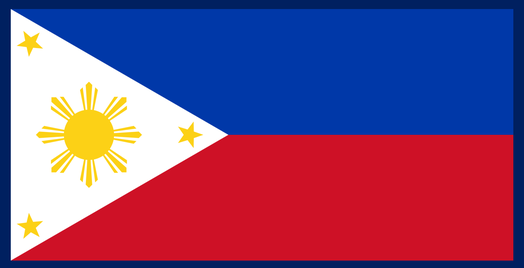

Philippines

Making Provider Payment Mechanisms More Strategic: Removing the Roadblocks to Implementation

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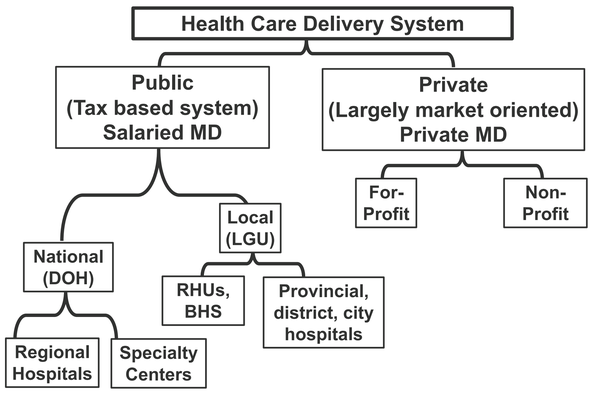
Context:

Population	107M (2018 Estimate)
GDP/ Capita	$2,998.95 (USD, 2017)
THE/ Capita	$128 (USD, 2017) *Gov't spending comprises 33% of THE*

Organization of the Health System:



Monitoring

There are four domains of Performance Indicators:

1. **Quality of Care**
2. **Patient Satisfaction**
3. **Financial Risk Protection**
4. **Detection of Offenses**

Claims services profiling

- Claims data are managed and displayed in web portal with real time application. Number of claims and amount of payment are easily calculated to monitor the trends in case-based payment.
- This displays outliers, overutilization of services, decreased LOS, admission of patients vs. bed capacity

PhilHealth Patient Exit Survey

- Survey done daily by P-CARES in most hospitals to determine compliance to All Case Rates

PhilHealth
Your Partner in Health

PPM Reform Timeline

1998 — Fee for service scheme for all claims

2000 — Capitation introduced for indigent members

2003 — Selected case payment introduced for select conditions

2011 — Case payment for top 23 conditions (49% of claims)

2012 — OPB redesigned as PCB for indigent and overseas members

2013 — All case rate Discontinuation of FFS

2018 — Introduction of ePCB for formal economy, seniors and lifetime members

Fee for Service

- Supplier induced demand (increased services, increased length of stay, unnecessary intervention to increase reimbursement from PhilHealth)
- High administrative cost for hospitals and PhilHealth (4.8 M claims/year, 2012)
- High financial risk to members
- High out-of-pocket payment for catastrophic cases
- Discontinued in 2013

Case Payment

- Less administrative cost, faster payment of claims (from 60 days to 33 days turnaround time)
- Increased admission (7.3 M claims received, 2017; PhP 99.6B, US$ 1.99B)
- Under-utilization of services

Expanded Performance Based Payment ("ePCB")

- 60% of payment released based on the number of assigned members
- 40% of payment depends on performance targets:
  - 50% of assigned members registered and assessed
  - 90% assigned members with complete essential services
  - 70% of hypertensive cases given monthly maintenance drugs
  - 70% of diabetes cases given monthly maintenance drugs
  - Less than 5% assigned members admitted for ePCB covered condition

Innovations

No Balance Billing Policy to Increase Access (2013)

- PhilHealth policy that prohibits hospitals from charging indigent members OOP fees
- Excess charges financed by PCSO (government-owned and controlled corporation that handles sweepstakes and lottery), Department of Health, quantified free service charge to MOOE of hospital, and others.

- **Success**: Eliminates financial barrier to access healthcare
- **Challenges**: low compliance among tertiary hospitals and LGU-owned hospitals; moral hazard, supplier-induced demand; insufficiency of payment rate to cover cost of services

eClaims to improve timeliness of payments (2018)

- Modular information system with front end application for HCIs to conduct claim transactions and back end application for PhilHealth to process claim
- 3 Modules: Eligibility; Submit claims; Track status of claims

- **Success**: Faster turnaround time of claims
- **Challenges**: Engagement of 3rd party HITP as conduits for transactions on claims between hospitals and PhilHealth, access to technology of non-hospital facilities

PhilHealth Customer Assistance Relations and Empowerment Staff (P-CARES) to ensure patients receive benefits

- If patient is not eligible, the P-CARES will find ways to secure coverage by issuing forms to serve as documentary evidence for benefit eligibility.
- Conduct awareness building activities through ward classes and conduct exit interviews and surveys about experiences in with PhilHealth benefits

- **Success**: Client satisfaction with services; increased member awareness; increased benefit use; increased compliance to PhilHealth policies; decreased denied claims.
- **Challenges**: deployment of PCARES in private hospitals (only 36% have P-CARES)

Lessons Learned

✓ **Not everyone fits the mold**. It is important to consider a country's unique health financing policies, market conditions, and supply and demand.

✓ **Each PPM has strengths and weaknesses.** PPM reforms should be monitored and reviewed, and we should be flexible in amending the PPM as necessary.

✓ **Costing should be regularly reviewed** to ensure that payments to facilities provide the proper incentive for better service.

Challenges for UHC

- Sources of financing are redundant and fragmented. Multiple purchasers mean that smaller fund pools have less leverage and weak power to influence prices of goods and services
- Difficult to enroll informal sector
- Benefit package not responsive to burden of disease and highly biased towards inpatient with little coverage of outpatient drugs
- High, uncontrolled co-payment due to poorly-costed ACR
- Weak monitoring system; PhilHealth becomes a passive payer or 'cashier" rather than an active purchaser.

Next Steps

Priorities for PHC Financing and Service Delivery		
Public Health (DOH & LGU)	Personal Care (PhilHealth)	
Population Based	Individual Based	
	Primary Care	Secondary Care/ Tertiary Care

UHC Bill

- Recognizes UHC is more than insurance coverage
- Includes supply side and demand side interventions

Status of the Bill:

- September 2017: Approved by House of Representatives
- October 2018: Approved by Senate
- Ongoing bicameral conference committee to reconcile bill

Costing for DRG

- Implementation of PhilHealth Costing Tool
- Design proof-of-concept for a regional/ provincial roll-out of costing framework and tool

Timeline of National Roll-Out Plan: 2018-2020

Joint Learning Network — For Universal Health Coverage

RESYST — Resilient & Responsive Health Systems

SPARC — Strategic Purchasing Africa Resource Center