



# UNIVERSITY OF THE PHILIPPINES SCHOOL OF ECONOMICS

*and*

## PCED

Philippine Center for  
Economic Development

*present a seminar on*

## **Strengthening strategic purchasing for health in the Philippines: Do we need to strengthen implementation or alter direction?**

by

***Ms. Sarah Bales***

**11 November 2015, Wednesday**

4:00-5:00 p.m. – Room 303

### ***Abstract:***

The Department of Health's "Health Financing Strategy 2010-2020" lays out a clear vision of how to enhance allocative efficiency through clarifying "who should pay for what" (Pillar 3) and how to improve technical efficiency through reforming provider payments arrangements (Pillar 4). This presentation will discuss the first 5 years of strategy implementation to assess progress towards that vision and to identify shortcomings and challenges.

In general, it seems that over the last five years, little change has occurred in shifting responsibility for the funding of healthcare services from government and OOP to PhilHealth. Funding of pharmaceuticals and personnel costs remains fragmented and providers, who face conflicting incentives, continue to maximize revenues by exploiting opportunities for duplication. While case rates (ACR) have replaced fee-for-service payments to cover inpatient services, providers' ability to "balance bill" beyond the case rates undermines any incentives for efficiency. Without cost-savings from efficiency gains in inpatient spending, PhilHealth's budget will be inadequate to further expand benefits.

Implementation of the Health Financing Strategy implicitly requires a redistribution of power and resources among stakeholders and requires providers and other actors to alter entrenched behavior and capacities. These transitions are not easy. It appears that greater guidance or adjustments in direction are needed to avoid undermining the Strategy's vision and goals.

The presentation will be followed by an extensive discussion.

### ***About the speakers:***

Sarah Bales is a health economist with extensive experience working on provider payment reform in East Asia. She is particularly knowledgeable about the Vietnam health system, where she has served as an advisor to the Ministry of Health for many years. Beyond her expertise in provider payments, she also specializes in health equity and pro-poor health care policies. Originally trained as an economist, she subsequently gained important insights into the politics of health reform while pursuing a PhD at the Lee Kuan Yew School of Public Policy in Singapore. Her exploration of the Philippines health financing system is quite recent, but her exposure to the international theoretical and empirical literature, practical experience in Vietnam's health system, and her outsider viewpoint, may help to highlight some of the underlying issues hindering achievement of the Philippines health financing goals.



**Free and open to the public**

For group attendance, please contact Ms. Gloria Lambino, UPSE Economics Research Center

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