of employees' welfare, training and education for employees, prevention of labor disputes, addressing workers' difficulties, health and safety issues.

Key values of labor-management relations

- Future-oriented partnership (Present→future)
- Cooperative partnership (Confrontation→cooperation)
- Productive partnership (Inefficient→efficient)

Curtailment of Collective Wage Negotiation Period

Curtailed by 94 days

140day — 2008
46day — 2009

Labor-management joint participation

Labor-management agreement → • evise mid- long-term goals • Select innovation issues • Conduct management strategy meetings → Plan budgets and business → Execute projects / Specify agreements for action

Prior Notice through Collective Negotiation

Regarding important agenda for employees, such as changes in working conditions and welfare benefits, and changes in the Articles of Association, we hold collective negotiations. In this respect, according to the joint collective bargaining agreement, Article 11 (Duty of Notice), the HIRA's management and union should immediately give prior notice to the other party.

Open Corporate Culture

We endeavor to promote an open culture whereby we respect each other and facilitate communication among employees and between departments. Each year we survey employee satisfaction and reflect the results in our management. We also operate the Open Discussion, as well as Word Suggestion, Ji Zone, and Junior Board, in order to allow employees to freely present their opinions.

Work Accidents

Just one instance of a work accident has occurred since 2006; however, no single such accident was caused in 2009. We will continue with our efforts to create a safe workplace for all our employees.

Employee Counseling

We are making diverse efforts to help address employees' difficulties in working life. To that end, the CEO visits all seven branches to explain business policies and listen to employees' difficulties. Through the knowledge management system, we reflect work improvement measures; operate a job shift system; and make available a legal consultation page. Since May 2009 we have operated an online management-labor joint consultation system designed to address such difficulties.

Online Consultation Results

Type	No. of requests handled
No. of difficulties	8
Personnel affairs	5
Discrimination	–
Remuneration	1
Others	2

Personal Difficulty Handling Procedure

❶ File difficulties

Personnel affairs, working conditions, and personal difficulties, etc.

ON-Line

Company
- Dialogue with the president
- Suggestion system
- Job shift system
- Sexual harrassment consultation

❷ Consultation

Union
- Union's homepage
  Consultation on overall difficulties

❸ Handle difficulties(within 10 days)

- Related departments handle the problems
  Personnel affairs, remuneration,welfare, working environment
- Labor–Management Consultative Council

Appendix

- Major Financial Statements
  Membership & Awards

- Ethics Charter,
  Customer Service Charter

- 3rd Party Verification Report

- GRI Guideline Index

- Glossary

- Reader Feedback Survey

Major Financial Statements

(Unit: KRW 1,000)

Accounts	2007	2008	2009
Ordinary earnings	144,044,591	170,296,002	176,909,204
(Insurance Contributions)	136,071,043	160,209,000	164,605,820
(Service fees)	7,973,548	10,087,002	10,498,765
Operating costs	139,034,983	150,749,845	161,251,509
Business costs	21,865,698	26,179,074	32,249,242
Labor costs	88,785,206	92,971,236	95,273,722
(Remuneration)	79,953,215	83,718,657	86,531,379
(Severance allowances)	8,831,991	9,252,579	8,742,343
HIRA operation	28,384,078	31,599,534	33,728,544
Non-operating revenue	2,379,034	4,851,223	4,015,027
Non-operation costs	2,642,849	6,167,448	3,615,664
Current surplus	4,745,793	18,229,931	16,057,057

Membership

External Organizations	Description	Membership Eligibility
ISPOR	An international society related to research on review and assessment	A corporate member
ISQua	An international society related to research on review and assessment	A corporate member
UN Global Compact	International network for UN sustainability	A corporate member
The Korean Society for Preventive Medicine	A medical society	A corporate member
The Korea Association of Health Technology Associations	A medical technology evaluation society	A corporate member
The Korea Society of Health Policy and Administration	A health policy and administration society	A corporate member
The Korea Society of Medical Service QA	A medical service quality society	A corporate member
New Paradigm Center	A human resources development consulting agency	A corporate member

Awards (2008-2010)

Award-winning years	Awards and evaluation	Remarks
2008. 02	Winner of the Best MOHW Management Performance Award for 2 consecutive years	Ministry of Health & Welfare and Family
2008. 04	Excellent Gender Equality Award	Ministry of Labor
2008. 05	Family-friendly Model Enterprise	Seoul Metropolitan Government
2008. 07	2008 Korea Culture Management Grand Prize	Hankook Ilbo
2008. 09	Productive Innovation Grand Prize and Excellent Productivity Enhancement Prize at the 2008 National Productivity Awards	Ministry of Knowledge Economy
2008. 11	Excellent Award in the 2008 Public Agency Creative and Practical Competition	Ministry of Health & Welfare and Family
2009. 02	Comprehensive HRD Grand Prize	Korea HRD Association
2009. 06	Korea BSC Grand Prize	Co-hosted by The Korea Economic Daily and Wesley Quest
2009. 09	Prime Minister's Citation	National Statistical Office
2009. 09	Corporate Best Learning Practice Award	Ministry of Employment and Labor
2009. 10	3-consecutive year Best HRD Certification	Co-hosted by Ministry of Education, Science and Technology , and the Ministry of Public Administration and Security
2009. 12	Innovation Prize at the Maekyung Business Knowledge Management Awards	Maeil Business Newspaper Business & Company
2009. 12	Excellence Award and Encouragement Award at the Green Ideas Competition	Ministry of Health & Welfare
2010. 02	Winner of the Korea HRD Grand Prize for 2 consecutive years	Korea HRD Association
2010. 05	Reading Culture Grand Prize	Reading Campaign Federation
2010. 05	Global Standard Management Grand Prized	KMAR
2010. 09	Balanced Scorecard Hall of Fame for Executing Strategy	Palladium Group(USA)

Ethics Charter

The HIRA aims to become the world's top professional organization through ceaseless learning and innovative thinking to guarantee the quality of national medical services and the appropriateness of medical service costs, and to realize a fair and transparent organization on the basis of our customers' trust in us. Therefore, we shall hereby enact the Ethics Charter as the standard for our behavior and judgement, and shall pledge to fulfill it.

- First, we shall comply with the laws and regulations, and shall implement transparent and ethical management by performing our jobs fairly and honestly.

- Second, we shall always respect our customers' opinions, think from their perspective, and provide them with the best services, thereby satisfying all our customers.

- Third, we shall implement knowledge-based management in order to transform health care information into values and share them, thereby allowing the public to enjoy more effective and safer medical services.

- Fourth, we, as a member of the community, shall positively participate in activities aimed at the public good, and shall strengthen our social volunteer activities, thereby practicing sharing management.

- Fifth, we shall comply with social norms, and establish a culture of trust and respect among our employees, thereby endeavoring to promote each other's development and improve the quality of our lives.

Customer Service Charter

The HIRA ensures the appropriateness of national medical services so as to help improve the quality of medical services and promote national health. Also, all staff members of the HIRA pledge to practice customer satisfaction management to provide the best services to the public taking the following oath.

- First, we shall always listen to customer voices, and think and act from the perspective of the customers.

- Second, we shall provide customers with prompt, fair, accurate and comfortalde services.

- Third, we shall keep our promises to our customers, and protect their confidentiality.

- Fourth, we shall disclose the necessary information to customers to the maximum extent, and thus implement transparent management.

- Fifth, we shall listen to customers' inconveniences and complaints so as to correct an error and improve our services.

To honor our pledge, we will establish exacting service implementation standards and fulfill them faithfully. Furthermore, we will fulfill all the social duties required of a public agency, and practice ethical management.

3rd Party Verification Report

|Outline|

The Korea Productivity Center's Sustainability Management Center ("the verifier") received an independent verification request of its 2010 sustainability report ("the report") from the HIRA under an agreement. Thus, the verifier performed verification thereof according to AccountAbility's AA1000APS principle and AA1000AS(2008) criteria; the verifier also reviewed whether the report was drafted according to the sustainability report guideline - the G3 version of the Global Reporting Initiative (GRI). This verification concerns the HIRA's sustainability management activities and the results thereof as performed from January 1 - December 31, 2009. The HIRA is responsible for gathering the information and drafting the report; this verifier, on the basis of the results of the verification, is responsible for providing professional opinions concerning the content and composition of the report. The verifier is not involved in any for-profit interest related to the HIRA's business activities other than the provision of a third-party verification of the report. We selected professional verification members through a strict evaluation of their qualifications and experiences.

|Methodology|

>> Criteria for verification

This verification was performed according to AA1000AS (2008), which is based on the three principles of AA1000APS (2008).

- ● Comprehensiveness
  - • Does the organization endeavor to fulfill its responsibilities to its stakeholders that impact its operation?
  - • Is there a process for stakeholder participation?
  - • Are the capabilities and resources necessary for stakeholder participation provided?

- ● Materiality
  - • Is there a process for determining the materiality of the organization?
  - • Are the capabilities and resources necessary for the process of determining materiality provided?

- ● Responsiveness
  - • Is there a process for developing responses suitable to the organization?
  - • Are the capabilities and resources necessary for the process of developing appropriate responses provided?
  - • Does the organization respond to important issues comprehensively and with a sense of balance?
    In addition, the verifier conducted a third-party application level inspection to determine whether the GRI indicators specified in the GRI Index had been completely or partially reflected in the report along with the related contents?

>> Scope and level of verification

This verification constitutes the type 1 verification whereby the characteristics of compliance with the three principles and the degree of such compliance are evaluated. Sufficient evidences necessary for the moderate verification level were secured. As such, if a different type of verification is conducted, the result thereof may be different. The entire contents of the report were verified; however, the information on HIRA's workplaces and homepage was not verified.

>> Verification system

This verification was conducted from August to September, 2010 under the following procedure.
- • Surveyed the media reports on the HIRA's sustainability management released during the reporting period.
- • Reviewed the systems and processes used for drafting the report.
- • Traced and reviewed internal documents and basic data, and sample data.

|Conclusion|

>> Results of verification and opinions thereof

The verifier confirmed that the report reflected the HIRA's sustainability management activities and the results thereof fairly and faithfully. Also, the verifier confirmed that the report met the conditions of the A+ levels according to the GRI Guideline - G3.

● Comprehensiveness

It was verified that the report clearly identifies the HIRA's important stakeholders while systematically gathering the information on its communications. The report also specifically identifies its stakeholders' impact on the HIRA.

● Materiality

The report concerns the activities (and results thereof) centering on major issues derived from the evaluation of the materiality of the HIRA's 2009 activities and the results thereof. The report, which properly specifies economic, social and environmental issues, confirms the HIRA's systematic endeavors with regard to major issues.

● Responsiveness

The HIRA, with regard to the issues raised by its stakeholders, reports a categorization of the results of its response into: healthy people, clean environment, society, and creative talents.

Further, the report, in the Chapters on Healthy People and Hopeful Society, clearly defines its innovative strategies to realize the vision of "To improve the quality, efficiency and effectiveness of health care through reliable and fair health care review & assessment"
; the Chapter on Clean Environment confirms the HIRA's considerable endeavors on behalf of the environment, and, in this regard, if the next report specifies the HIRA's efforts to cope with diseases caused by and related to climate change, it will certainly be a future-oriented report. Lastly, the Chapter on Creative Talent confirms the HIRA's strategy for managing its internal stakeholders to create a healthy workplace.

The report constitutes a good expression of the HIRA's economic, social and environmental activities. However, if the report specified the organization's negative sides, its areas of improvement by field, and corresponding efforts, it would be a more balanced report.

kpc KOREA PRODUCTIVITY CENTER   Ocotober 2010
Choi Dong-kyu
Chairman & CEO
Korea Productivity Center

Senior Researcher Lee, Kihwan   Researcher Seo, Sookyeon   Researcher Kim, Yeonji

GRI Guideline Index

Indicators	Description of indicators	Global Compact	Page	Reporting rate	Remarks
1. Strategy and Analysis					
1. 1	Statement from most senior decision–maker in organization		4–5	●	
1. 2	Description of key impacts, risks, and opportunities		4–5	●	
2. Organizational Profile					
2. 1	Name of organization		6	●	
2. 2	Primary brands, products, and/or services		6,10–11	●	
2. 3	Operational structure		6	●	
2. 4	Location of organization's headquarters		6	●	
2. 5	Location of overseas branch offices and sites		6	●	
2. 6	Nature of ownership and legal form		6	●	
2. 7	Markets served		6	●	
2. 8	Scale of the reporting organization		6	●	
2. 9	Significant changes during reporting period regarding size, structure, or ownership		10–11	●	
2. 10	Awards received in reporting period		64	●	
3. Report Parameters					
3. 1	Reporting period (e.g., fiscal/calendar year) for information provided		2	●	
3. 2	Date of most recent previous report (if any)		2	●	
3. 3	Reporting cycle (annual, biennial, etc.)		2	●	
3. 4	Contact point for questions regarding the report or its contents		2	●	
3. 5	Process for defining report content		16–17	●	
3. 6	Boundaries of report		2	●	
3. 7	State any specific limitations on the scope or boundary of report		2	●	
3. 8	Basis for reporting on comparability from period to period and/or between organizations		2	●	
3. 9	Data measurement techniques and bases of calculations for data, including performance index		2	●	
3. 10	Explanation of the effects of & reasons for any re–statements of information provided in earlier reports		2	●	
3. 11	Significant changes from previous reporting periods applied in the report		2	●	
3. 12	Table identifying the location of the Standard Disclosures in the report		68–71	●	
3. 13	Policy and current practices with regard to seeking external assurances for the report		66–67	●	
4. Governance, Commitments, and Engagement					
4. 1	Governance of organization		7	●	
4. 2	Indicate whether the Chair of the highest governance body is also an executive office		7	●	
4. 3	Number of members of highest governance body that are independent and/or non–executive members		7	●	
4. 4	Mechanisms for shareholders and employees to provide recommendations or directions to highest governance body		7	●	
4. 5	Compensation for members of highest governance body, senior managers, and executives		7	●	
4. 6	Processes in place for highest governance body to ensure conflicts of interest are avoided		7	●	
4. 7	Process for determining the qualifications and expertise of the members of the highest governance body		7	●	
4. 8	Internally developed statements of mission or values, codes of conduct, and principles		8–9,13	●	
4. 9	Procedures of highest governance body for management of economic, environmental, and social performance		7	●	
4. 10	Processes for evaluating highest governance body's own performance		7	●	
4. 11	Whether and how the precautionary approach or principle is addressed by the organization		12	●	
4. 12	Externally developed economic, environmental, and social charters, principles, or other initiatives		14	●	
4. 13	Membership in associations and/or national/international advocacy organizations		64	●	
4. 14	List of stakeholder groups engaged by the organization		15–17	●	
4. 15	Bases for identification and selection of stakeholders with whom to engage		15–17	●	

Indicators	Description of indicators	Global Compact	Page	Reporting rate	Remarks
4. Governance, Commitments, and Engagement					
4. 16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group		15–17	●	
4. 17	Key topics and concerns raised through stakeholder engagement, and responses to them		15–17	●	
Economic Performance Indicators					
EC1	Direct economic value generated and distributed		20	●	
EC2	Financial implications and other risks and opportunities for organization's activities due to climate change		32	●	
EC3	Coverage of organization's defined benefit plan obligations		58	●	
EC4	Significant financial assistance received from governments		–	N/A	N/A
EC5	Range of ratios of standard entry–level wages compared to local minimum wage at significant locations of operation		55	●	
EC6	Policy, practices, and proportion of spending on locally–based suppliers at significant locations of operation		–	N/A	N/A
EC7	Procedures for local hiring and proportion of senior management hired from within local community		–	N/A	N/A
EC8	Infrastructure investments and services provided primarily for public benefit		26–27	●	
EC9	Understanding and describing significant indirect economic impacts		26–27,64	◖	
Environmental Performance Indicators					
EN1	Materials used by weight or volume		–	N/A	N/A
EN2	Percentage of materials used that are recycled input materials		–	N/A	
EN3	Direct energy consumption by primary energy source	8. Environmental Responsibilities	32–35	●	
EN4	Indirect energy consumption by primary source		32–35	●	
EN5	Energy saved due to conservation and efficiency improvements		32–35	●	
EN6	Reductions in energy requirements as a result of energy–efficient– or renewable energy–based products and services		32–35	●	
EN7	Indirect energy conservation businesses and achievements		32–35	●	
EN8	Total water withdrawal by source		35	●	
EN9	Water sources significantly affected by withdrawal of water		–	N/A	N/A
EN10	Percentage and total volume of water recycled and reused		33	●	
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity		–	No protection areas	
EN12	Description of significant impacts of activities, products, and services on biodiversity	8. Environmental Responsibilities	–		
EN13	Habitats protected or restored		–		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		–	N/A	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		–	N/A	No impact on biodiversity
EN16	Total direct and indirect greenhouse gas emissions by weight		35	●	
EN17	Other relevant indirect greenhouse gas emissions by weight		–	N/A	No emission
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		34–35	●	
EN19	Emissions of ozone–depleting substances by weight		–	N/A	
EN20	NOx, SOx, and other significant air emissions by type and weight		–	N/A	
EN21	Total water discharge by quality and destination		–	N/A	N/A
EN22	Total weight of waste by type and disposal method		–	N/A	
EN23	Total number and volume of significant spills		–	N/A	
EN24	Weight of transported, imported, exported, or treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	8. Environmental Responsibilities	33	33	
EN25	Name of water bodies significantly affected by the reporting organization's discharges of water and runoff		–	N/A	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		33	●	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category		–	N/A	N/A
EN28	Monetary value of significant fines and total number of non–monetary sanctions for noncompliance with environmental laws and regulations		33	●	

Indicators	Description of indicators	Global Compact	Page	Reporting rate	Remarks
Environmental Performance Indicators					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	8. Environmental Responsibilities	–	N/A	N/A
EN30	Total environmental protection expenditures and investments by type		32–35	●	
Social Performance Indicators					
Employment and Labor					
LA1	Total workforce by employment type, employment contract, and region		54	●	
LA2	Total number and rate of employee turnover by age group, gender, and region		54	●	
LA3	Benefits provided to full–time employees that are not provided to temporary or part–time employees	6. Elimination of Discrimination	58–59	●	
LA4	Percentage of employees covered by collective bargaining agreements		60–61	●	
LA5	Minimum notice period(s) regarding significant operational changes		60–61	●	
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees		60–61	●	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work–related fatalities		59	●	
LA8	Education, training, prevention, and risk–control programs to assist workforce members, their families, or community members		59	●	
LA9	Health and safety topics covered in formal agreements with labor unions		59	●	
LA10	Average hours of training per year per employee		56	●	
LA11	Programs for skills management and lifelong learning for continued employability and managing career endings		58	●	
LA12	Percentage of employees receiving regular performance and career development review		60	●	
LA13	Composition of governance bodies and breakdown of employees per category by indicators of diversity	6. Elimination of Discrimination	54	●	
LA14	Ratio of basic salary of men to women by employee category		54	●	
Human Rights					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	1. Support for Human Rights Protection	46	◑	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights		46	◑	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained		46	●	
HR4	Total number of incidents of discrimination, and actions taken	6. Elimination of Discrimination	54	●	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	3. Freedom of Association	61	●	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken	5. Elimination of Child Labor	55	●	
HR7	Operations identified as having significant risk for incidents of forced labor, and measures taken	4. Elimination of Forced Labor	55	●	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning human rights relevant to operations	2. Prevention of Human Rights Infringements	57	●	
HR9	Total number of incidents of violations involving rights of indigenous peoples, and actions taken		–	N/A	N/A
Society					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities		48–51	◑	

Indicators	Description of indicators	Global Compact	Page	Reporting rate	Remarks
Society					
SO2	Percentage and total number of business units analyzed for risks related to corruption		44–47	●	
SO3	Percentage of employees trained in organization's anti–corruption policies and procedures		44–47	●	
SO4	Actions taken in response to incidents of corruption		44–47	●	
SO5	Public policy positions and participation in public policy development and lobbying		26–27	●	
SO6	Total value of financial and in–kind contributions to political parties, politicians, and related institutions, by country	–		N/A	no political donations were made.
SO7	Total number of legal actions for anti–competitive behavior and monopoly practices, and outcomes	–		N/A	N/A
SO8	Monetary value of significant fines, and total number of non–monetary sanctions for non–compliance with laws and regulations	–		N/A	N/A
Product Responsibility					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed, and percentage of significant products and services subject to such procedures		20–25	●	
PR2	Total number of incidents of non–compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	–		N/A	N/A
PR3	Type of product and service information required by procedures, and percentage of products and services subject to such information requirements		20–25	●	●
PR4	Total number of incidents of non–compliance with regulations and voluntary codes concerning product and service information and labeling	–		N/A	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		38–43	●	N/A
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications		38–43	◑	
PR7	Total number of incidents of non–compliance with regulations and voluntary codes concerning marketing communications	–		N/A	N/A
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		43	●	N/A
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning provision of products and services	–		N/A	N/A

GRI Application Levels

The verifier hereby discloses that the HIRA's sustainability report was drafted such that it entirely meets the 'A+' levels specified in the GRI G3 criteria. The verifier confirmed that the report is suitable to the 'A+' level in the G3 guideline.

Applicable Levels of the Report		C	C+	B	B+	A	A+
Standard disclosure	G3 profile disclosure (Outcome)	Disclosure items: 1.1, 2.1–210, 3.1–3.8, 3.10–3.12, 4.1–4.4,4.14–4.15	Third-party verification of the report	Itemization of all level "C" issues: 1.2, 3.9, 4.5~4.13, 4.16–4.17	Third-party verification of the report	Equivalent to level "B" requirements	Third-party verification of the report
	G3 management method disclosure (Outcome)	Not necessary		Disclosure of management methods for each indicator's scope		Disclosure of management methods for each indicator's scope	
	G3 performance indicators and additional indicators by industry (Outcome)	A minimum of 10 performance indicators should be reported. (One or more economic, environmental and social indicators should be included)		A minimum of 10 performance indicators should be reported (including one each or more for economic, environmental, human rights, labor, and society		According to the principle of materiality, if all G3 key performance indicators and industrial guidance indicators are either reported or not reported, an explanation should be given.	

Glossary

UN Global Compact is a UN initiative designed to support businesses in fulfilling their social responsibilities in accordance with the UN's ten principles concerning human rights, labor, environment and anti-corruption, thereby assisting businesses' activities and sustainability and realizing a global economy.

Medical care benefits are diverse medical services by which medical care institutions, in accordance with the National Health Insurance Act, provide diagnosis, treatment and other medical services to national health insurance subscribers and their families with regard to diseases, injuries, and births.

Medical Care Institutions are hospitals, clinics, and pharmacies equipped with facilities, systems, manpower and departments of medicine that comply with the prescribed standards so as to provide health and medical services.

Medical benefits is a system whereby medical services are guaranteed for those who are incapacitated or in low-income brackets, with a view to improving national health and social welfare.

Criteria for benefits are the criteria and detailed methods defined by the Minister of Health and Welfare with regard to the methods, procedures, scope and upper limitations of medical care benefits for medical-care institutions.

CRM system is a system designed to effectively and systematically gather and analyze customer information with a view to realizing customer-oriented management, giving feedback to related areas of work and reflecting the results in management activities.

Fee refers to the price to pay for a given medical service.

Six Sigma is a systematic innovative activity whereby problems are defined from the perspective of customers, current work quality levels measured, problems and their causes analyzed, improvement measures explored, specific optimal measures implemented, and results monitored and controlled.

Health Weather Index is an index whereby to express the possibility of causing the development of various diseases in connection with weather conditions such as temperature, pressure and humidity, as well as with seasonal factors. The HIRA developed indices related to asthma and strokes and provided them to the Korea Meteorological Administration.

TOE (Ton of Oil Equivalent) concerns the amount of electric power, gas, oil and other forms of energy consumed, represented as oil tonnage.

KMS (Knowledge management system) is an information system whereby an organization's members's knowledge and suggestions are gathered with a view to enhancing the organization's competitiveness.

BSC (Balanced Score card) is a management of balanced performance; it is a tool designed to conduct the balanced performance management of financial and non-financial performance indices; as such, the HIRA classifies the index system from the perspectives of customers, processes, and learning/growth.

MBO (Management By Objectives) is a system of managing individuals' objectives: it is a circulatory management technique that is based on a process of agreement between the boss and his men rather than on instructions and control regarding objectives and work schedules; on an efficient communication process for achieving objectives; and on the principle of harmonizing individuals' objectives with the organization's overall objectives.

Reader Feedback Survey

Survey of Readers' View of the 2009 Sustainability Report

Thank you very much for reading the HIRA's sustainability report. Your valuable opinions on the report have certainly encouraged us to push ahead with our management activities.

We will positively reflect your valuable comments and suggestions in our next sustainability report.

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1. Please indicate to which of the following categories you belong.

□ Korean national   □ Employee of a medical care institution   □ National Assembly/government ministry

□ Related institufe(associations, organizations, etc.)   □ Community   □ NGO

□ Press   □ Academia   □ Public agency   □ Others (   )

2. Which part of the report interested you? (Mark all related items with ∨)

□ About the HIRA   □ Innovative Creation and Management   □ Environmental Performance   □ Social Performance

□ Human Resources Management   □ Others

3. Please indicate the most useful and the most inadequate areas of the report.

Useful area

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Inadequate area

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4. Please indicate your opinion on the following points.

	Highly	Less highly	Moderately	Not very	Not at all
• The terms used are clear and easy to understand	□	□	□	□	□
• The report provides sufficient and useful information on important issues	□	□	□	□	□
• The contents of the report are trustworthy	□	□	□	□	□
• The design is good and assists understanding of the contents.	□	□	□	□	□

5. Please feel free to write your suggestions or comments with regard to this report.

You can download this report as a PDF file
at the HIRA's website (http://www.hira.or.kr).
If you have any opinions or inquiries about
the HIRA's sustainability report, please contact
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