

**Moving the Filipino health system towards UHC – reviewing the role of national health insurance in the Philippines**

**Running title: The role of PhilHealth in achieving UHC**

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## Abbreviations

DOH	Department of Health
DRG	Diagnosis-related Groups
IPP	Individually Paying Program
GHE	Government Health Expenditure
HFEP	Health Facilities Enhancement Program
HTA	Health Technology Assessment
LGU	Local Government Units
NBB	No-Balance Billing
NCR	National Capital Region
NHIP	National Health Insurance Program
OOP	Out-of-pocket
PCB	Primary Care Benefits
PHP	Philippine Peso
SSS	Social Security Systems
TGE	Total Government Expenditure
THE	Total Health Expenditure
UHC	Universal Health Care

## **Exchange rate**

1 PHP = 0.02 USD = 0.017 EUR

1 EUR = 59 PHP; 1 USD = 50 PHP

(as of August 1, 2017)

## **Abstract**

### **Moving the Filipino health system towards UHC – reviewing the role of national health insurance in the Philippines**

The Philippines, a middle-income country in South-East Asia has now had more than 50 years of experience with social health insurance and in 1995 established PhilHealth, the country's national health insurer. This paper analyzes the environment, achievements and challenges for PhilHealth in moving the Filipino health system towards Universal Health Coverage (UHC). We employed a mixed methods approach, i.e. a combination of extensive literature search, data from PhilHealth and other sources, and interviews with a wide range of experts.

We briefly describe and discuss the organization PhilHealth and its role and impact (a) on financing health care, and (b) in service quality improvement. Major achievements were the expansion of population coverage using an earmarked revenue source (the so-called "sin tax"), the introduction of the no-balance-billing (NBB) for government hospitals to prevent co-payments from patients and the Health Facilities Enhancement Program (HFEP) to improve quality of care. Yet challenges remain. The overall share of PhilHealth in total health expenditures is still only 14%, managing quality and cost of providers is insufficient, the benefit coverage does not reflect the country's burden of disease, and financial protection for PhilHealth members is well below expectations.

## The role of PhilHealth in achieving UHC

On September 6, 2017, the Universal Health Coverage bill 5784 was passed by House of Representatives. The bill (although not yet law) provides a massive jump forward in terms of UHC as it stipulates that all Filipinos are automatically enrolled in and thus entitled to the benefits of the National Health Security Program (formerly the National Health Insurance Program).

Any form “contribution-based” system has serious limitations in informal economies and a pathway of incremental population coverage might take decades. The concept of UHC goes beyond such gradual increases in coverage and for SHI and UHC to fit comfortably together there needs to be a large increase in budget transfers to cover payments from citizens unable to contribute. This could be linked to shifting away from the idea of contribution leading to entitlement, and towards the idea of citizenship leading to entitlement, i.e. guaranteed access to a set of essential services. The current Philippine UHC does exactly this and can be seen as a paradigmatic shift in thinking about the role of a national SHI in contributing to UHC.

There are three thematic areas that we believe are of key importance in developing further the role of SHI: (i) governance, (ii) financial impact, and (iii) strategic purchasing.

### **Keywords**

UHC, Philippines, Social Health Insurance, PhilHealth, Health Care Financing