



PHILIPPINES LIVING HiT UPDATE

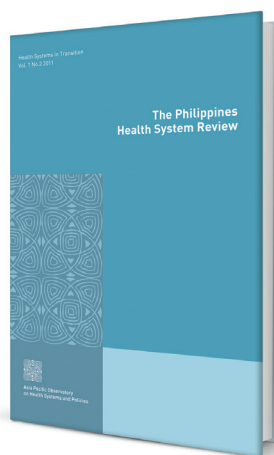
3.8 Payment mechanisms

3.8.1 Paying for health services

Public health services and outpatient care

In general, health-care services provided by rural health units (RHUs) are free of charge. The main constraint in these public facilities is availability of both goods and services. RHUs under local government (LGUs) that are enrolled in the outpatient benefit package (OPB) of the Philippine Health Insurance Corporation (PhilHealth) are in principle partly funded by capitation fees collected from PhilHealth. The LGUs are reimbursed Philippine pesos (Php) 300 (US\$ 6.28) for every indigent household enrolled under the Sponsored Program, with the understanding that this capitation is used to fund the provision of free outpatient care at RHUs. In practice, however, capitation fees from the OPB are not always spent for the intended purpose. Under the programme, LGUs are not actually prohibited from pooling these capitation fees into their general funds, which means such fees can be—and frequently are—spent on items other than outpatient care (Kraft, 2008). Observers cite the failure of PhilHealth to properly communicate to LGUs the intent of the fund and to closely monitor the utilization of the capitation fund as the main reason for the underperformance of the OPB.

Under PhilHealth's special outpatient TB-DOTS and the outpatient malaria benefit packages, health-care providers are paid per case. Under the case-payment scheme, providers are paid a set fee per treated case. The amounts of the case payments, as well as the recipient of the payment, whether facility or professional, vary for each package. Accredited providers are given Php 600 per malaria case eligible for the outpatient malaria package. Accredited TB-DOTS facilities are paid a flat rate of Php 4000 per case in two installments: Php 2500 after completion of the intensive phase of treatment and Php 1500 after the maintenance phase.



To boost the provision of public primary (i.e. outpatient) care, PhilHealth in 2012 announced a Primary Care Benefit I (PCB 1) package. Initially covering members under the Sponsored Program and the Organized Groups and Overseas Workers Programs, and their qualified dependents, the PCB1 covers preventive services such as blood pressure monitoring, counseling for breastfeeding, smoking cessation and other programmes; diagnostic examinations such as complete blood count, urinalysis, lipid profile, and chest X-ray; and drugs for asthma, acute gastroenteritis, respiratory infections and urinary tract infections. A total of Php 500, in four tranches, is to be given to the health-care provider for every patient enrolled under the programme. It remains to be seen if this package will be expanded to the general population in the future (PhilHealth, 2012a).

Inpatient care

Both public and private hospitals charge user fees for inpatient services. User fees are not subject to any form of regulation apart from the “no balance billing” (NBB) policy that is in effect for selected populations. PhilHealth began implementation of the NBB policy as a means to reduce medical care inflation, thus preventing financial catastrophic spending, especially among the poor. NBB effectively eliminates any out-of-pocket payments at the time of service delivery. The NBB policy is currently limited to members of the Sponsored Program. Since its implementation, 64% of all claims of Sponsored Program members from January to May 2012 were NBB. The programme aims to progressively expand to other member categories in time (PhilHealth 2012c, 2013b).

On the other hand, health facilities with fiscal autonomy are free to charge rates which they deem appropriate. In public facilities, while charges may vary according to a patient’s willingness to pay, charges may still fall below cost. A 2003 survey of 30 district hospitals in the Visayas region of the Philippines shows that zero fees were charged in three out of 10 provinces. While there has not been any recent study on pricing in local hospitals, observers believe that under the devolved set-up, some public hospitals may either not have strong incentives to charge prices that reflect the true cost of resources, whereas other hospitals may lack the technical skills to be able to determine the appropriate prices that should be charged.

In response to these difficulties, PhilHealth in 2011 came up with a case-payment scheme that sets fixed rates for 25 specific conditions, 11 of which are medical and 14 surgical (PhilHealth, 2011). This policy meant that if, for example, a qualified member is diagnosed with typhoid fever, PhilHealth will reimburse a fixed rate of Php 14 000. In 2012, a Z Benefit Package for catastrophic illnesses was introduced, initially providing guaranteed fixed rates for breast cancer (up to Stage III-A), prostate cancer and acute lymphocytic leukemia (PhilHealth, 2012b). This was followed in March 2013 by coronary artery bypass graft surgery, surgery for tetralogy of Fallot, surgery for ventricular septal defect and cervical cancer under the Expanded Z Benefit Package (PhilHealth, 2013a). PhilHealth has pledged to increase the number of conditions included in the case payment and Z Benefit schemes.

References

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