Achieving UHC: Strategies for PhilHealth to reach the informal sector

THINKWELL

Yogesh Rajkotia, PhD MSc

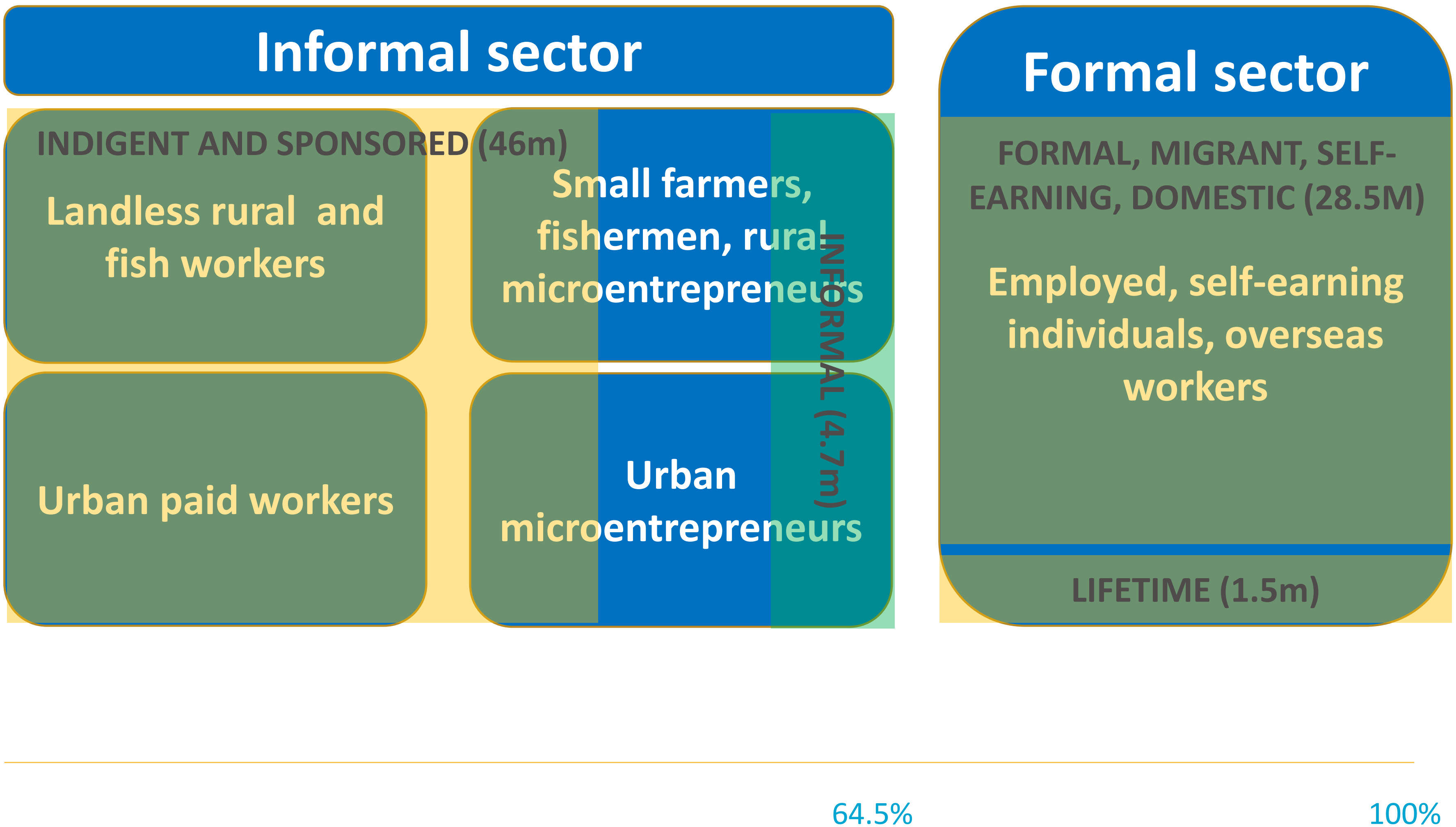
ILO

IMPACT INSURANCE

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?



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 distributers, 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 distributers 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 distributers, instead of smaller groups
- Sweeten deal for distributers to expand coverage by allowing for rebranding

Work with limited number of large organizations for enrolment (18.5m)

Some microinsurance providers
(CLIS, Microensure – 5m)

8m

Financial services providers – 7m
(MFIs – 4.5m, banks – 0.5-1m, rural banks 1.5-2m
3m with: CARD, ASA, Green Bank, FICCO, KMBI, NWTF, Pagasa, TSPI, TSKI, ASKI

5m

Mandatory enforcement through LGUs – all

2m

Elderly under LIFETIME (1.5m)

1.5

Philippine Crop Insurance Corporation and other agriculture insurance providers – 1.5m

1.5

Other social protection initiatives, e.g. Pension Fund

0.5

Urban microentrepreneurs

Small farmers, fishermen, rural microentrepreneurs

Recommendation 2: Develop comprehensive plan to improve premium continuity

- Develop coordinated plan with distributers 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 distributers, 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