

From Promise to Practice: Advancing Social Health Insurance Reforms



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Philippine Health Insurance Corporation

Outline

- Status of the National Health Insurance Program (NHIP)
- Progress towards Universal Coverage
- Reforms in Financing

1

National Health Insurance Program (NHIP)

Promising Health for All

Organizational Structure

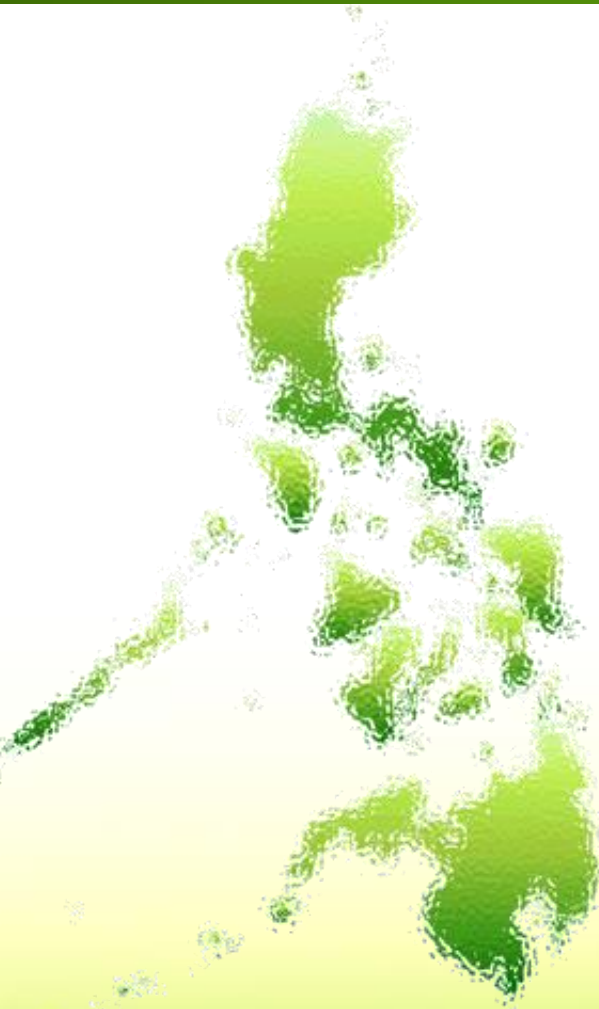
17 REGIONAL OFFICES

LOCAL OFFICES **120**

63 PHILHEALTH EXPRESS

6,400 OFFICERS STAFF

104,000,000
FILIPINOS



Sources of NHI Funds



General Taxation

Legislated budget on Health programs such as earmarking of the Sin Tax



Premium Contribution

Membership thru individual or group enrolment scheme; mandatory membership through employers



Sponsorship

Grants from local or international donors; sponsoring entities make direct payments to PhilHealth

2

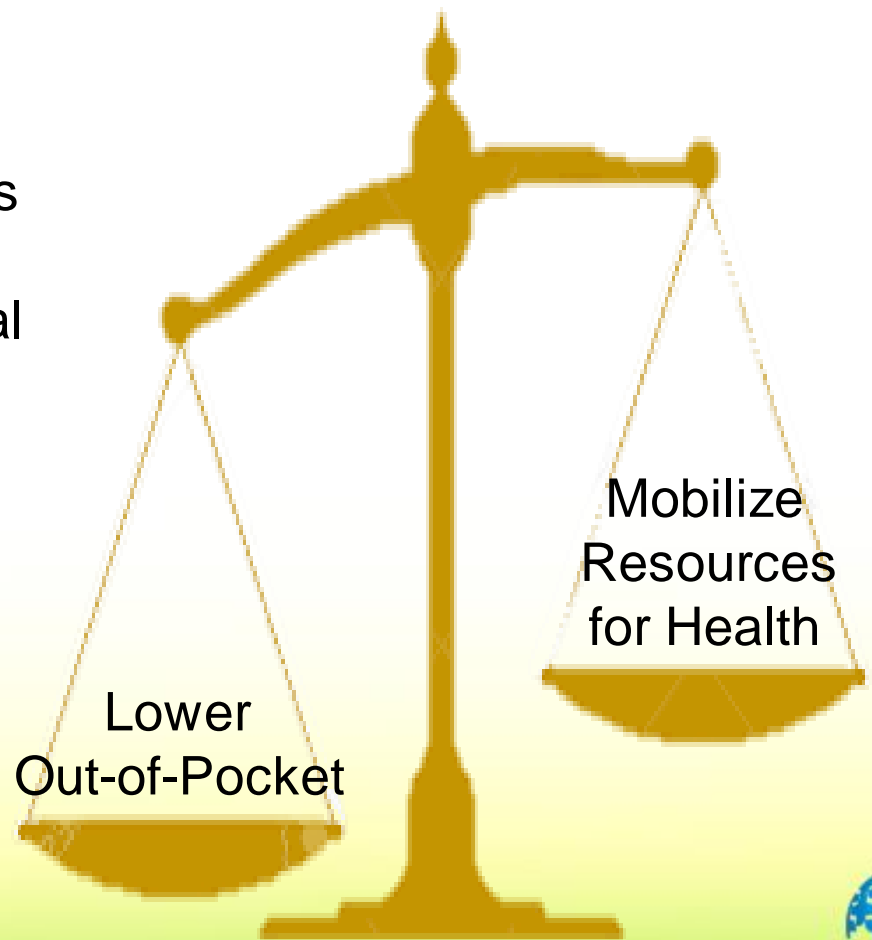
Progress Towards UHC

Tracking Performance

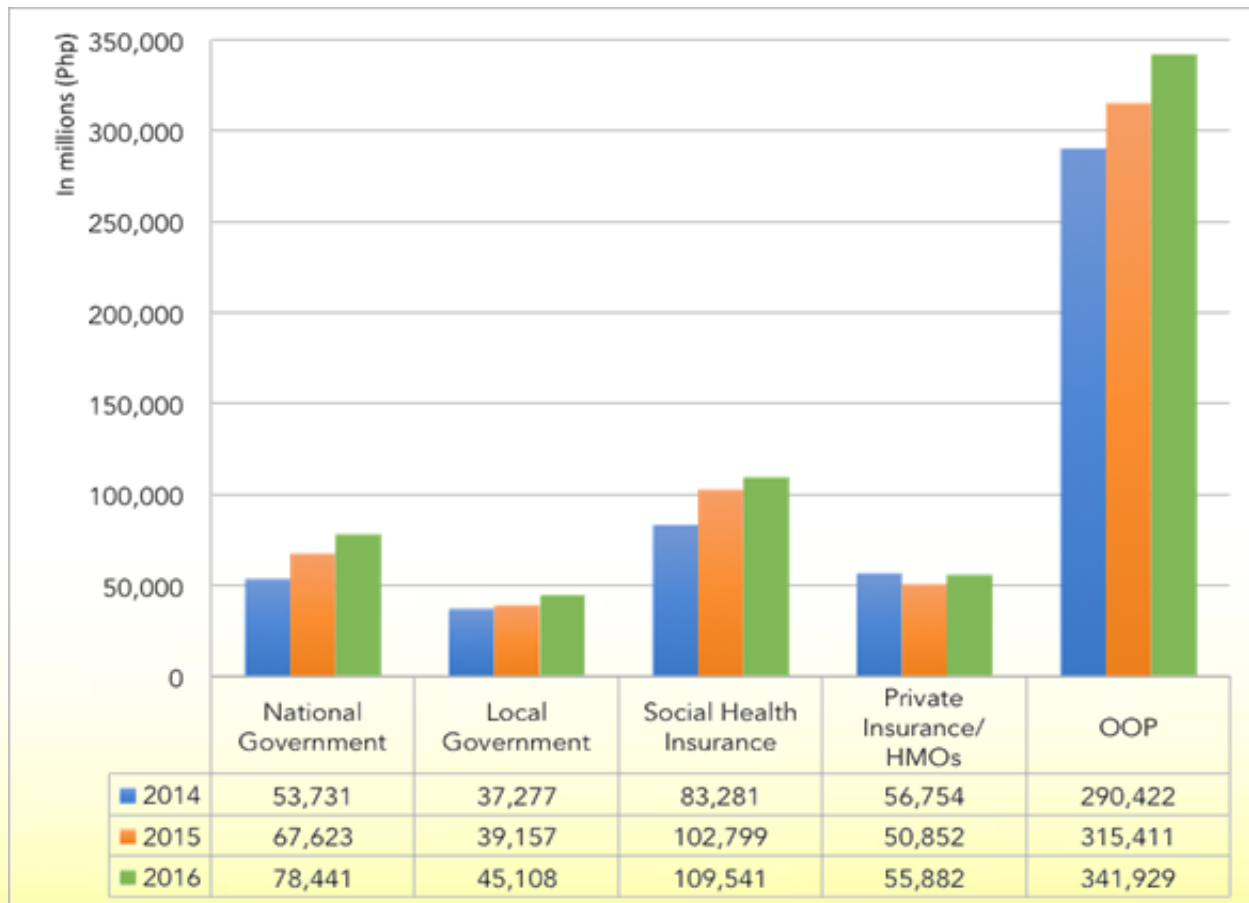
Key Challenge

“Universal Health Coverage means ensuring that all people have access to needed health services, and keeping them from suffering financial hardship when paying for these services.”

~ World Health Organization

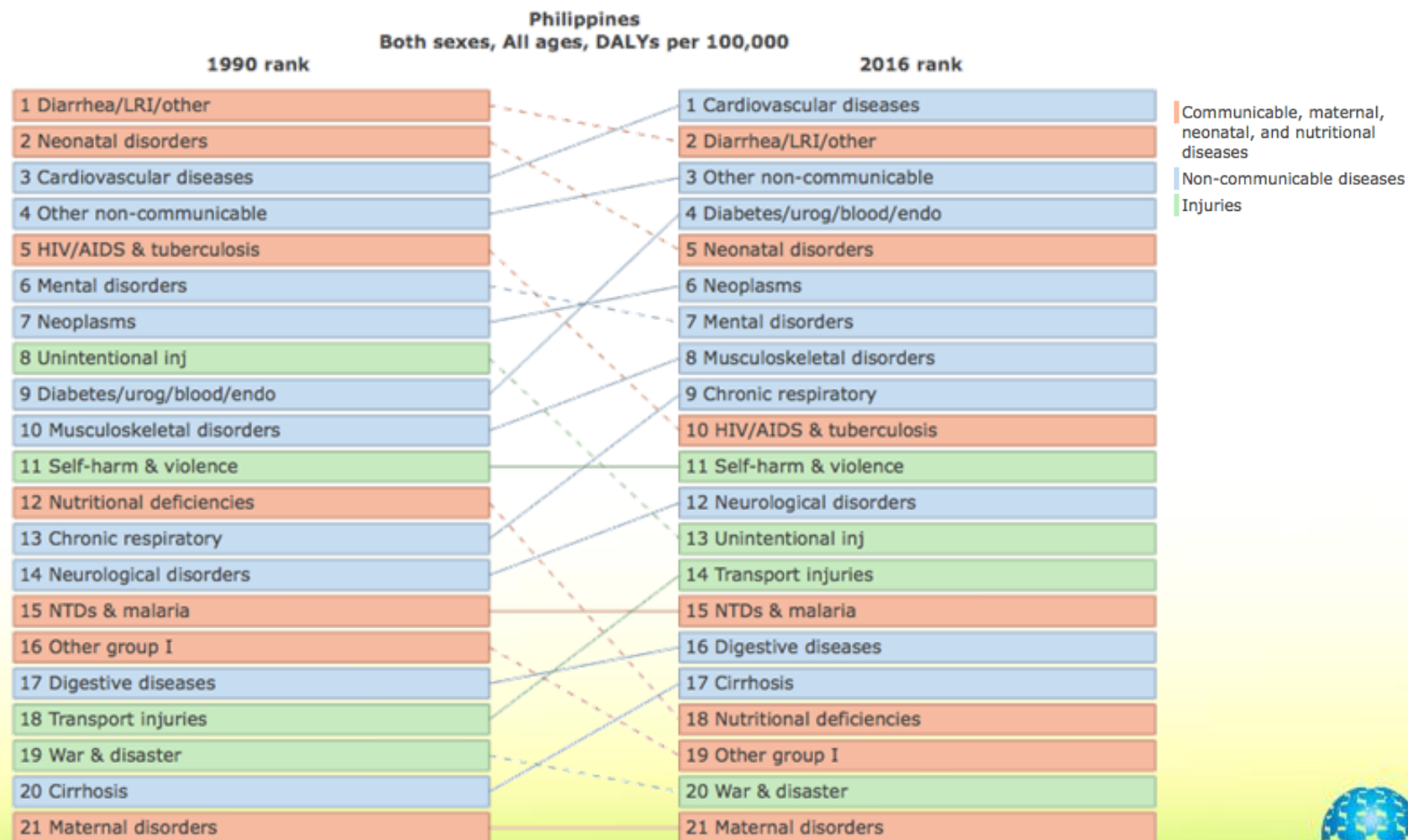


Sources of Health Financing

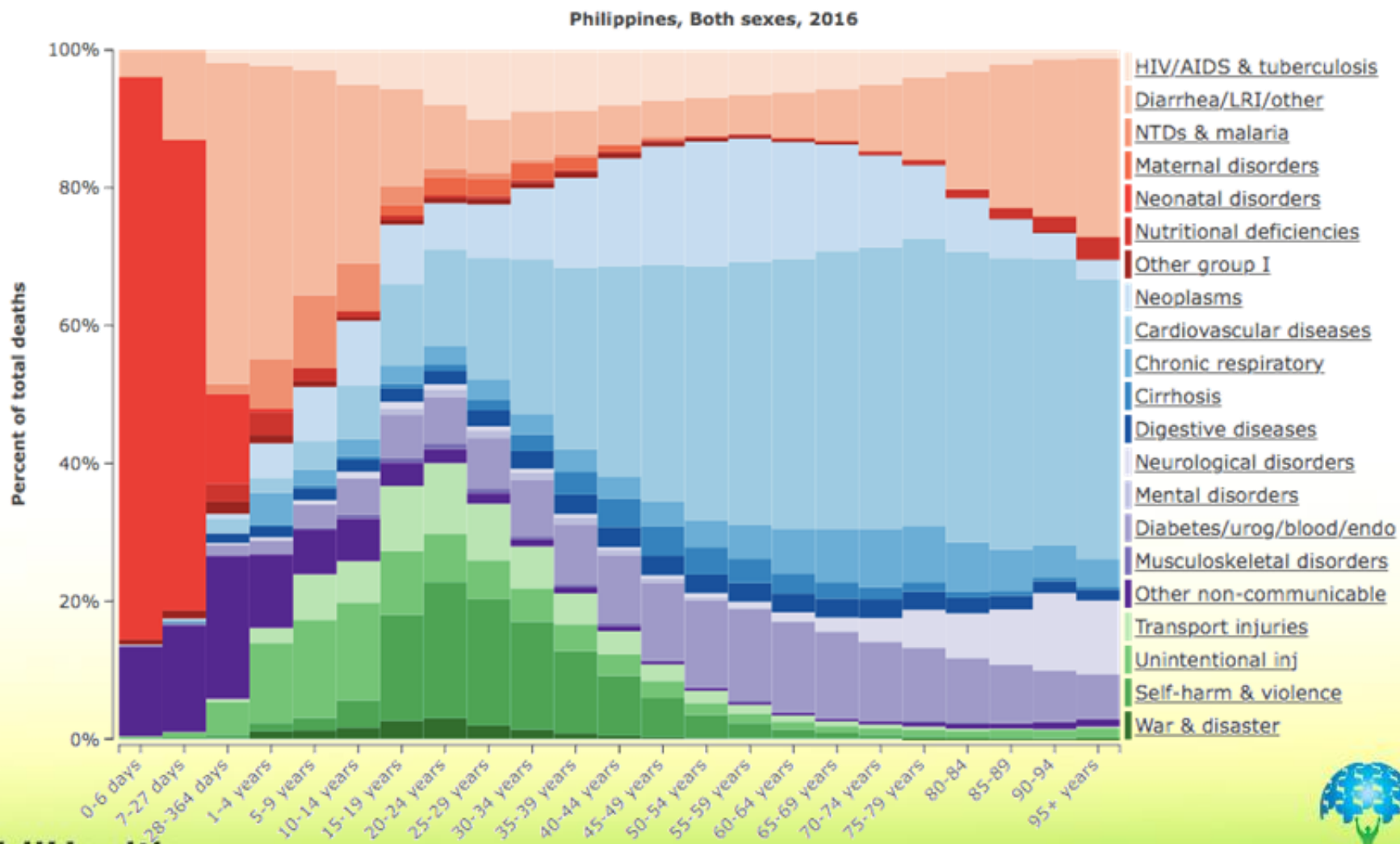


Source: Philippine National Health Accounts, 2016

Burden of Disease

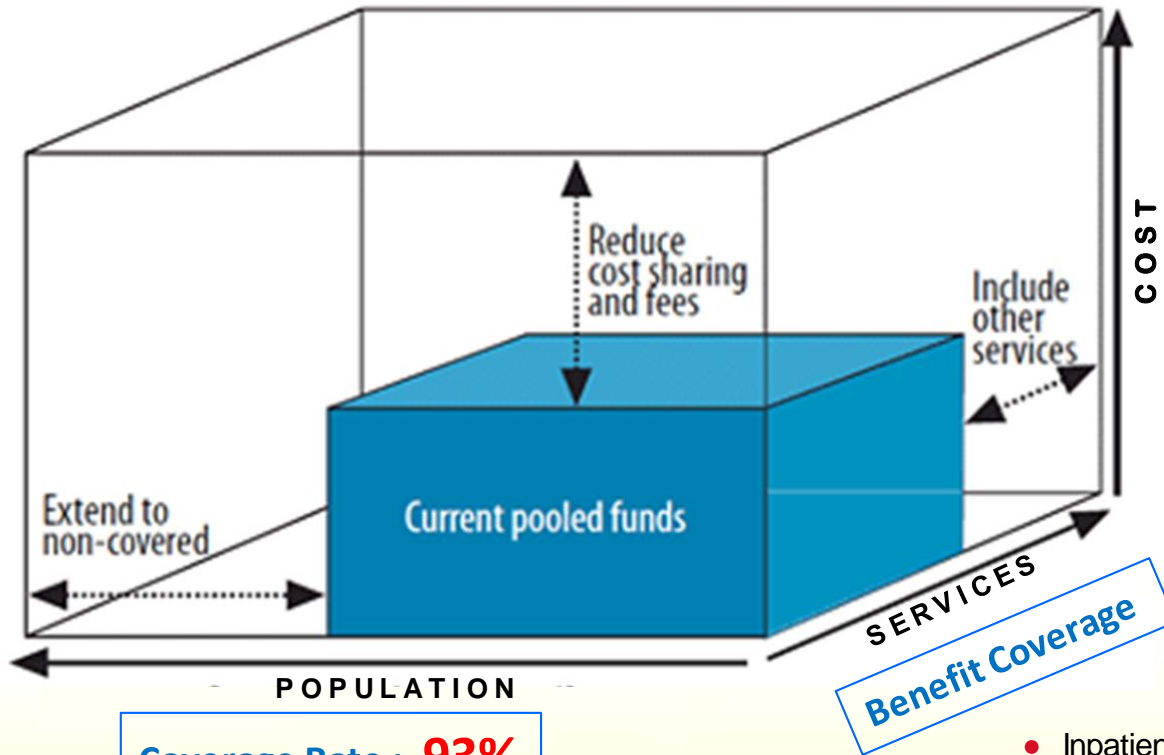


Causes of Death



Source: Global Burden of Disease, Institute for Health Metrics and Evaluation, 2016

Where Are We Now?



Coverage Rate : **93%**

- High level of population coverage
- But remaining 7% is difficult to target

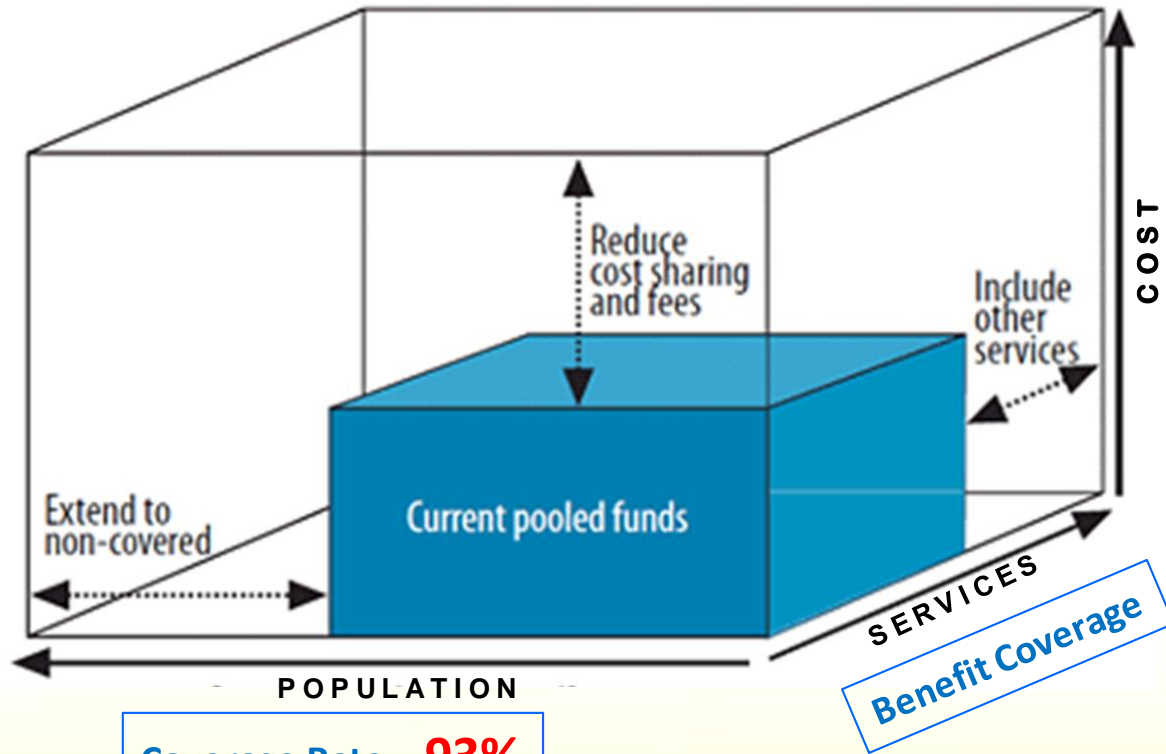
54% OOP

Support Value

- No/little assurance of financial risk protection
- No ceiling for out-of-pocket expenditures except those covered by the NBB

- Inpatient benefits
- Outpatient benefits (ambulatory or outpatient surgeries, hemodialysis, radiotherapy, outpatient blood transfusion)
- Catastrophic benefits
- Lack of outpatient benefits esp. drugs

Where We Want to Be



Coverage Rate : **93%**

100% Coverage

Support Value

43% SV
57% OOP

- No/little assurance of financial risk protection
- No ceiling for out-of-pocket expenditures except those covered by the NBB

70% SV

Expand and Rationalize Benefit

CY 2017 HIGHLIGHTS

| Sector | | Covered Members | | | Estimated Target Population | Coverage % (Covered/Population) |
|-------------------------|------------|-------------------|-------------------|-------------------|-----------------------------|---------------------------------|
| | | 2016 | 2017* | Average | | |
| Formal | Private | 12,533,827 | 12,717,355 | 12,625,591 | 19,897,333 | 63% |
| | Government | 2,102,361 | 2,186,147 | 2,144,254 | 3,388,384 | 63% |
| Informal | IPP | 2,601,500 | 10,541,857 | 6,571,679 | 13,403,663 | 49% |
| | OFW | 659,311 | 536,094 | 597,703 | 5,077,898 | 12% |
| Sponsored | NHTS | 14,641,685 | 14,329,442 | 14,485,564 | 6,087,437 | 257% |
| | LGU | 1,217,941 | 1,127,692 | 1,172,817 | | |
| | Seniors | 6,245,583 | 6,899,207 | 6,572,395 | 6,899,207 | 95% |
| | LM | 1,229,641 | 1,245,993 | 1,237,817 | 1,245,993 | 99% |
| Total Principal | | 41,231,849 | 49,583,787 | 45,407,818 | 55,999,915 | 81% |
| Total Dependents | | 52,169,012 | 47,389,894 | 49,779,453 | 48,321,411 | 103% |
| ALL | | 93,400,861 | 96,973,681 | 95,187,271 | 104,321,325 | 91% |



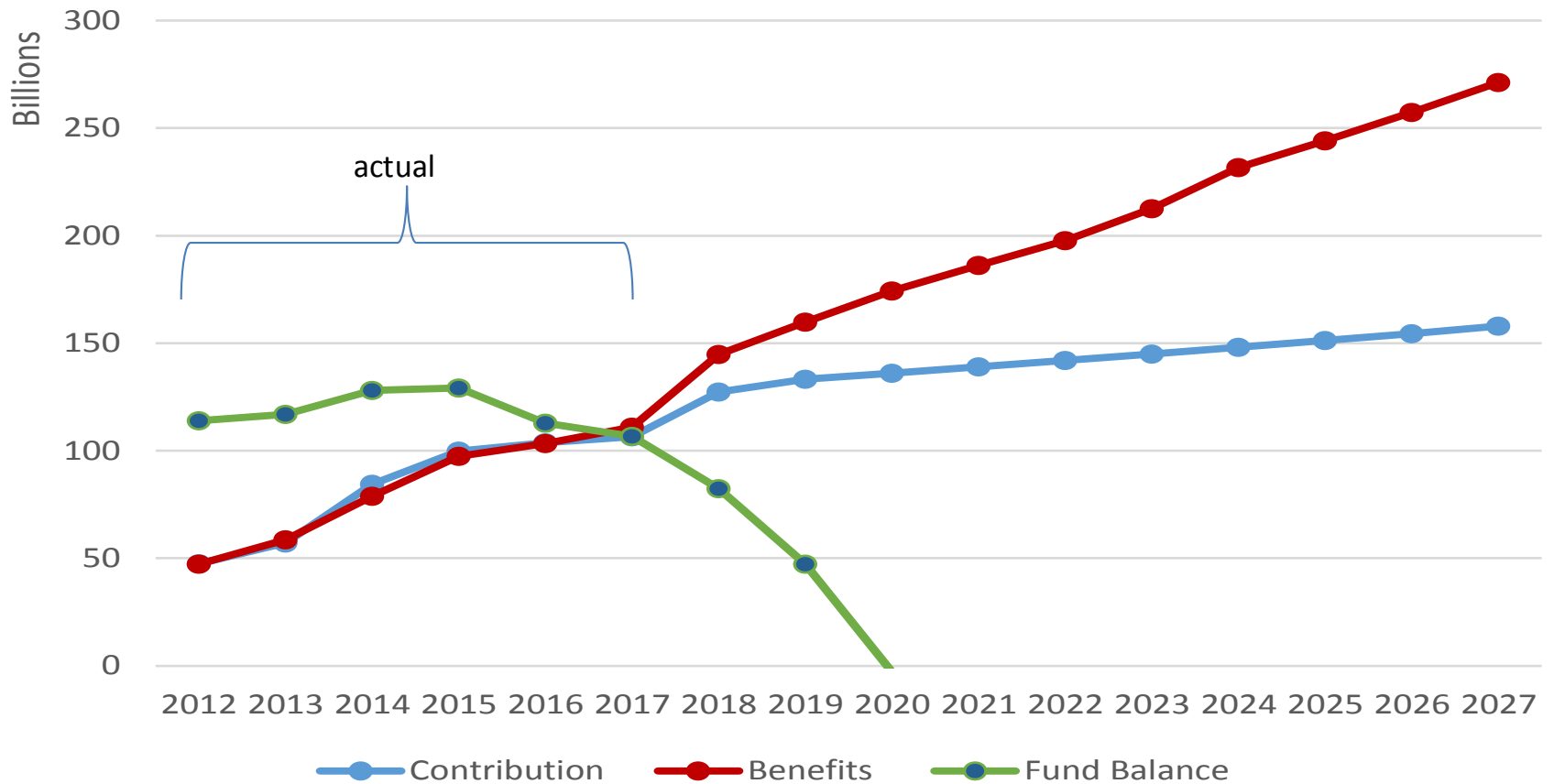
CY 2017 RESULTS

| Sector | | No. of Claims (Millions) | Amount of Claims (Billions) | No. of Beneficiaries (Millions) | UR | AVPC | Availment Rate % (Per Unique PIN) | AVPC (Per Unique PIN) |
|------------|------------|-----------------------------|--------------------------------|------------------------------------|-----------|--------------|--------------------------------------|--------------------------|
| Formal | Private | 1.200 | 12.301 | 23.278 | 5% | 10,255 | 6% | 15,620 |
| | Government | 0.453 | 4.609 | 5.805 | 8% | 10,180 | 12% | 17,622 |
| Informal | IPP | 1.758 | 15.519 | 14.070 | 12% | 8,826 | 12% | 19,615 |
| | OFW | 0.120 | 1.330 | 1.463 | 8% | 11,118 | 13% | 17,694 |
| Sponsored | | 2.064 | 19.607 | 40.437 | 5% | 9,502 | 9% | 14,368 |
| Seniors | | 1.201 | 13.302 | 8.024 | 15% | 11,076 | 9% | 22,173 |
| LM | | 0.452 | 4.565 | 2.109 | 21% | 10,104 | 14% | 26,483 |
| ALL | | 7.247 | 71.234 | 95.187 | 8% | 9,830 | 9% | 17,578 |

Excludes PCB1 and Z Benefits

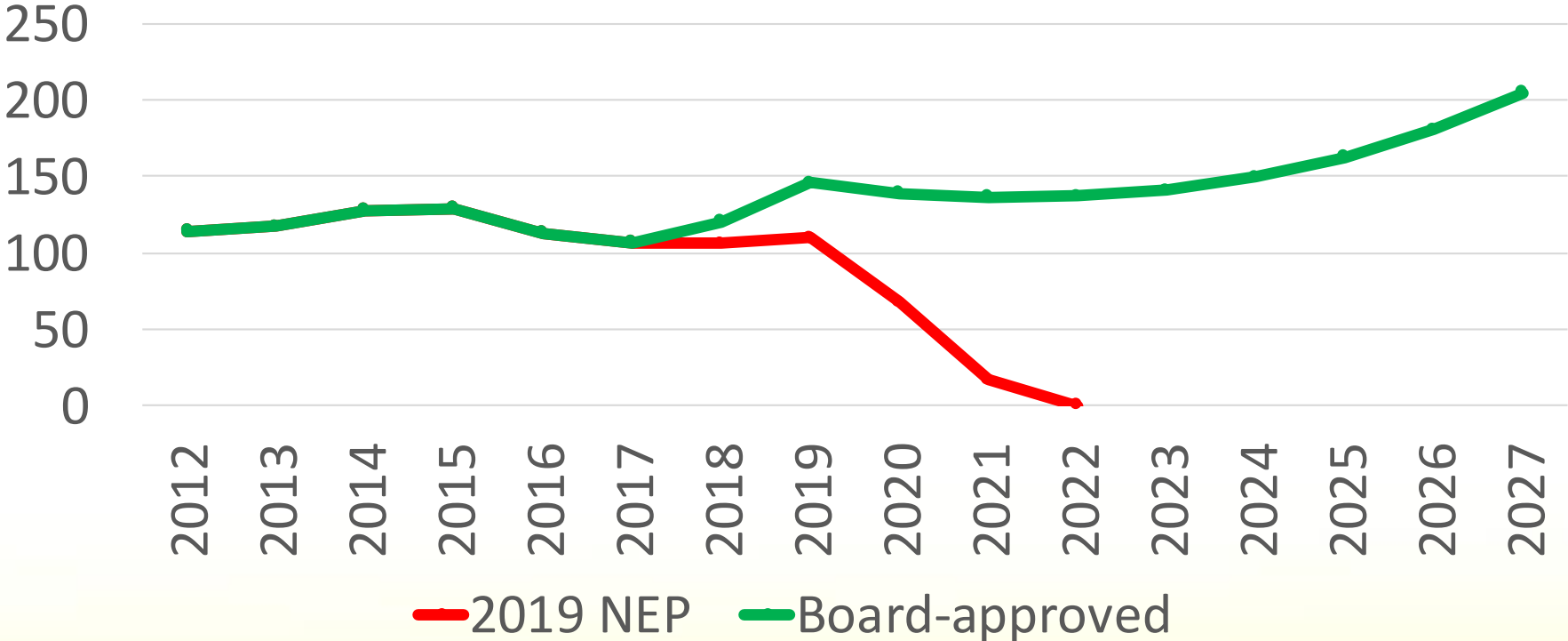
Fund Balance Projection (2018-2027)

Fund Projection - Status Quo



Fund Balance Projections

Scenarios - Fund Balances



| | ceiling | rate | NHTS prem | POC |
|-----------------------|---------|---------------|-----------|-----------|
| Board-approved | none | incr by 0.25% | 3600 | availment |
| 2019 NEP | 100,000 | 2.75% | 2,400 | premium |

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Reforms in Financing

Advancing SHI Forward

VISION

Bawat Filipino, Miyembro
Bawat Miyembro, Protektado
Kalusugan ng Lahat, Segurado

MISSION

Benepisyong Pangkalusugang Sapat at
De-kalidad para sa Lahat

VALUES

Integrity
Innovation
Agility
Commitment
Compassion
Equity
Social Solidarity





1st Pillar of Fourmula 1+: FINANCING



**INCREASE
RESOURCES FOR
HEALTH**



**EXPAND
BENEFITS FAIRLY**





**IMPROVE FINANCIAL
PROTECTION &
CONTAIN COSTS**



INCREASE
RESOURCES FOR
HEALTH

Cover All By Using Mixed Financing Scheme

| | Contributory | Subsidized |
|--|--|--|
|  | Formally employed Self-earning individuals Overseas workers | Poor Senior Citizens People in Conflict Areas |
|  | Payroll and Mandatory Contribution | Tax Subsidies from Sin Products and Sugar Sweetened Beverages |

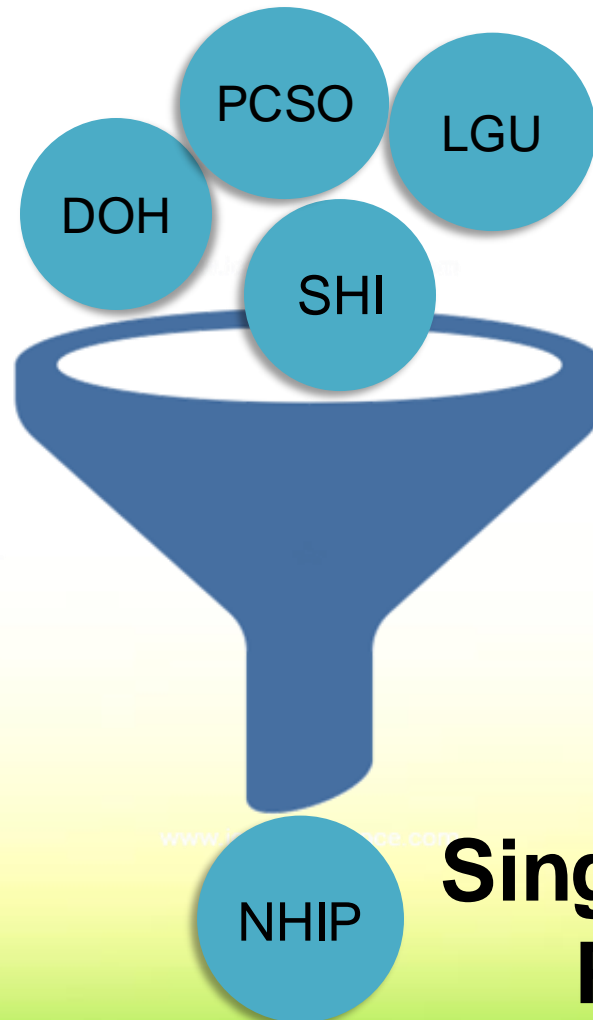
Maximize use of tax money – increase subsidy for non-contributory members to sustain insurance membership



INCREASE
RESOURCES FOR
HEALTH

Assemble Pockets of Money

**Overlap
in Financing**



**Single Fund/
Payer**



EXPAND
BENEFITS FAIRLY

Efficient Allocation of Health Resources



Adopt a more transparent priority setting process for benefits development – use of health technology assessment and clinical practice guidelines

Shift resources to primary care by expanding out-patient benefits to all members





Reduce Unpredictability of Out-of-Pocket Payments

IMPROVE FINANCIAL
PROTECTION &
CONTAIN COSTS



Expand contracting – private providers, service delivery networks and other ancillary health service providers

Set price ceilings – zero co-pay for basic accommodations and tiered co-pay for higher accommodations



Adopt appropriate provider payment as a means for price negotiation in setting tariffs for benefits

A Few Points...

- We need to **collectively address** the high cost of health care
- **Government** have an **increasing role** in organizing and expanding the pool of funds
- Successful **health reforms are negotiated** rather than designed.
- **UHC takes time** but it can be done.

Reference: Savedoff, W. D., Ferranti, F. D., Smith, A. L. & Fan, V. (2012). Political and economic aspects of the transition to universal health coverage. *The Lancet*, 380(9845), 924-932.

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