



Promoting Inclusive Growth through Social Health Insurance

Vergil M. de Claro
Corporate Planning Department
Philippine Health Insurance Corporation

2015 MCPI Annual Conference
Century Park Hotel, Manila

Major Features of the NHIP

- **Family-based membership**
 - qualified dependents are covered with the same benefits principal members
- **Mandatory participation of the population**
 - Membership coverage – 88% as of June 2015
- **Dominant health care provider is private sector**
 - 60% of accredited health care institutions
- All inpatient benefits are paid through **case-based payment** while primary care benefits are paid through a **per family payment rate**

Contribution and Benefits

■ Premium Contribution

- Formal Sector – income base (2.5% of the salary, subject to a salary cap)
- Informal Sector – premium is set at P2,400 (US\$ 60) per year
- Lifetime members/Senior Citizens - entitled to lifetime coverage without having to pay additional premiums.

■ Benefit Packages

- Primary care services, inpatient benefits and catastrophic care
- No balance billing for indigent and sponsored program members confined in government facilities
- Support value– 49% (based on 2012 data using 2012 price index)

Steady Wins and Challenges

For UHC, we talk about...

1

Increasing **financing** for health care

Increased budget (including sin tax revenues)
Increased private spending through premium

2

Using **demand side** approach through health insurance

Resolving who the poor are / Capturing the missing middle
Performance-based financing

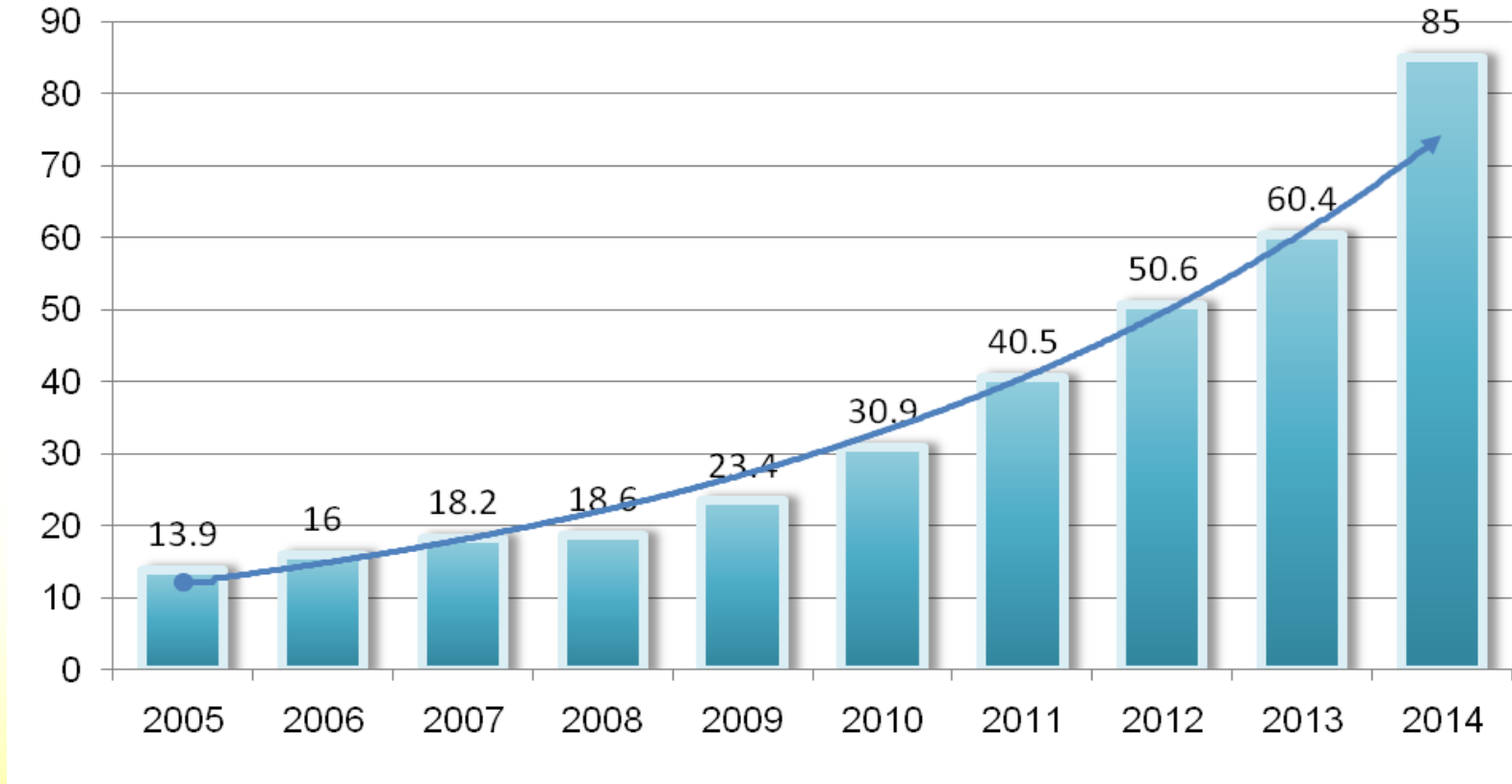
3

Ensuring **supply side** improvements

Health Facility Enhancement Program
Income retention/ fiscal autonomy especially for LGU hospitals

We have begun to walk the talk...

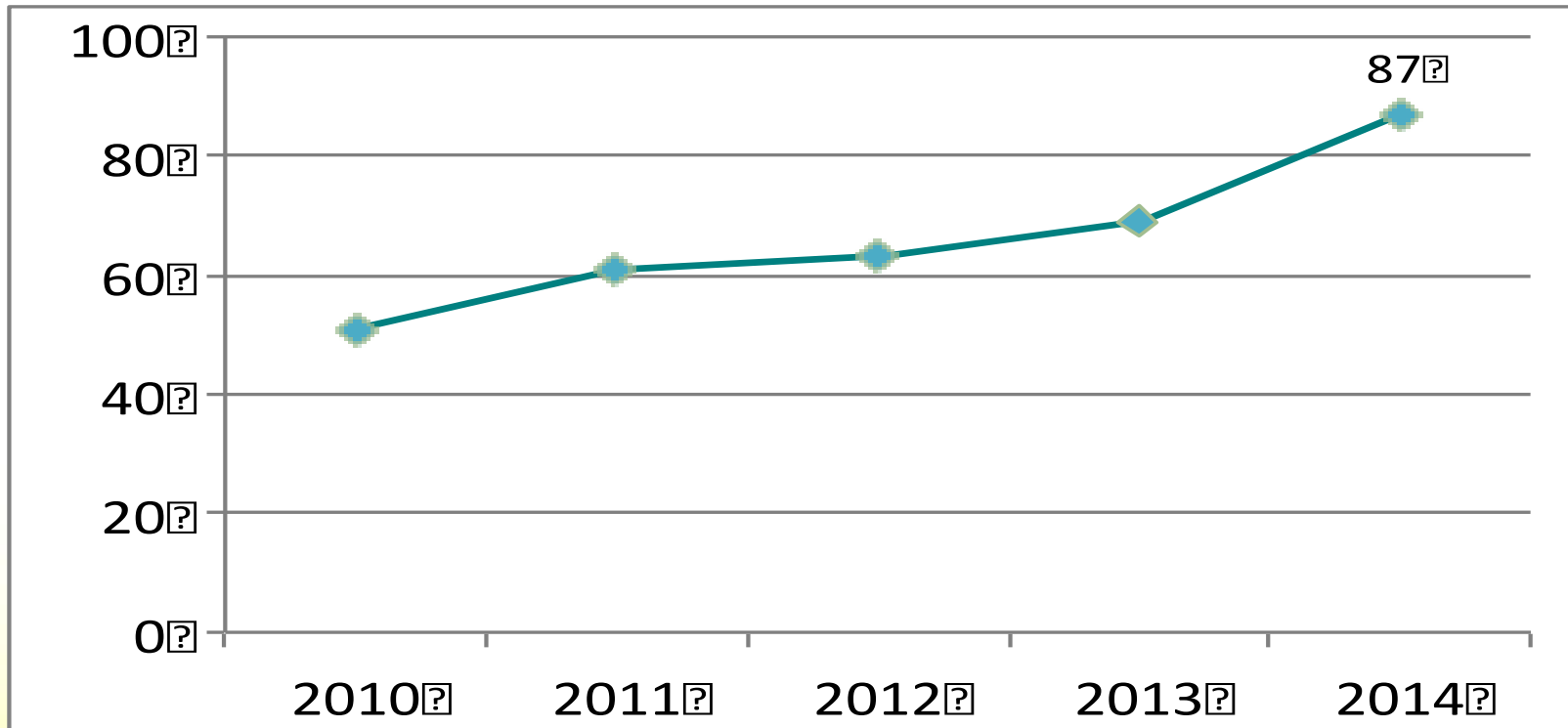
Health Sector Allocation (PhP billions)



Source: DBM

We have begun to walk the talk...

National Health Insurance Coverage

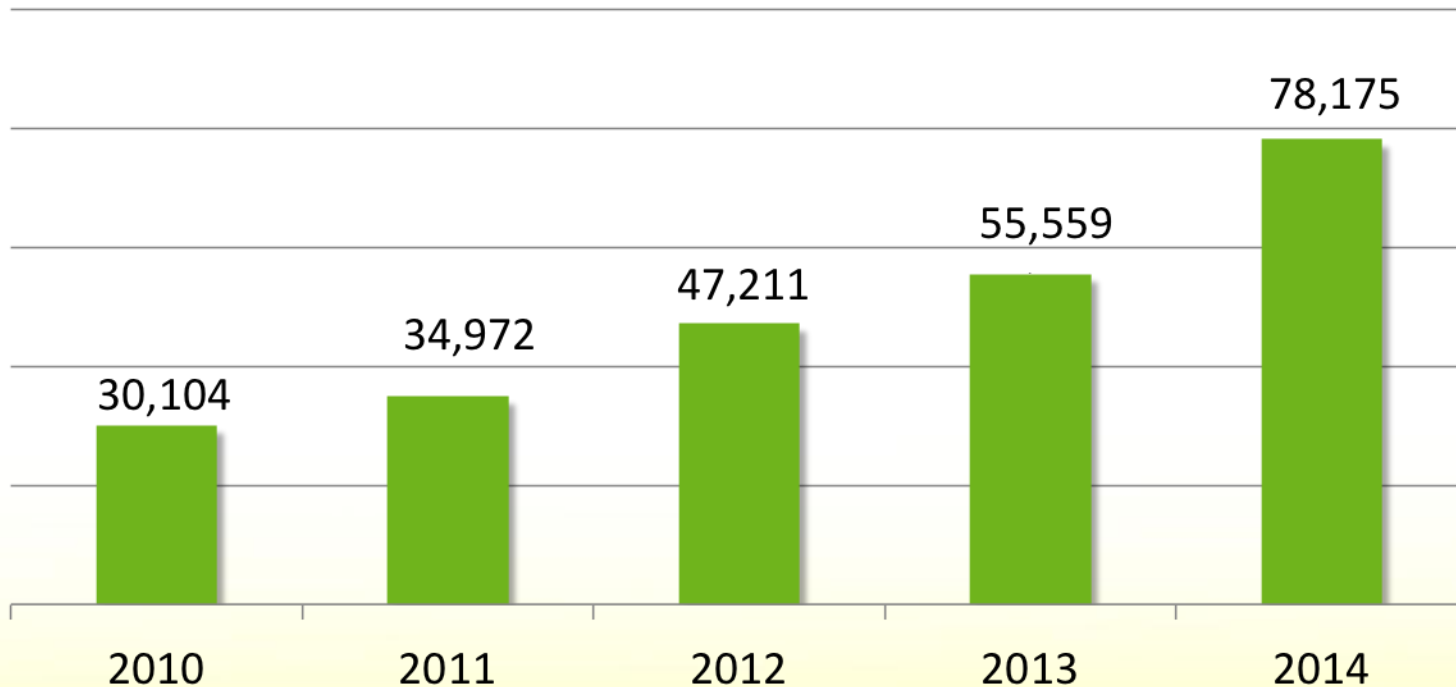


Source: CorPlan, PHIC

9 out of 10 Filipinos are already covered by the NHIP.

We have begun to walk the talk...

Benefit Payments (in billions)



Source: CorPlan, PHIC

PhilHealth pays out an average of 1.5 billion per week in benefit payments.

Challenges

1. **Health expenditure remains low** – the Philippines remain as a low spender on health compared to other regional and middle income economies.
2. **Out of pocket spending is still high** – the rising cost of health care services largely contributes to the growing OOP spending.
3. **Poverty incidence has not caught up with overall improvements** – the country's poverty rate remained one of the highest in the region despite the decent economic growth.
4. **Recurrent shocks from climate change are highly expected** – climate hazards are becoming a constant threat to the social and environmental determinants of health.

The “Last Mile” Challenge



The missing 12% of the un-enrolled population are in the Informal Sector.

The Untouched. Underappreciated. The scenario of our workers who belong to the informal sector of the labor workforce is tantamount to an unnoticed edifice that supports an entire construction.

~ Anonymous

iGroup

- An enhanced group enrollment package under the Informal Sector Program (previously Individually Paying Program).
- Formerly known as Kalusugang Sapat at Abot-kaya sa PhilHealth Insurance (KaSaPI, 2006) and PhilHealth Organized Group Interface (POGI, 2003)

iGroup Features

- ✓ **Lower minimum group size**
- ✓ **Lesser documentary requirements**
- ✓ **Simplified premium discount rate**
- ✓ **Better benefits for members**

Who are Eligible to Join?

Any organization or association which is organized for the primary purpose of promoting social protection or social health insurance to its informal members and duly registered with appropriate government agencies.

- Microfinance institutions
- Cooperative
- Professional organizations
- Non-profit organizations
- Non-government institutions
- Religious/civic organizations
- Corporate foundations
- OG confederations
- People organizations

Advancing SHI Forward

- **Increase spending on preventive and health promoting interventions** - expanding primary care services for all; increase utilization; reduce out-of-pocket
- **Scale-up provider payment reforms** - improve costing of case rates; no-balance billing; fixed co-pay; move towards diagnostic-related groupings (DRGs)
- **Leveling the platform for contracting public and private providers** - expand provider network; income retention in public hospitals

In Pursuit of Inclusive Growth



“We intend to pursue **rapid and sustainable economic growth** and development, **improve the quality of life** of the Filipino, **empower the poor** and marginalized and enhance our social cohesion as a nation.”

~ President Benigno S. Aquino III



Bawat Pilipino **MIYEMBRO**
Bawat Miyembro **PROTEKTADO**
Kalusugan Natin **SEGURADO**

www.philhealth.gov.ph