

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

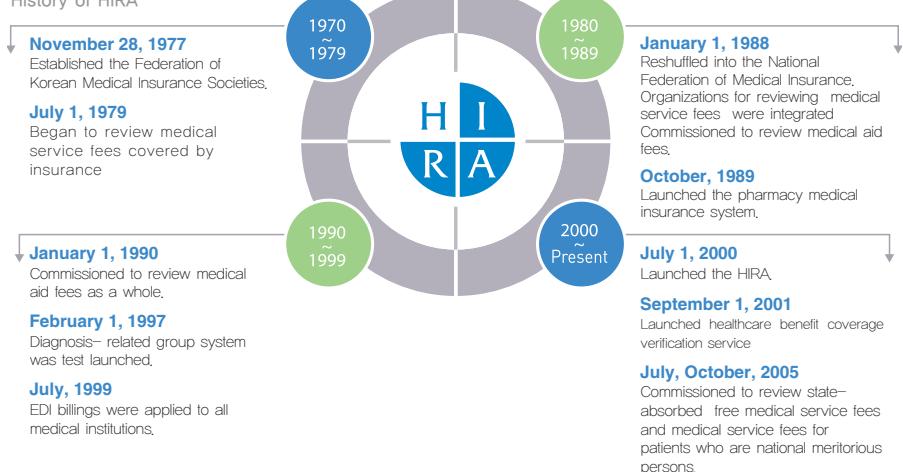


HIRA Overview

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

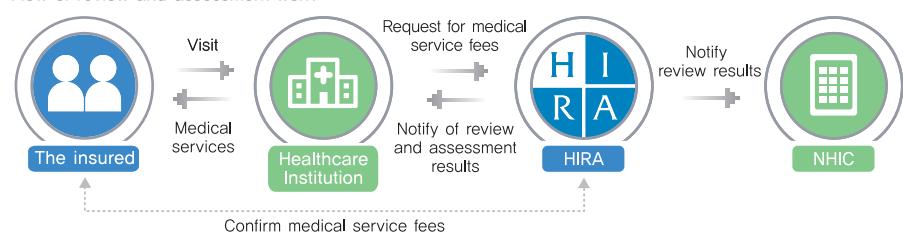


HIRA's Services

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



Governance and Organization

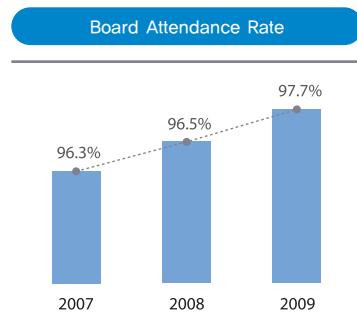
The board of directors endeavors to further its participation in management activities and enhance its professionalism in order to implement open management.

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.

Organizational Chart



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.

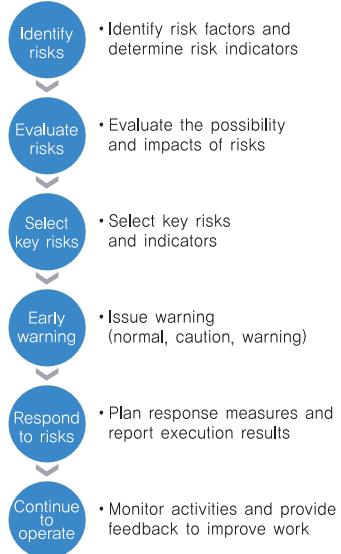
Activities to prevent risks

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 and 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.

Risk Management Process

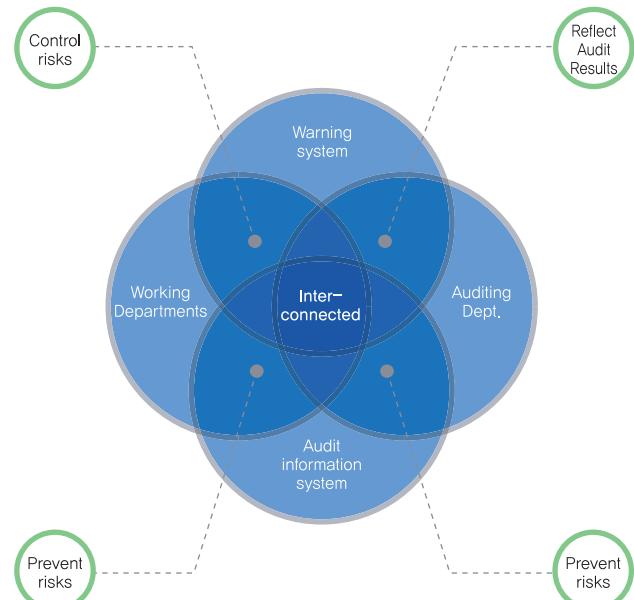


Measures to Respond to Various Risks

Category	Types of risk	Response to risk
Operational risk	Delaying work due to halted work systems	<ul style="list-style-type: none"> Resume work within 3 hours of a disaster's occurrence by operating the disaster recovery system
	Store data in servers of national medical service information	<ul style="list-style-type: none"> 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
Information risk	<ul style="list-style-type: none"> Cyber hacking Leakage of personal information 	<ul style="list-style-type: none"> Operate a 24-hour-a-day monitoring system through the total enterprise security management system Form an exclusive team to protect personal information Inspect personal information protection, educate and publicize
Financial risk	Financial risk	<ul style="list-style-type: none"> Develop internal electronic compliance solutions (accounting management system) Manage business budget status in real time, using the Web

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.

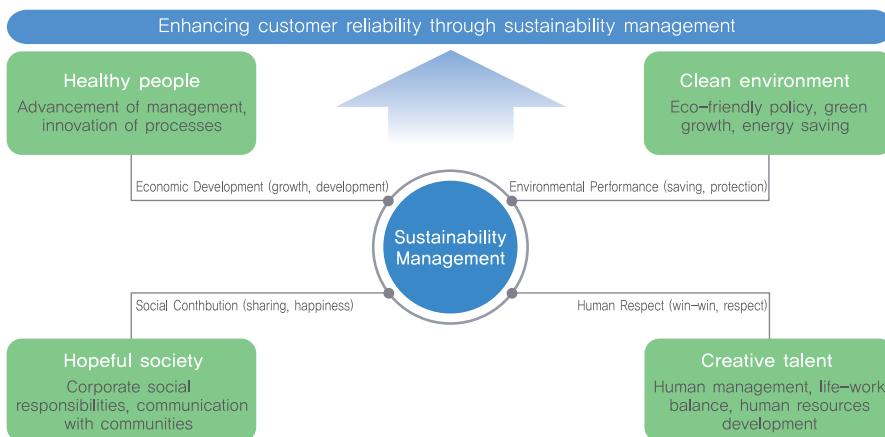


Sustainability Management System

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).



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

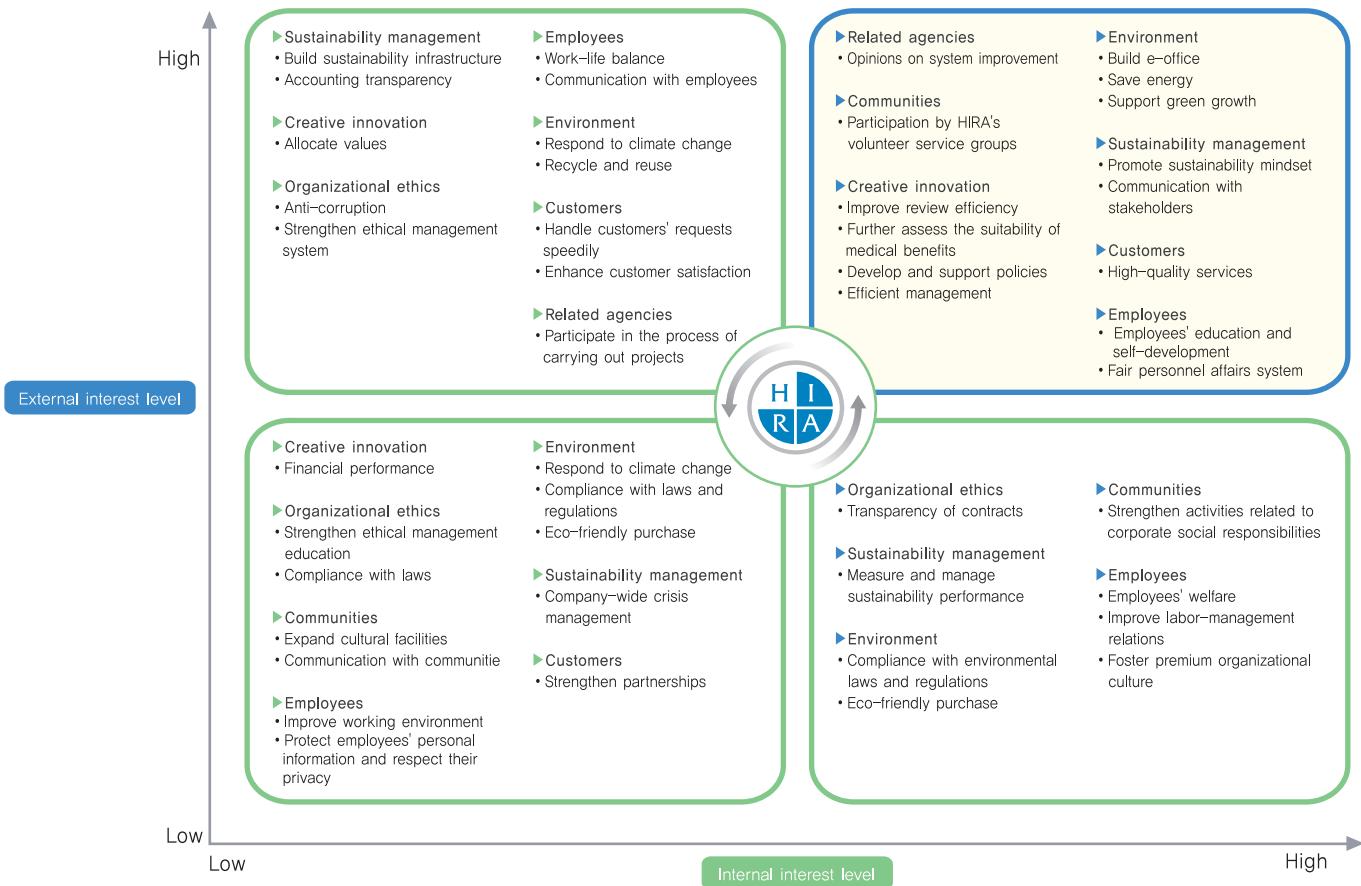
Since 2009, our Planning & Coordination Dept. (Creative Management Devision.) has been leading the sustainability management of HQs and branches in order to systematically conduct the relevant initiatives. The Planning Coordination Office is committed to reflecting the opinions of our stakeholders, namely, 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

Evaluation of the Materiality to Determine Sustainability Issues

03



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



Disclosure on Management Approach

Healthy People

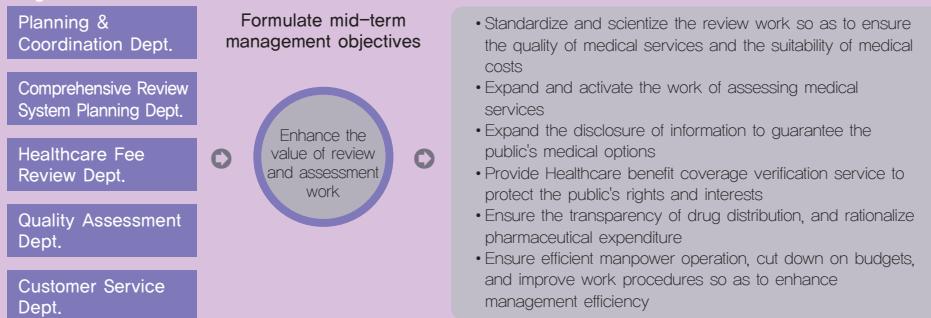
Vision and Strategic Objectives

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.

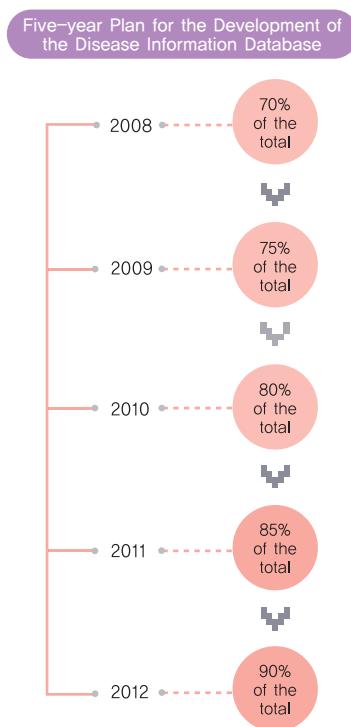
Organization



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.



Development of the Review Knowledge Bank

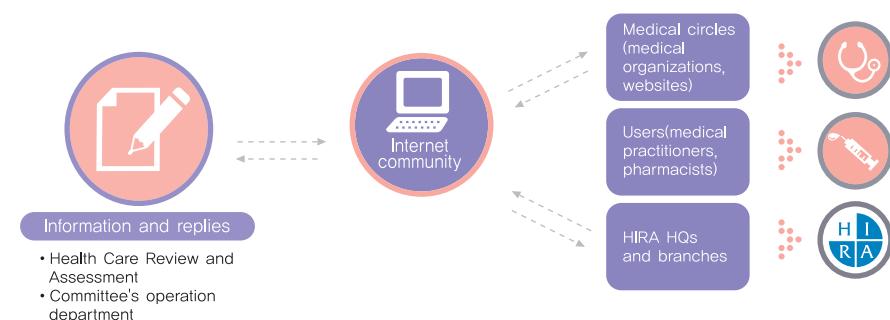
To review the appropriateness of medical services and medical service fees, comprehensive information is required, such as medical and pharmaceutical knowledge, review criteria, and accumulated review examples. To that end, we developed a knowledge and information review bank to improve our review quality. 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.
Therapeutic 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.



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.

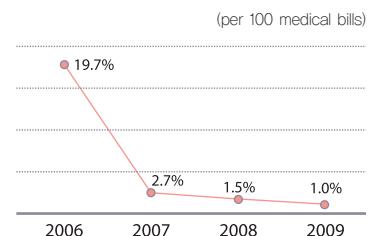
Major Projects	
Category	Description
Induce the entry of accurate disease codes	<ul style="list-style-type: none"> Developed combined codes for diseases handled by Medicine and Oriental medicine (Medicine disease codes+Oriental medicine disease codes = a combined total of 29,272) Produced and distributed 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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)

Autonomous Improvement System for Appropriate Medical Services

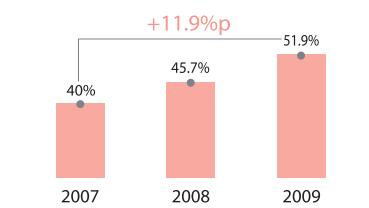
We changed the existing comprehensive management system for insurance benefits suitability into an autonomous improvement system; thus, we conduct comprehensive information activities such as the increased provision of medical service information, and consultation and education services. The autonomous 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.

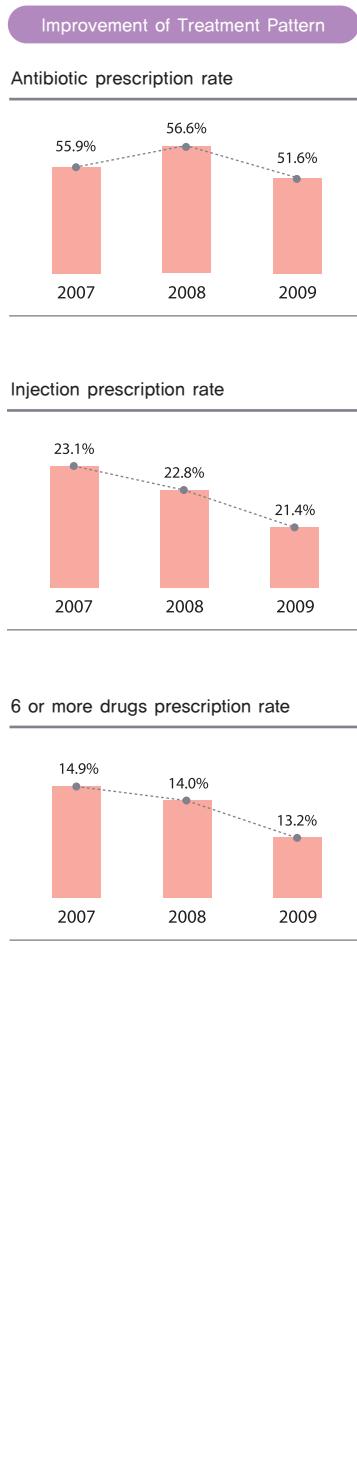
Major Projects		
Projects	Description	Results
Activate preventive activities	Expand consultation activities through the autonomous improvement system using information tailored to medical care institutions	<ul style="list-style-type: none"> Consultation recipients: 3,534 → 4,486 No. of consultation services: 4,350 → 6,274
	Expand customer visitation services	<ul style="list-style-type: none"> No. of field visitations: 628 → 976 No. of users' visitations to the HRA: 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Time required to complete consultation data: 8 hours → 5 to 10 minutes

Error Rate in Disease Code Entry



Autonomous Improvement Rate of Medical Care Practices





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
Publication	Featured special articles in daily newspapers	15 times
	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.

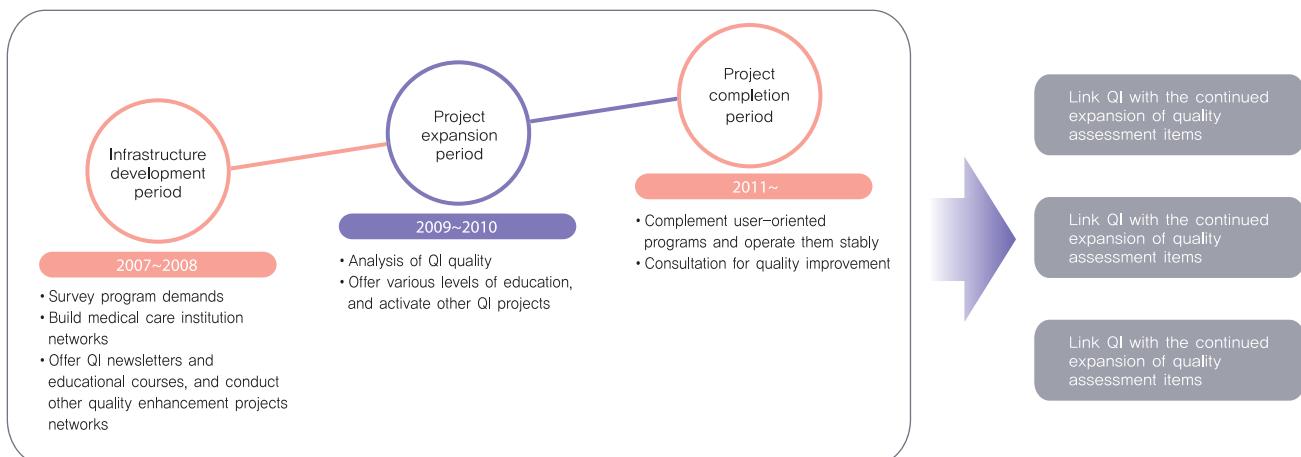
Incentive Overview and Results of Incentive System

Category	Project description	Results
pay for performance (P4P) demonstration project	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Project period: July '08 – June '09 (1 year) Target areas: Daegu, Gwangju, Daejeon, Suwon and Changwon Target departments: seven including internal medicine and otorhinolaryngology 	<ul style="list-style-type: none"> 32.7% of the targets reduced their drug expenses (6.7 billion won)

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

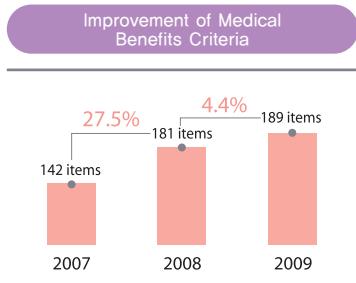
To allow medical care institutions to voluntarily recognize the need for improving medical service quality and take the corresponding improvement measures, we perform QI support activities.

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.



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)	<ul style="list-style-type: none"> · 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)	<ul style="list-style-type: none"> · Converted Oriental medicine physical therapies and dental caries into covered items
Support policies for low-birth countermeasures, etc. (119.1bn won in 17 areas)	<ul style="list-style-type: none"> · 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 Criteria

Total	Outside the benefits criteria	Impossible to calculate separately	Outside the approval	Review adjustment
189 items	111	13	38	27
179.7 bn won	<ul style="list-style-type: none"> · 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

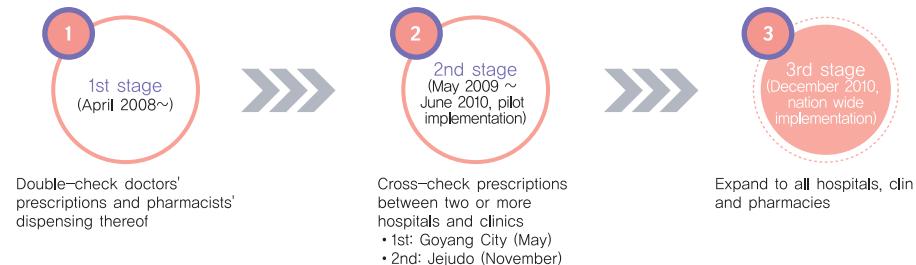
We pinpointed and improved impractical drug benefits criteria, enhancing public safety with regard to the use of drugs, and cutting unnecessary drug expenditure. In 2009, we expanded the drug benefits coverage for rare diseases, and as such we improved the benefits criteria for 268 items, further strengthening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



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)



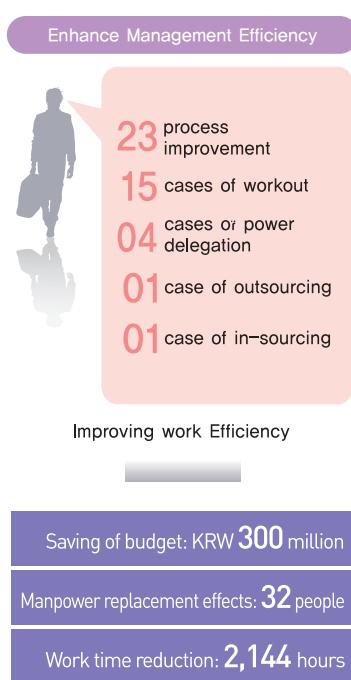
We formed and deployed the Influenza A (H1N1) Countermeasure Situation Team to prevent the spread of the disease. With the disease alert level upgraded from "watch" to "serious," we expanded the team into the Influenza A Countermeasure Support Center. The center, through various hub hospitals, identified 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.

Drug Utilization Review Service Poster



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.

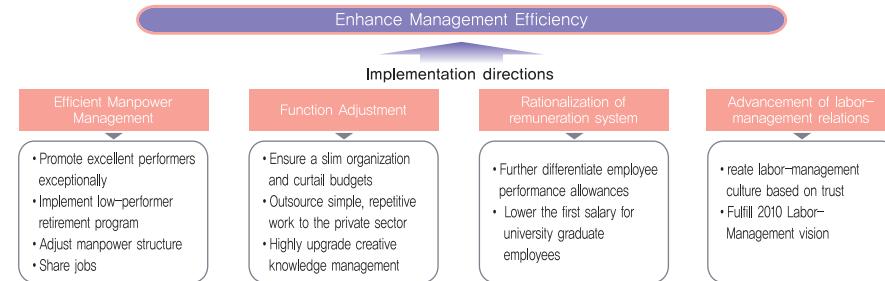


Efficient Management

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.



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	<ul style="list-style-type: none"> - Knowledge-based website Ji zone (智zone) (June 2007) - Reinforced the knowledge-based management system (2009)
Conduct CoP activities to improve work	<ul style="list-style-type: none"> - CoP and membership increased (2009: 108 CoPs, 2,795 members)
Develop job knowledge in a timely fashion, and promptly disseminate	<ul style="list-style-type: none"> - Create best practices <ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> - Knowledge Masters (63 people) in various areas (knowledge map)

Knowledge-based Management System



Knowledge Items Listed in KMS



Development of Next-generation IT System

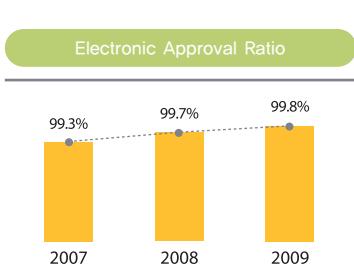
With the aim of implementing the optimized information system to provide customer-oriented information services, we provide high-quality IT services based on the top-notch information and communication infrastructure. The local largest-scale electronic medical service fee claim system (EDI) curtails 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

Sustainable Use of Resources

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



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 CO₂. We have also installed solar power generators, LED lights, and bike stands, cutting greenhouse gas emissions amounting to 2.5 tons of CO₂. 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%.

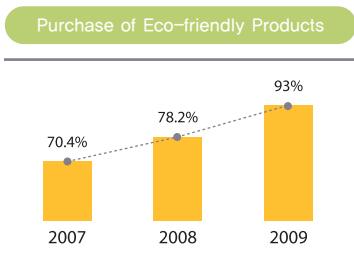
Materials and Energy Saving Results (2009)

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

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

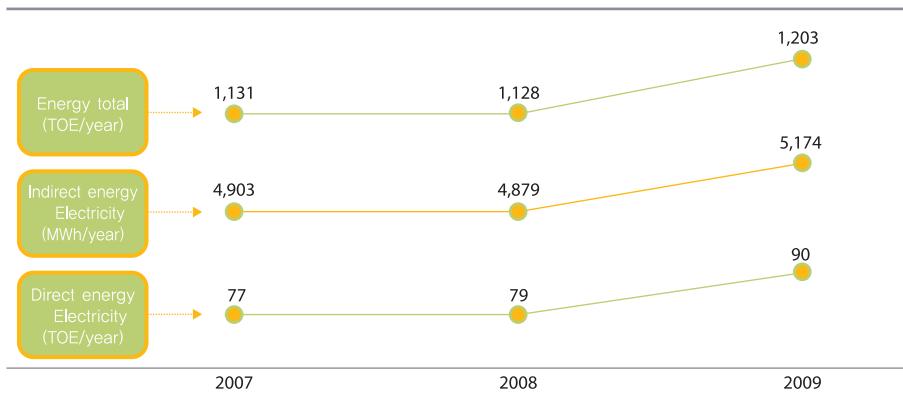
Water and Wastewater In 2009, we consumed a total of 24,849 tons of water. Our major water supply source is tap water, and we do not use underground water or reused water. Thus, our water supply is not seriously restricted. Used domestic water is treated by the local government's sewage treatment plant. 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.

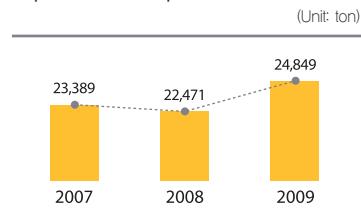
Disposal of Waste Most of our waste is domestic waste. In the process of providing our services, we do not create hazardous materials such as the types of wastes and product packaging waste specified in Basel Conventions I, II, III, and IV. Furthermore, we have all our domestic wastes managed by specialist 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.

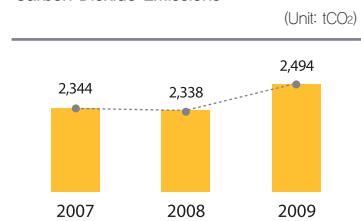
Direct and Indirect Energy Consumption Trends (HQs)



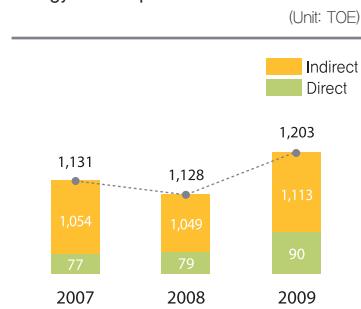
Tap Water Consumption



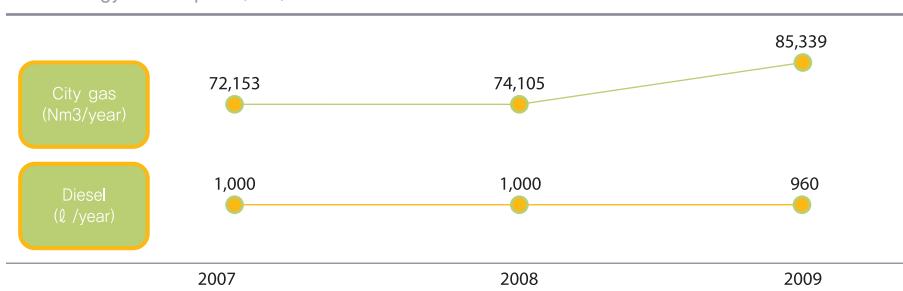
Carbon Dioxide Emissions



Energy Consumption



Direct Energy Consumption (HQs)



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.



Disclosure on Management Approach

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 internal service capabilities
- Strengthen ethical management • Fulfill corporate social responsibilities

Responsible Organization

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.	Anti-corruption, personal integrity	Ethical and transparent management	Secure customers' confidence through clean and transparent management activities, thereby contributing to national and social development.
Auditing Dept.			
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.

Implementation Policies

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.

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

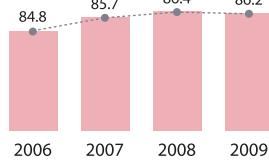
The Rate of Reflection of Suggestions on HIRA Homepage Improvement				
Category	2006	2007	2008	2009
Suggestions	58	59	51	51
Improvements	55	57	48	48
Reflection (%)	95%	97%	94%	94%

Evaluation of Customer 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.

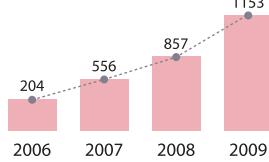
Happy Call Satisfaction Survey [the public, medical care institutions]

(Unit: point)



No. of reported kind employees [external customers]

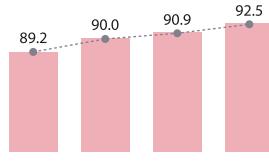
(Unit: case)



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.

Monitoring of Telephone Services (kindness) [employees]

(Unit: point)



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)



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

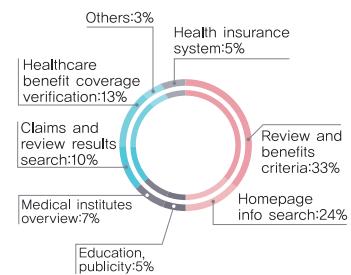
We systemized the handling of Voices of Customers (VOCs) from acceptance to processing and analysis, boosting efficiency. We receive VOCs from diverse channels, and analyze them to use the results in assessing the effects of policy implementation, resolving customers' complaints, improving related processes, 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.

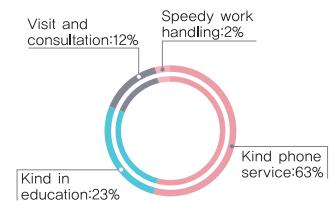
VOCs by Reception Channel

	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%

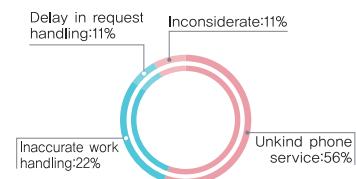
Analysis of Customer Suggestion Types



Analysis of Kind Service Types



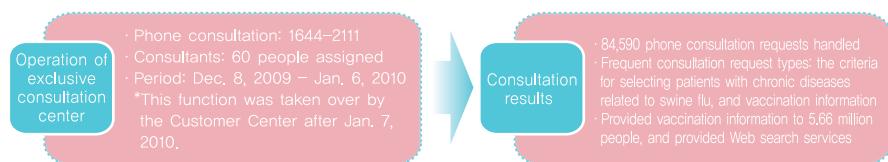
Analysis of Unkind Service Types



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

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).



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	<ul style="list-style-type: none"> General public Employees of medical care institutions Related institutes 	<ul style="list-style-type: none"> Newly opened courses Specialized courses by department of diagnosis, etc. 	222	8,834
Education for university students	<ul style="list-style-type: none"> Preliminary health care personnel 	<ul style="list-style-type: none"> Roles and functions of HIRA 	43	2,513
Specialists' course	<ul style="list-style-type: none"> Medical and industrial circles, etc. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Promote a CS mindset Strengthen customer relations management Boost CS action capabilities 	<ul style="list-style-type: none"> Identify latest trends and movements Learn about customer satisfaction management, satisfaction survey and other management techniques 	<ul style="list-style-type: none"> Strengthen customer contact point hospitality services Improve CS mindset Improve phone consultation services
Major courses	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Conferences on advanced practices <ul style="list-style-type: none"> South Korea's public conferences Conferences on customer satisfaction Specialized education courses <ul style="list-style-type: none"> Customer satisfaction survey course CRM expert course 	<ul style="list-style-type: none"> 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

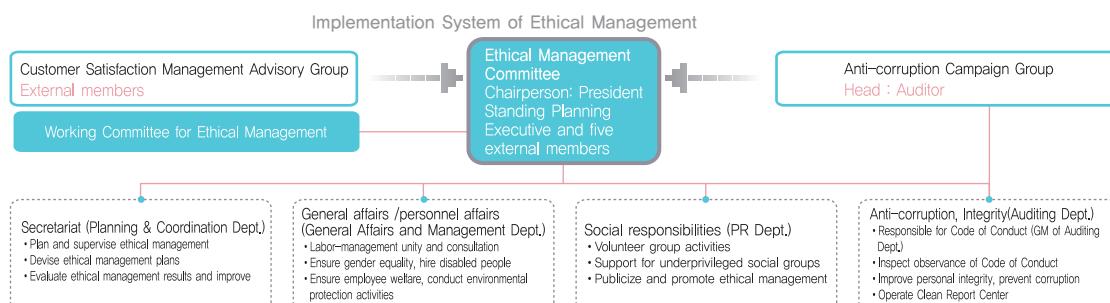
We pledge to implement clean, transparent management to boost our stakeholders' confidence and trust in us, practicing the country's best ethical management. To that end, we practice transparent decision making, promote the culture of practicing ethical management autonomously, we are also building a 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



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.



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.

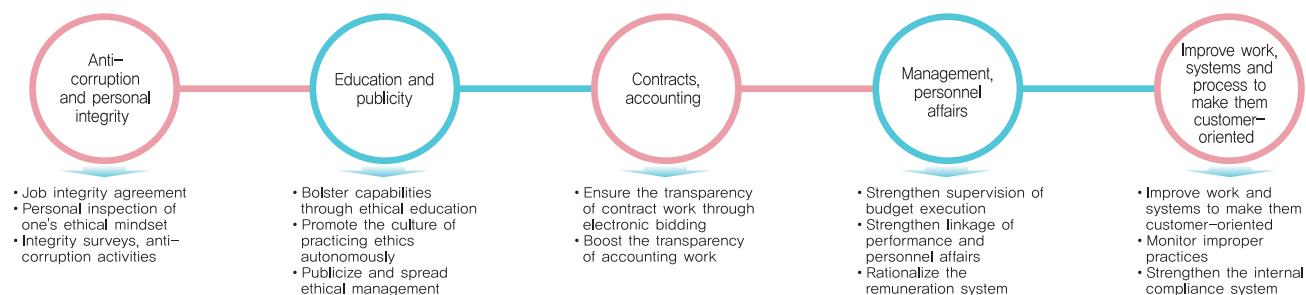
Establishment of a Healthy Work Culture Our employees are banned from inviting people related to their work to their congratulatory and condolence events; they are also banned from giving and receiving money of over 50,000 won and goods equivalent to this amount on these occasions. Employees are also 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



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

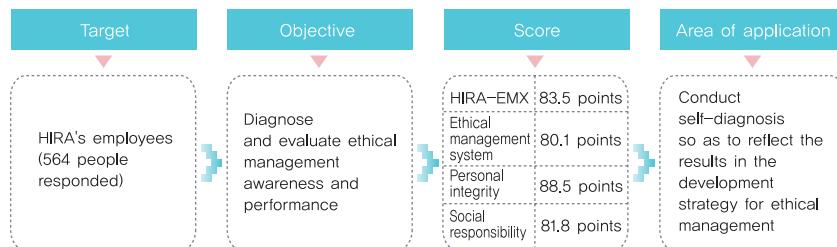
We conduct multifaceted surveys of our ethical management practice so as to improve the system. Specifically, we systematically evaluate ethical management plans and performance results, and utilize the results in educational courses as well as reflecting them in our improvement of the ethical management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

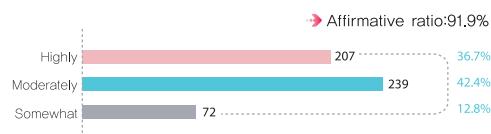
Our Evaluation of Ethical Management Performance We implement an ethical level diagnosis model (HIRA-EMX) designed to diagnose and evaluate employees' ethical management awareness levels and performance results with a view to pinpointing and improving vulnerable areas.

Diagnosis of Ethical Levels



2009 Survey on Ethical Management (targeting internal employees)

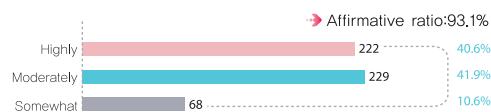
Q. The HIRA recognizes ethical management as an important value.



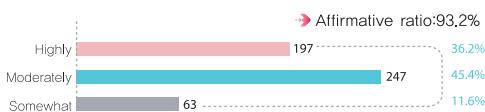
Q. I did not violate any laws or the HIRA's ethical regulations for myself or people specially related to me.



Q. The HIRA is fair and transparent in implementing customer service criteria or in handling customer claims.



Q. The HIRA positively implements guidelines and systems to protect customer information.



Social Responsibilities

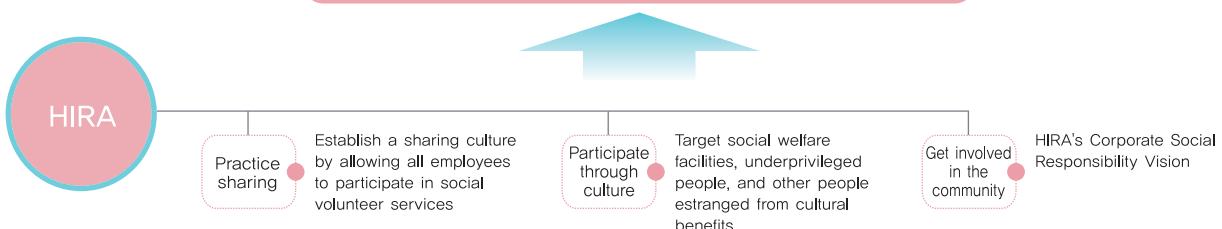
In accordance with the philosophy of corporate social responsibility, namely, "Participation through the practice of sharing, involvement in the community, and cultural activities, "we pursue the vision of "achieving a happier life and a happier society through sharing and participation."

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.

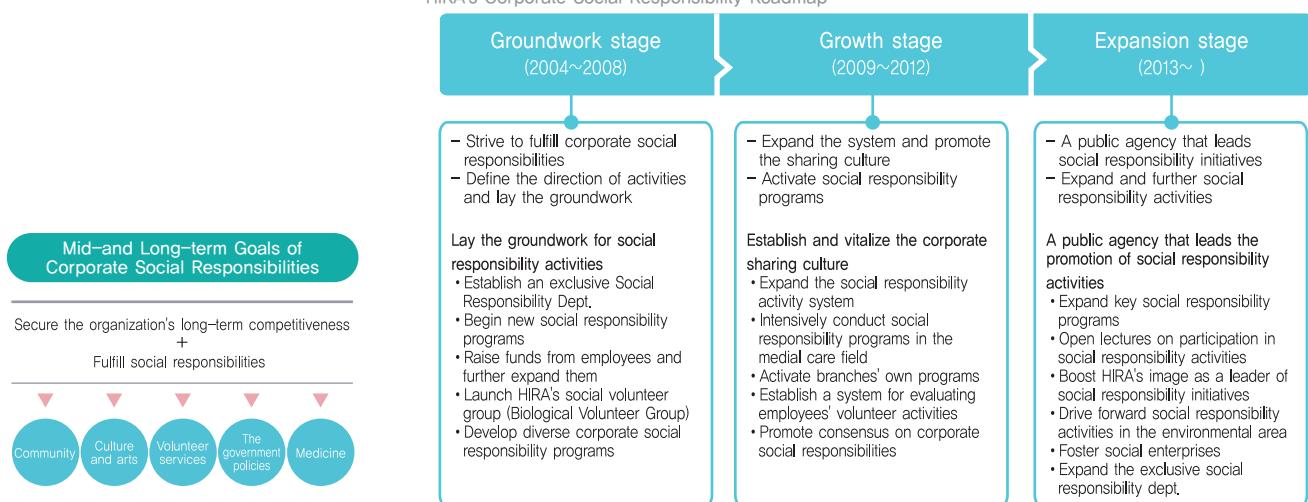
HIRA's Corporate Social Responsibility Vision

A healthier life and a happier society through sharing and participation

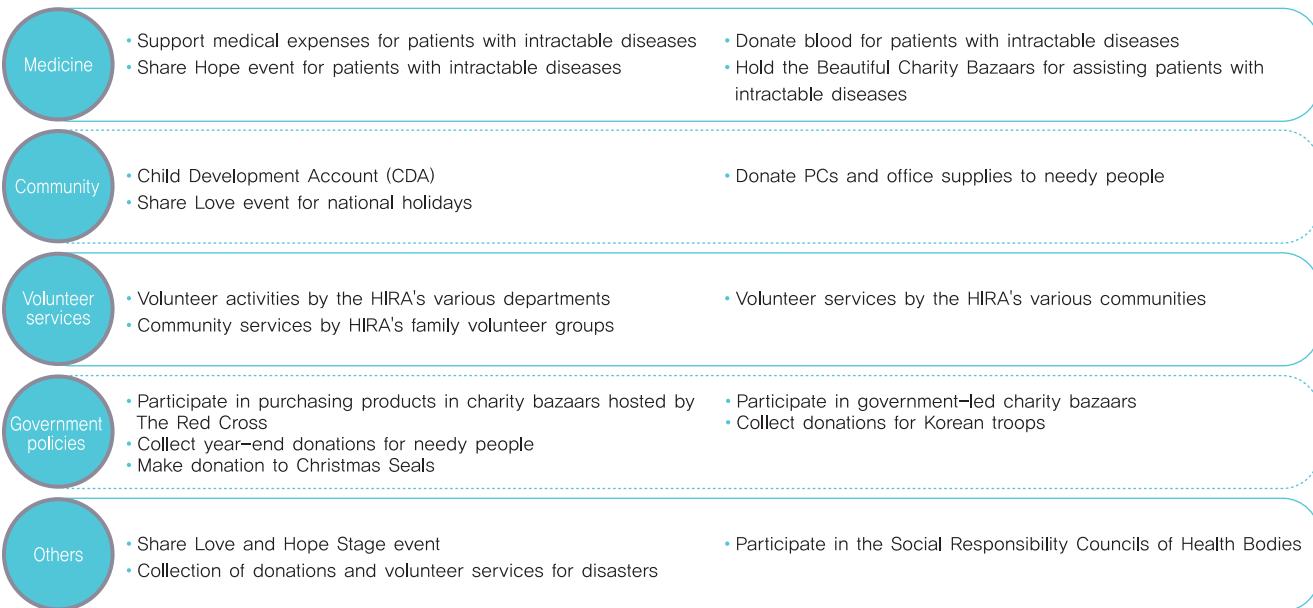


Mid- and Long-Term Business Portfolio for Corporate Social Responsibilities We are implementing diverse corporate social responsibility programs with the focus on five main themes, namely, medicine, the community, volunteer services, participation in government policies, and cooperation with the government. 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



Social Responsibility Practice Programs



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 through 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

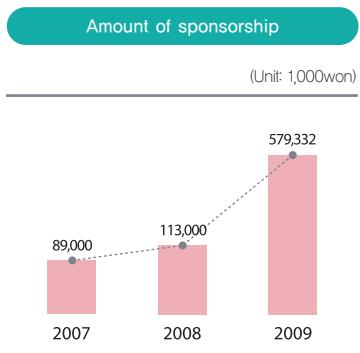
Under an agreement concluded with the Korea Foundation for the Prevention of Blindness in December 2009, we continue campaigns to support the costs of eyesight recovery surgery for patients who are in danger of losing their vision but who cannot afford to undergo surgery. We plan to support surgery costs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



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 traditional 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 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.



Disclosure on Management Approach

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

Develop professional talent

Create a great workplace

Labor-management unity

Implementation Policies

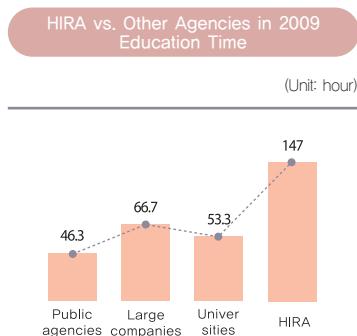
- Foster capability-oriented talent
- Implement a life-long learning system
- Implement fair evaluation and rewards
- Ensure employee gender equality

- Strengthen family-friendly management
- Expand employee welfare
- Activate communication

- Establish an open corporate culture
- Enhance employee satisfaction

Major Achievements

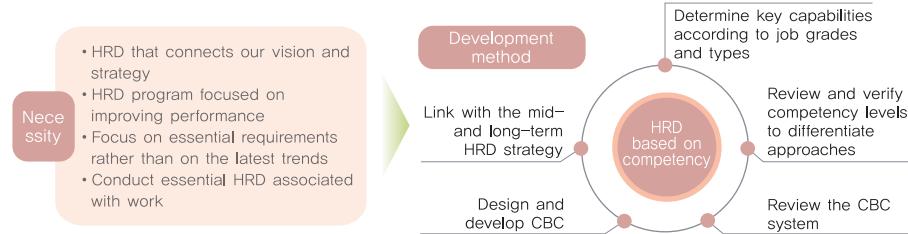
Category	Item	2007	2008	2009	2010 (goal)
Develop professional talent	Average learning time	124	144	147	150
	Manpower development cost per person	KRW 614,000	KRW 917,000	KRW 944,000	KRW 915,000
Labor-management unity	Employee satisfaction	60,3 points	64,7 points	65,8 points	70 points
Respect for people	Female managers (as % of relevant workforce)	45%	44%	52%	—
	Disabled employees (as % of entire workforce)	2,2%	2,3%	2%	3%



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



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

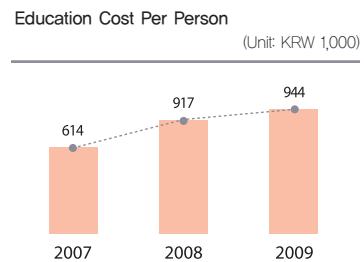
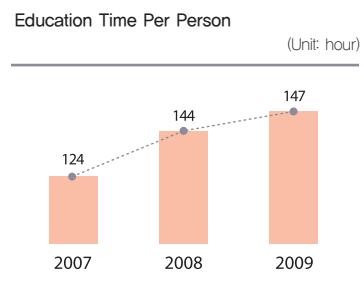
We believe that employees are the most important element in strengthening our competitiveness and realizing sustainability management. To that end, we implement a life-long learning program to foster talent tailored to the ideal HIRA talent image. As such, we are striving to promote employee education.

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 behavior, we have been bring 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.

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	<ul style="list-style-type: none"> - Arranged through MBTI measurement - Exchanged department networks 	<ul style="list-style-type: none"> - Used MBTI - Arranged human network 	<ul style="list-style-type: none"> - Share MBTI results - Strengthened human network 	<ul style="list-style-type: none"> - Shared MBTI - Understood corporate culture - Strengthened networking

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 of 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.

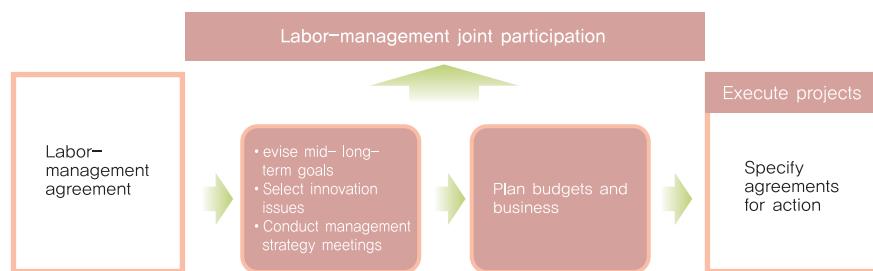
Union Overview

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.



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.

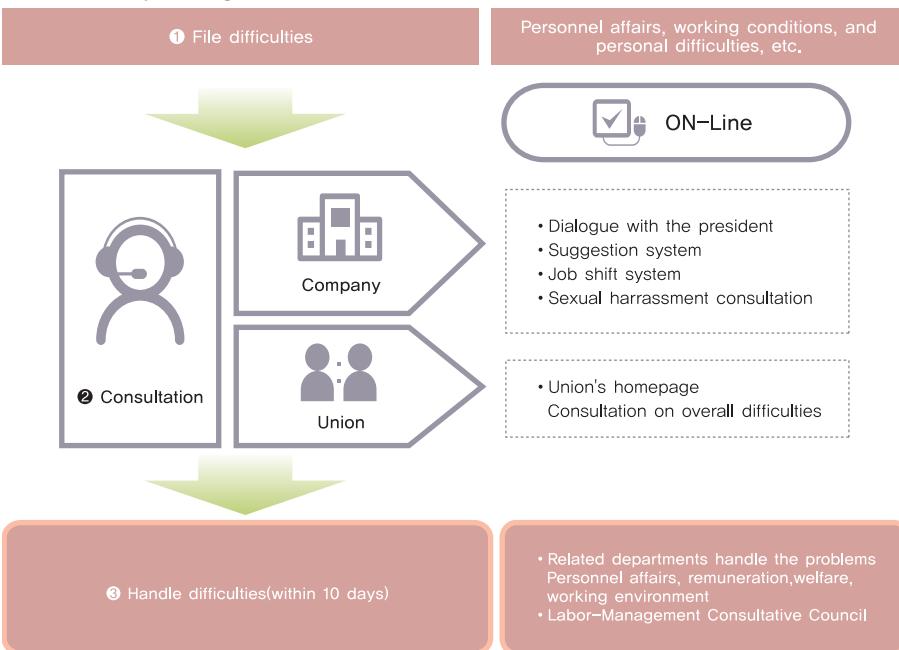
Work Accidents

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.

Personal Difficulty Handling Procedure



Online Consultation Results	
Type	No. of requests handled
No. of difficulties	8
Personnel affairs	5
Discrimination	-
Remuneration	1
Others	2





Appendix

- Major Financial Statements
Membership & Awards
- Ethics Charter,
Customer Service Charter
- 3rd Party Verification Report
- GRI Guideline Index
- Glossary
- Reader Feedback Survey

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	
EN2	Percentage of materials used that are recycled input materials		–	N/A	N/A
EN3	Direct energy consumption by primary energy source		32–35	●	
EN4	Indirect energy consumption by primary source	8. Environmental Responsibilities	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	
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+
G3 profile disclosure	Outcome Disclosure items: 11, 2.1~210, 3.1~3.8, 3.10~3.12, 4.1~4.4, 4.14~4.15	Third-party verification	Itemization of all level "C" issues: 1.2, 3.9, 4.5~4.13, 4.16~4.17	Third-party verification	Equivalent to level "B" requirements	Third-party verification
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.

website: www.hira.or.kr, e-mail: dragon@hiramail.net

Tel. +82-2-705-9905 Fax. +82-2-6710-5703

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

- Korean national Employee of a medical care institution National Assembly/government ministry
 Related institute(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

Inadequate area

4. Please indicate your opinion on the following points.

- 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.

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

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