

Legislative Debate on Taiwan's National Health Insurance Bill (1994)

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Introduction

Enacted in 1995, Taiwan's single-payer National Health Insurance (NHI) program is celebrated both in Taiwan and abroad for offering universal healthcare to all Taiwanese. The NHI mandates reasonable premiums, offers generous medical benefits, gives patients the choice of selecting their own doctors, and offers minimal waiting time for consultation and treatment. The National health insurance program also allowed the government to efficiently distribute masks early in the COVID-19 pandemic to the entire population, thus helping to keep cases low. However, many legislators opposed the NHI when it was first debated in the Legislative Yuan (Taiwan's Congress) in 1994.

This passage explores the history of Taiwanese healthcare through excerpts of the Legislative Yuan's debate over the third reading of the National Health Insurance Bill in July 1994. Speeches from four Legislative Yuan members from three different political parties are translated to represent the spectrum of views towards the NHI. These four members are Chinese Nationalist Party or Kuomintang legislator Huang Chao-shun, KMT legislator John Kuan Chung, Democratic Progressive Party (DPP) legislator Hung Chi-chang, and New Party (NP) legislator Jaw Shaw Kang.

Current historical records briefly mentioned that President Lee Teng Hui of the ruling KMT ordered the party members in the house to pass the bill within the day.¹ Still, the house's speeches showed widespread dissatisfaction with Lee's order. Several KMT members opposed Lee's efforts to ram through bills in the Legislative Yuan as they had done in the past. KMT members' speeches also suggest Lee Teng Hui and his allies' hold on the KMT was weaker than previously thought, and the split within the party a year earlier had likely reduced the KMT's morale and unity.

Even though the KMT ended martial law in 1987, the party only allowed the Legislative Yuan to be elected entirely by the people of Taiwan in 1992. However, the KMT's choice of a single-nontransferable vote system, refusal to abolish lingering laws that

¹ Henry Shih-shan Tsai, *Lee Teng-Hui and Taiwan's Quest for Identity* (Gordonsville: Palgrave Macmillan, 2005), 202; T. R. Reid, *The Healing of America: A Global Quest for Better, Cheaper, and Fairer Health Care* (New York: Penguin Press, 2010), 269.

restricted freedom of speech, assembly, and publications, as well as the popularity of Lee Teng Hui as the first Taiwanese-born President, contributed to the KMT's victory over the main opposition, the DPP in the Legislative Yuan in 1992. The KMT won 95 seats to the DPP's 51 seats in 1992. After the election, a faction within the KMT began opposing Lee Teng Hui, and this faction was primarily made up of mainlanders' descendants who came to Taiwan in 1949. This faction broke away from the KMT to form the New Party, of which Jaw Shaw Kang was the leader. Along with six other members, Jaw quit the KMT and organized a new party known as the New Party in the Legislative Yuan. In this passage, we see how representatives of the New Party, DPP, and even reform-minded members of the KMT, such as Huang Chao-shun, rose to oppose the National Health Insurance bill proposed by Lee Teng Hui and the Executive Yuan.

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Possible Pairing with Primary/Secondary Sources/Further Readings:

Wong, Joseph. *Healthy Democracies: Welfare Politics in Taiwan and South Korea*. Ithaca: Cornell University Press, 2018.

**Legislative Yuan's Records (July 18 and 19, 1994)
Minutes of the 30th Meeting of the Second Session of the
Legislative Yuan**

HUANG Chao-shun (KMT)

Fellow legislators, the entire people of our country have high expectations of the national health insurance program. From 1985 to the present, laborers from different industries have been looking forward to the national health insurance program. However, the recent [negative] news coverage has left a strong impression on me. Of all the [KMT] candidates preparing for upcoming elections, including provincial governor James Soong Chu-yu, Kaohsiung Mayor Wu Den-yih, Labor Committee Chief Chao Shou-po, [it appears that] all of them have opposed the Executive Yuan's version of the National Health Insurance bill. What explains their decision? It appears that political considerations are critical [in their attitudes towards the bill]. Every candidate who wants to run for election has to walk among the people in the grassroots. They have heard many diverse voices [as a result of canvassing for votes]. I am particularly upset on the following point: people have already requested for a national health insurance program to be implemented for almost eight years, but why is it that this version by the Executive Yuan became opposed not by the business and industry, but also by laborers...

The bill's current version is not comprehensive enough for everyone to enjoy the benefits of this bill. In particular, the Minister of Finance openly declared a few days ago that he did not know how to draw up next year's budget if the legislature passed the national health insurance bill today. It is of some significance that he dared to say such things as a member of the cabinet openly.

The Legislative Yuan is not simply a bureau of the Executive Yuan. But the Executive Yuan has also yet to accept any of the suggestions by the Legislative Yuan. The Legislative Yuan is also not a wet market [where people spend their time negotiating trivial things]. The fundamental

problem is not the 4:6, 2:8 ratio problem.² The proposed system should let people feel that government spending of 2 trillion NTD can substantially help the people. In this way, our spending of this [large sum of] money will be truly meaningful.

I believe that the ruling party's strong-armed request for its members to pass the bill is not an act of a responsible political party...The Executive Yuan lacks the drive to resolve the deficits associated with the (existing) labor, farmers, and civil servant insurances, but wants to quickly pass the national health insurance bill in the context of many opposing voices. Thus, the government's unrealistic budgeting [for the bill] is truly an irresponsible way of doing things. Whether or not we want to delay the bill's passage, we cannot pass this poorly considered bill, or else we will become the laughingstock of the people. Thank you.

John KUAN Chung (KMT)

The essence of the National Health Insurance reflects the government's beautiful intention of taking care of the people. At this moment, the Legislative Yuan should decide whether it is a good law. Some people think that 70% of the problem with the current law is a systematic issue, and 30% of the problem is with the technical implementation of the law...However, the purpose of the "National Health Insurance Law" is to take care of the 21 million compatriots in the Taiwan Area. Nine hundred thousand compatriots have yet to be included in the health insurance system. If these 900,000 compatriots are excluded [from the national health insurance program], it will go against the principles of fairness and social justice. There are 610,000 people below the age of 19 and 62,000 people above the age of 65. These two groups make up 71% [of these compatriots]. Moreover, these two groups of people cannot be self-

² The 4:6, 2:8 ratio problem refers to the percentages paid by employers and employees towards health insurance premiums. Under the existing labor insurance, employers pay 60 percent of the premiums, while employees pay 40 percent. Under the proposed national health insurance, employers will pay only 60 percent of the premiums, while the rest will be paid by employees. In contrast, other groups such as civil servants and military personnel, which were deemed closer to the ruling KMT, were slated to pay a much lower percentage of premiums. This became a point of contention during the debate.

sufficient. If the government doesn't take care of them, it will only add to their family members' burden.

Many people have expressed dissatisfaction with the "National Health Insurance Law." But I think this law's unique nature is that its design means that it cannot satisfy everyone. This is because the law is meant to distribute responsibility [among diverse social actors]. In other words, because it makes everyone unhappy, therefore it should also be acceptable to everyone.... *Minsheng News* did a survey that stated that 74% of people [in Taiwan] said we should go ahead and implement the National Health Insurance law. National Taiwan University Public Health Association shared a June 11 survey stating that 69.3% of the people agreed that we should implement this law by the end of the year. Who can dare say that the entire people are opposing this bill?... I believe that the most important thing to do now with the National Health insurance program is to strengthen the medical system at the grassroots, prevent waste of medical resources, and make complete our medical system....

HUNG Chi-chang (Democratic Progressive Party)

Chairperson, fellow legislators. Regarding the National Health Insurance bill, the Democratic Progressive Party takes a very serious approach towards deliberation and scrutiny...As [DPP] Legislator Su Huan-chih has mentioned, both the seventh and eighth article of the bill divide the 21 million people in the country into six separate categories. Their resultant premium payment in these separate categories is very unfair. To make premium payment fair for everyone, the DPP advocates for a low deductible approach towards premiums.

Why are unions in various industries upset? They are unhappy that the government does not contribute anything financially to laborers who wish to join the national health insurance. The government has abdicated all responsibility to the workers who must now put up 40% [of their designated premiums], and companies that contribute 60% [of the laborers' designated premium]. In contrast, the government will directly contribute 60% of the premiums for civil servants. The government

contributes 100% of the premiums for military personnel. The government also contributes 60% of the premiums for dependents. The government pays 20% of the premiums of private teachers. Only regarding laborers in industry, the share of the government subsidy is zero. This is why the laborers across the nation cannot accept [the current version of the national health insurance bill]...

Also, in terms of sharing the burden of the premiums, now for the labor health insurance, it is 8:2 (8 for companies, and 2 for laborers). Companies thought that this ratio is too much of a burden for companies. Therefore, the government changed the ratio to 6:4 (6 for companies and 4 for laborers). As a result, however, the employees now need to increase their premium contributions from 20% to 40% [of their allotted premium]. As a result, if they join the national health insurance as part of the government's benevolent rule, a laborer needs to pay up to 1.08 months of their annual salary...

As a party that represents local Taiwanese, we have to reflect the people's wishes, and defend the interests of the people. Therefore, we must resolutely oppose the Executive Yuan's version (of the bill), which divides up the insured into six categories. Everyone pays taxes in these six categories. Why is that in the same insurance system, the government can afford to take different levels [of fiscal] responsibility? It is especially true for laborers, where the government is not taking any budgetary responsibility. This is what we cannot understand and what we cannot accept...

Today, this is not simply a negotiation between the opposition party and the ruling party. Rather, we are encountering the Executive Yuan and the more powerful forces behind it. Considering this situation, I hope all legislators can reconsider the current situation seriously. [Legislators should consider] especially the consensus we have established with the ruling party legislators in cross-party negotiations regarding premiums, the financial structure of the insurance, and the division of people into six separate categories of premium payments. [This is where] we feel that the entire country should not be divided into six categories and receive unfair

treatment as a result. I urge the ruling party legislators to maintain their position as established during our negotiations...

JAW Shaw Kang (New Party)

Fellow legislators. During last Friday's meeting, the rejection of the 11th article of the bill showed the absolute ridiculousness [of this bill]. The National Health Insurance bill is supposedly an important law, but its contents were confusing and meaningless. Unquestionably, [the bill] will destroy the country.

It is ridiculous that there is a demand for this complex law to be scrutinized and passed overnight... We are already willing to change the article to make paying premiums mandatory. Still, on premiums, I propose that we use the 2:8 ratio, where workers will pay 20% of the premiums, and employers pay 80% of the premiums. The state will pay the same percentage of premiums for self-employed workers. [However], I do not support the government subsidizing the premiums [for workers with employers] because insurance is an issue that exists solely between employers and employees. There's no need for the country to step in to subsidize premiums.

Because of social justice and the financial distribution principle, the New Party members and I resolutely oppose the changing of the current premium ratio of 2 to 8 to 4 to 6....as well as opposing the introduction of separate categories of different premiums [for different populations]. I believe when problems are simplified, then we can do things well.