Achieving UHC: Strategies for PhilHealth to reach the informal sector

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Objectives

— Assess strategies to expand coverage and enrollment of informal sector

— Provide broader observations related to PhilHealth’s role in the health sector
Background: Who are the 18.5 million missing middle?

**Informal sector**
- INDIGENT AND SPONSORED (46m)
  - Landless rural and fish workers
- Urban paid workers
- (4.7m)
  - Small farmers, fishermen, rural microentrepreneurs
- Urban microentrepreneurs

**Formal sector**
- FORMAL, MIGRANT, SELF-EARNING, DOMESTIC (28.5M)
  - Employed, self-earning individuals, overseas workers
- LIFETIME (1.5m)

100% 64.5%
A pivotal moment: PhilHealth is emerging as a defining player for healthcare in the Philippines

- Growing market share: 34% of GHE in 2011
- Legitimacy of PhilHealth within the population has grown
- President is committed to leveraging PhilHealth as a mechanism to achieve UHC
- Innovative reforms planned: Global budget, client satisfaction, etc
- Progress in improving NBB demonstrates PhilHealth’s growing power: 7% in 2013 to 42% in 2014
- Opportunity to increase financial protection for population is high: current OOP is 54% of THE
The missing middle is within reach: many opportunities emerging

- Existence of large distribution groups allows for efficient coverage of the majority of the “missing middle”
- Many potential distributors, such as TSPI, Card see value add to their own products to distribute PhilHealth
- Private sector capacity to support premium collection is growing (ex/pawn shops, eMoney, retailers)
- Increasing premium payment continuity is critically important to effectively cover the ‘missing middle’
Expansion of coverage and benefits is eminent: absorptive capacity development is essential

— Expansion will require improved capacities for promotion, enrollment, beneficiary education, billing, grievance
— Efficient systems and processes for distributors and payment collection agents are needed
— Customer service for members is essential to continue building confidence in system
— Existence of motivated private sector entities can support many required capacities
— Distribution agents require dedicated support from PhilHealth
PhilHealth has growing power to influence the performance of the health sector

- Case payments linked to disease burden
- Gatekeeping at primary care level
- Rationalization of pharmaceutical pricing, generic consumption
- Potential to deepen role in quality of care through “Managed care” model
- Leveraging ICD-10 data to revitalize and redefine national HMIS
- “Corporatization” of hospitals by granting financial autonomy
Recommendation 1: Rationalize iGroup program to maximize enrollment

— Simplify to one iGroup category to offer single incentive package
— Harmonize all benefits and policies across iGroup & IPP
— Selectively work with large distributors, instead of smaller groups
— Sweeten deal for distributors to expand coverage by allowing for rebranding
Work with limited number of large organizations for enrolment (18.5m)

- Some microinsurance providers (CLIS, Microensure – 5m)
- Financial services providers – 7m (MFIs – 4.5m, banks – 0.5-1m, rural banks 1.5-2m)
- Elderly under LIFETIME (1.5m)
- Mandatory enforcement through LGUs – all
- Philippine Crop Insurance Corporation and other agriculture insurance providers – 1.5m
- Other social protection initiatives, e.g. Pension Fund

Urban microentrepreneurs

Small farmers, fishermen, rural microentrepreneurs

Financial services providers:
- MFIs – 4.5m
- Banks – 0.5-1m
- Rural banks – 1.5-2m

Other social protection initiatives:
- Pension Fund – 5m
- Other social protection initiatives, e.g. Pension Fund – 8m
Recommendation 2: Develop comprehensive plan to improve premium continuity

— Develop coordinated plan with distributors for members transitioning out of their group

— Assess impact of Philhealth policies on renewals
  — Conduct assessment to determine impact of 3/6 rule on premium continuity
  — Consider elimination of point of care enrollment

— Assess possible incentives for renewal at all levels
  — Consider renewal bonuses for distributors, LGU, PhilHealth local office
  — SMS reminders to individuals
  — Individual lotteries based on membership number
Recommendation 3: Improve processes by focusing on strengths, outsourcing weaknesses

- Enhance iGroup IT platform, or consider outsourcing if too complex

- Assessment to determine optimal systems for customer support, enrollment support, grievance, product promotion
  - Assess whether groups could be incentivized to provide ‘servicing’ beyond their own members
  - Assess capacity needs for Pcares & local offices to deal with emerging issues related to PhilHealth expansion
  - Improve member education by developing client-centered information materials

- Build dedicated vendor support capabilities within PhilHealth to provide adequate support to distributors
Recommendation 4: Action & Advocacy to improve the ‘product’

— Consider phased-in prescription benefit for generic pharmaceuticals through accredited private pharmacies

— Include outpatient benefit for all members

— Establish ‘managed-care’ unit to further scrutinize adherence to CPGs for improved quality of care

— Advocacy to restructure reimbursement rates for public providers such that they are reflective of public-health need, not cost

— Enforcement of gate-keeping at primary care level through patient financial incentives

— Consider deepening partnerships with private providers