

Who Pays and Who Benefits from Health Care Reforms? (A Quick Look at the Last 25 Years)

UPecon-Health Policy Development Program
7 April 2016

HPDP is a five-year United States Agency for International Development (USAID) health policy project (Cooperative Agreement No. AID-492-A-12-00016) implemented by the UPecon Foundation, Inc. It supports the DOH-led policy formulation process for scaling up Universal Health Care.

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This document is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of UPecon-HPDP and do not necessarily reflect the views of UPecon Foundation, Inc., USAID or the United States Government.



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National Health Accounts (NHA) – main source of data

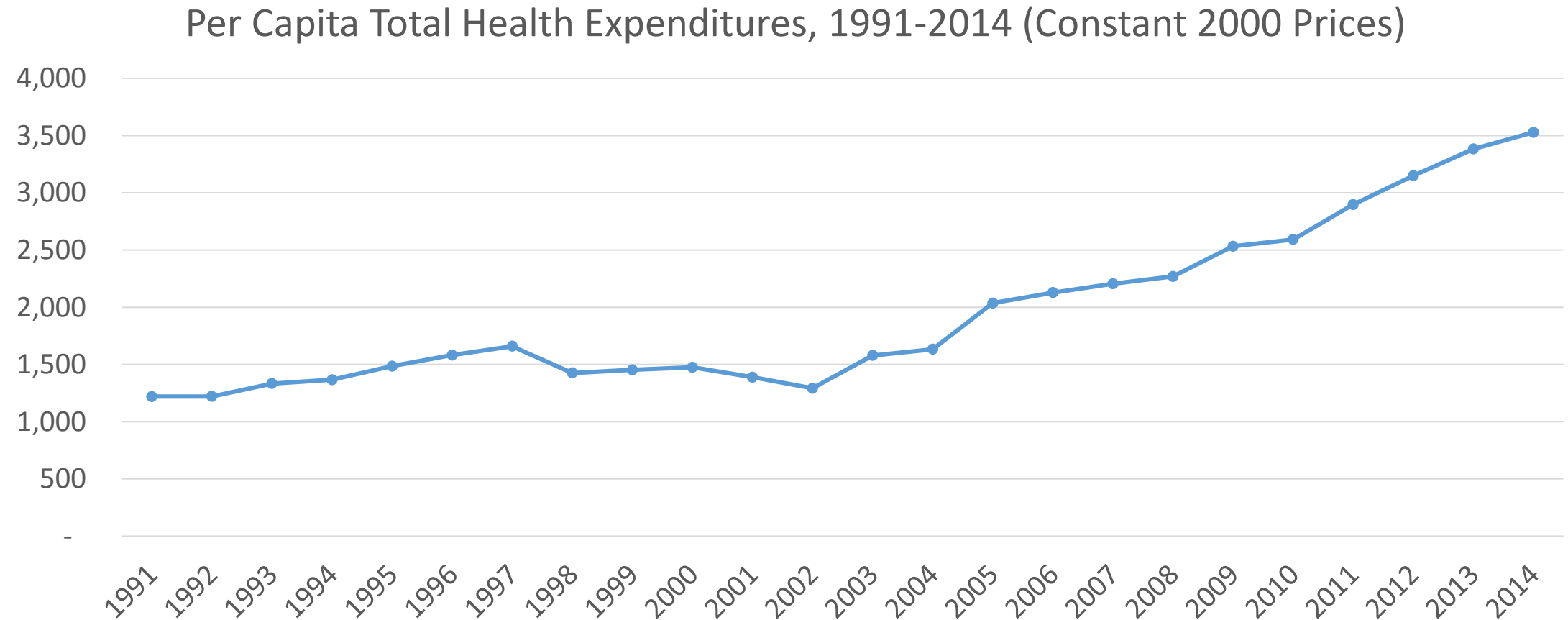
- NHA provides information on the sources and uses of total health expenditures of a given year
- Data available from 1991 to 2014
- NHA as a policy framework:
 - National Health Insurance Act of 1995
 - DOH Health Sector Reform Agenda (HSRA), 1999
 - DOH HSRA Implementation Framework, 2005
 - DOH Universal Health Care/Kalusugan Pangkalahatan, 2010

Specific Questions

- How much are we spending on health care?
- How are we raising money to pay for health services?
- What services are we paying for?
- Who benefits from what we spend on health?
- Where do we need to be?
- How do we get there?

How much are we spending
on health care?

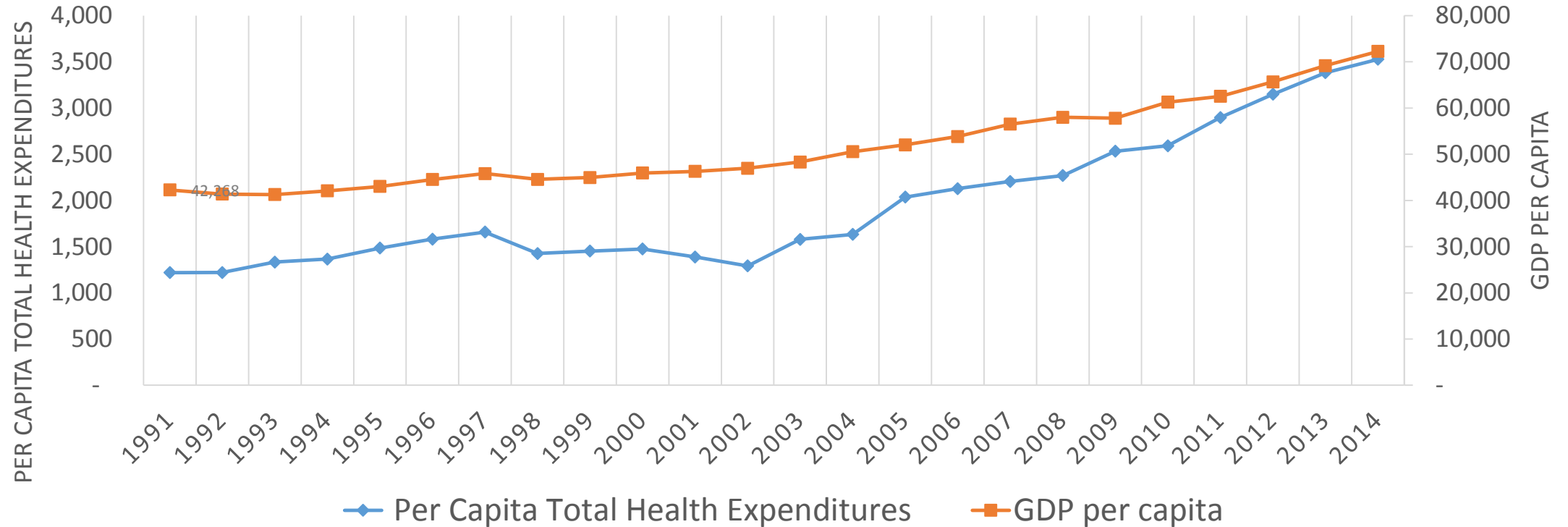
Health spending increased from P1,219 to P3,528 over 24 years



Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

Health spending moved with economic growth (recovery from crisis raised health spending)

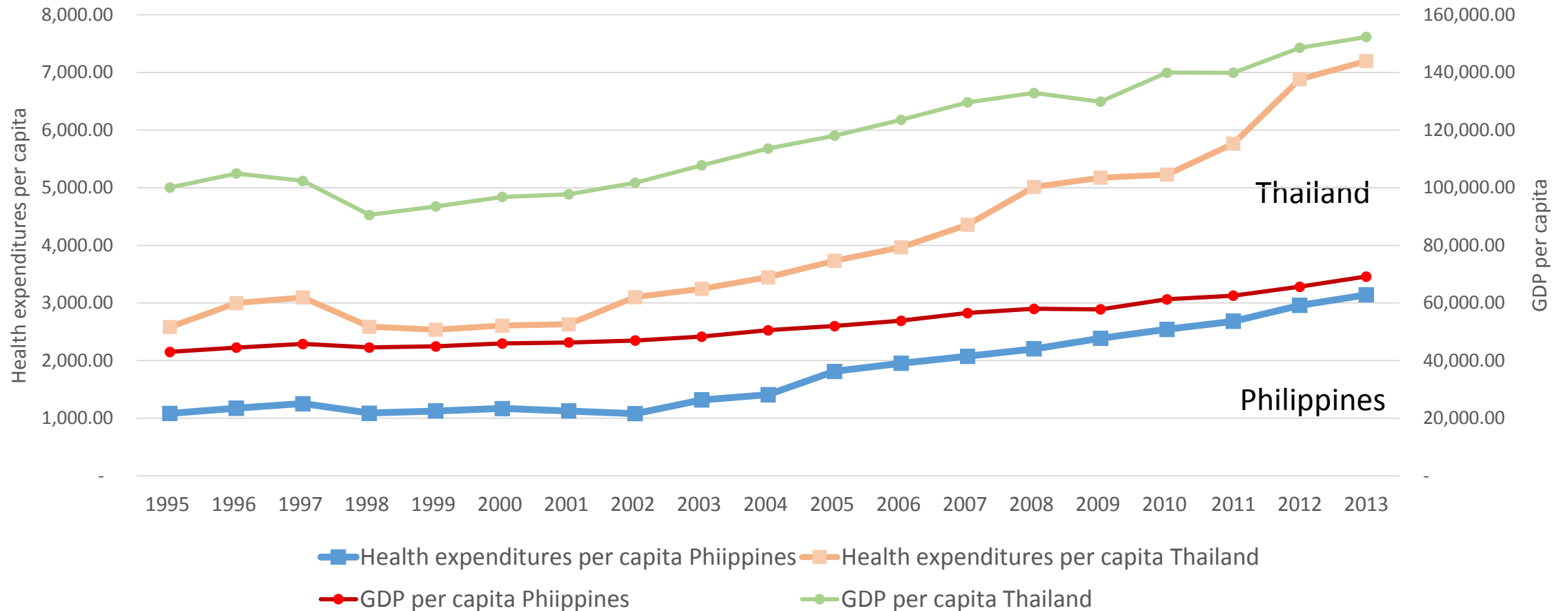
PER CAPITA TOTAL HEALTH EXPENDITURES AND GDP PER CAPITA, 1991-2014 (CONSTANT 2000 PRICES)



Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

But health spending is lower relative to countries with higher economic growth

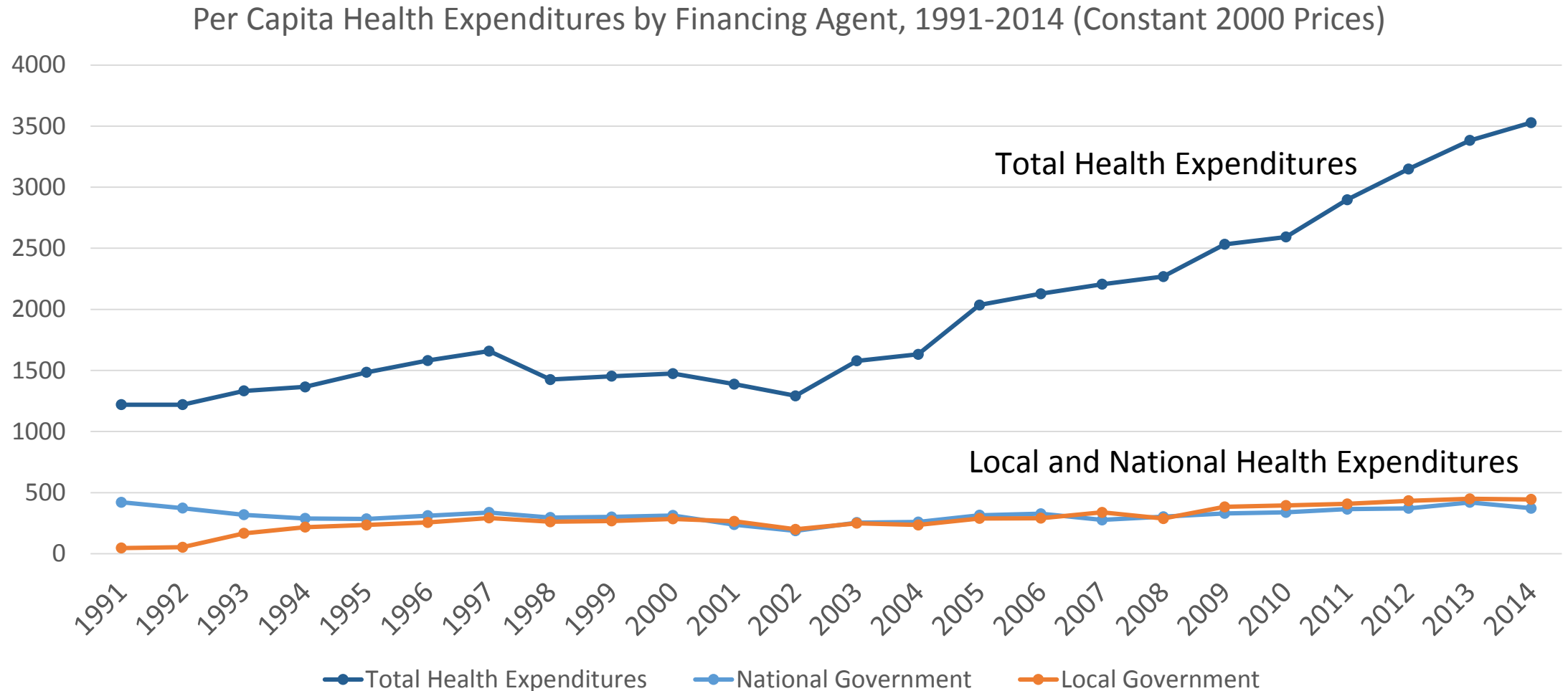
Health Expenditures Per Capita and GDP Per Capita (in PhP Constant 2000 Prices)



Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

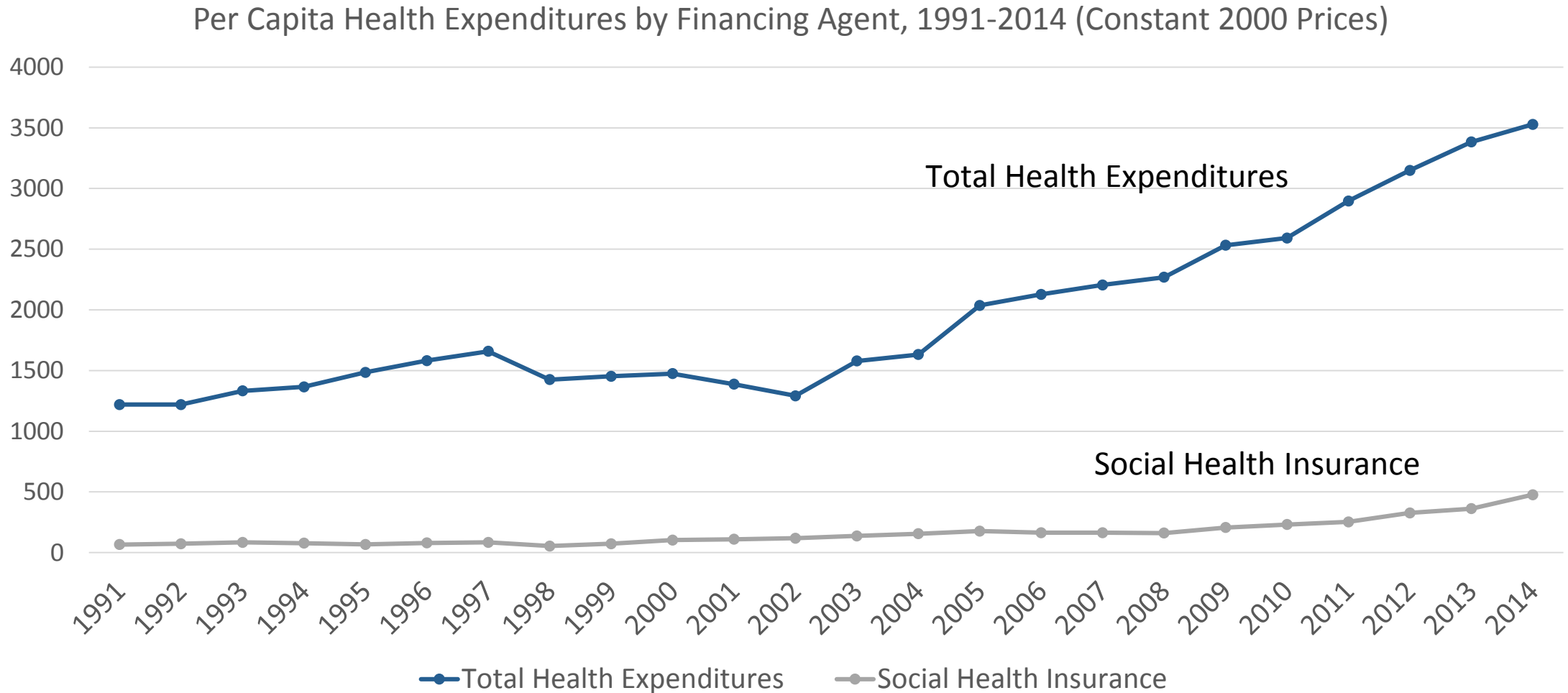
How are we raising money to
pay for health services?

Financing from organized public and private sources have remained small and flat; OOP is largest and dynamic source



Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

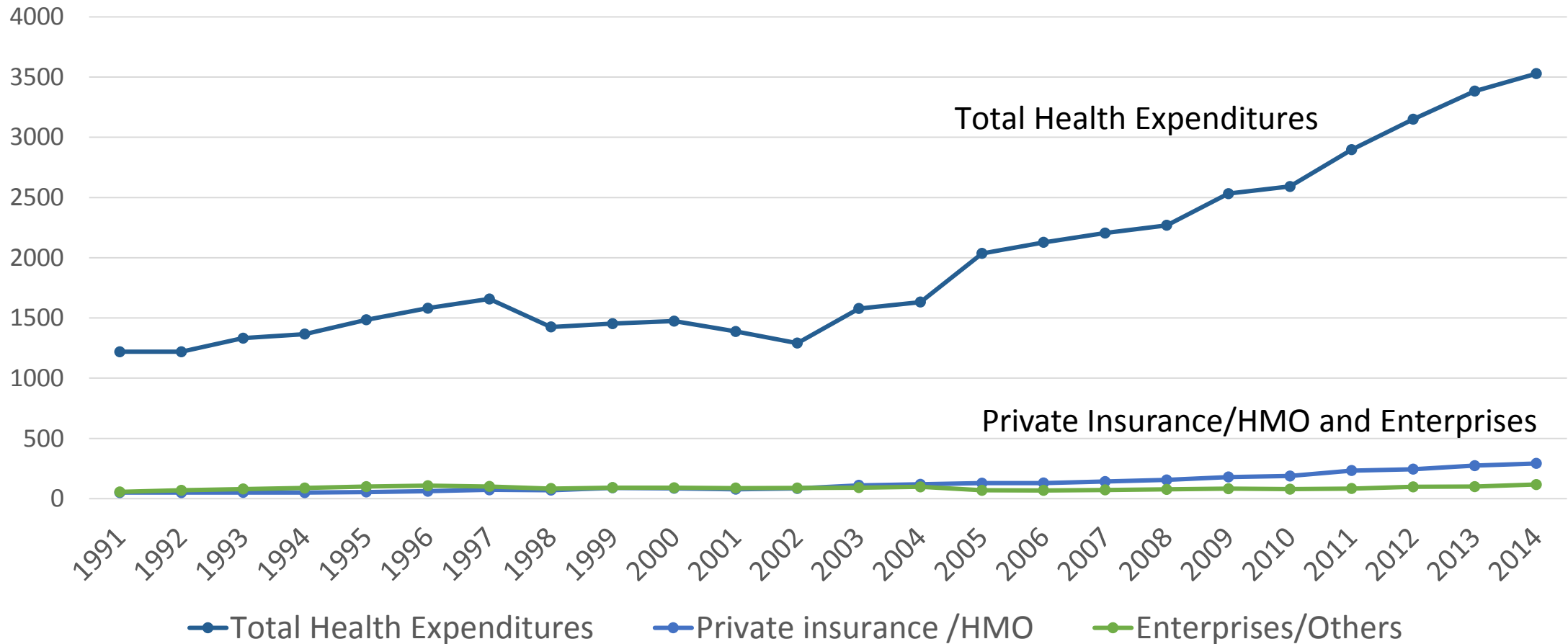
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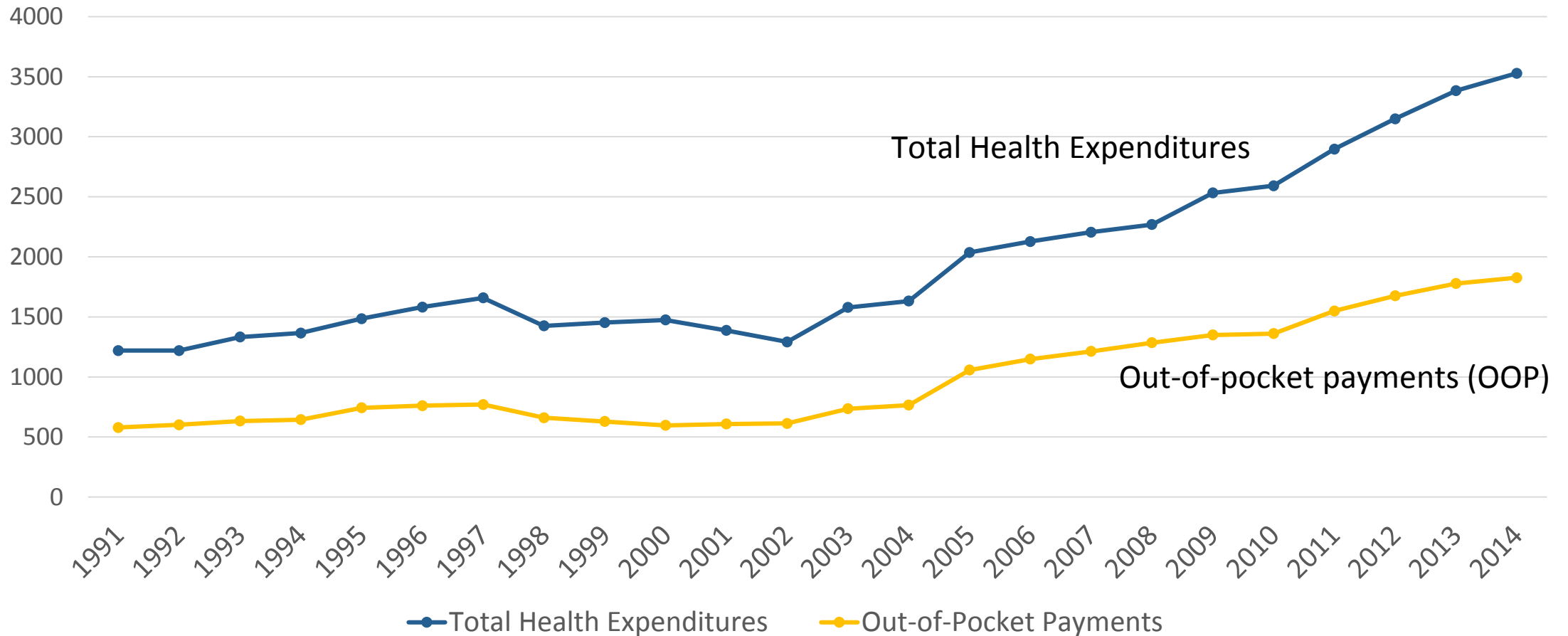
Per Capita Health Expenditures by Financing Agent, 1991-2014 (Constant 2000 Prices)



Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

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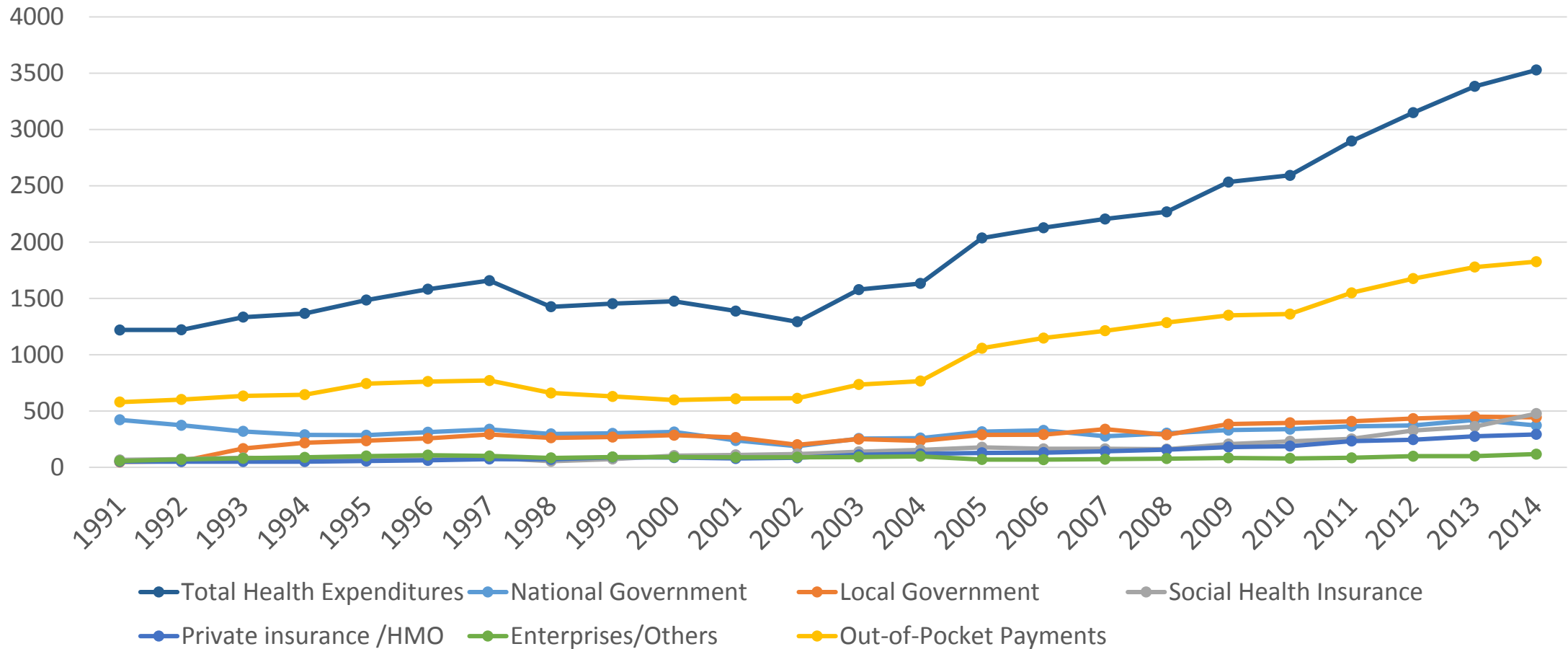
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Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

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Per Capita Health Expenditures by Financing Agent, 1991-2014 (Constant 2000 Prices)

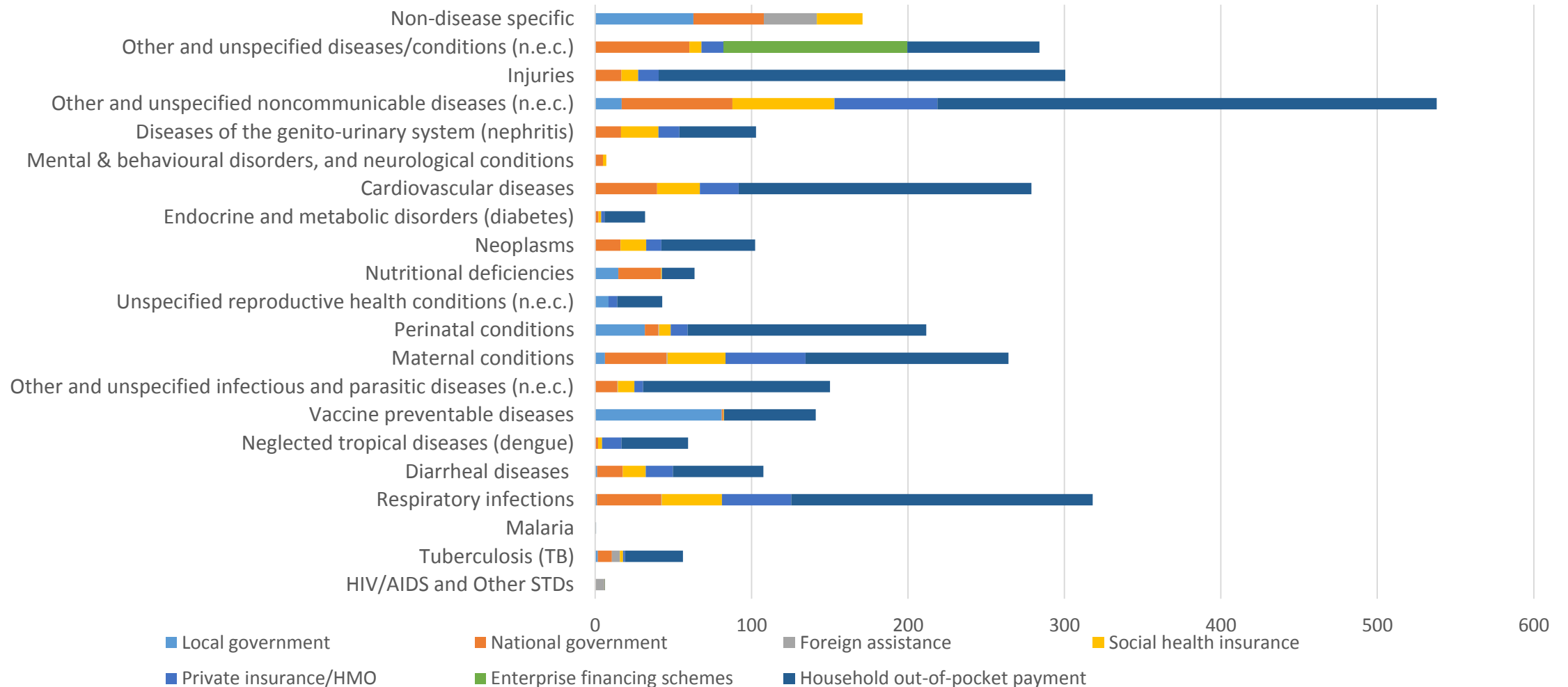


Sources: PSA PNHA various years and DOH/WHO NHA Project (2016)

What services are we paying for?

Family out-of-pocket payment is the main financing source for most services...

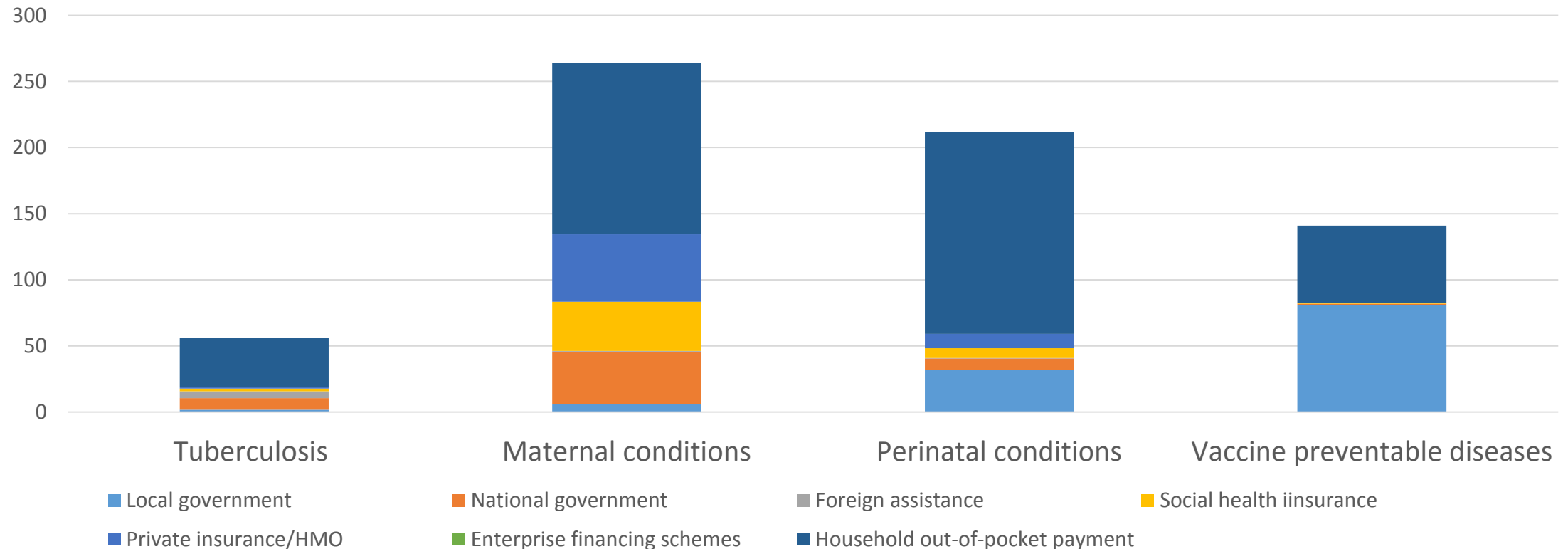
Per Capita Health Expenditures by Disease Group and by Financing Agent, 2014 (Constant 2000 Prices)



Sources: DOH/WHO NHA Project (2016)

...even for services with public health benefits

Per Capita Health Expenditures on Tuberculosis, Maternal and Perinatal Conditions and Vaccine Preventable Diseases, 2014 (Contant 2000 Prices)

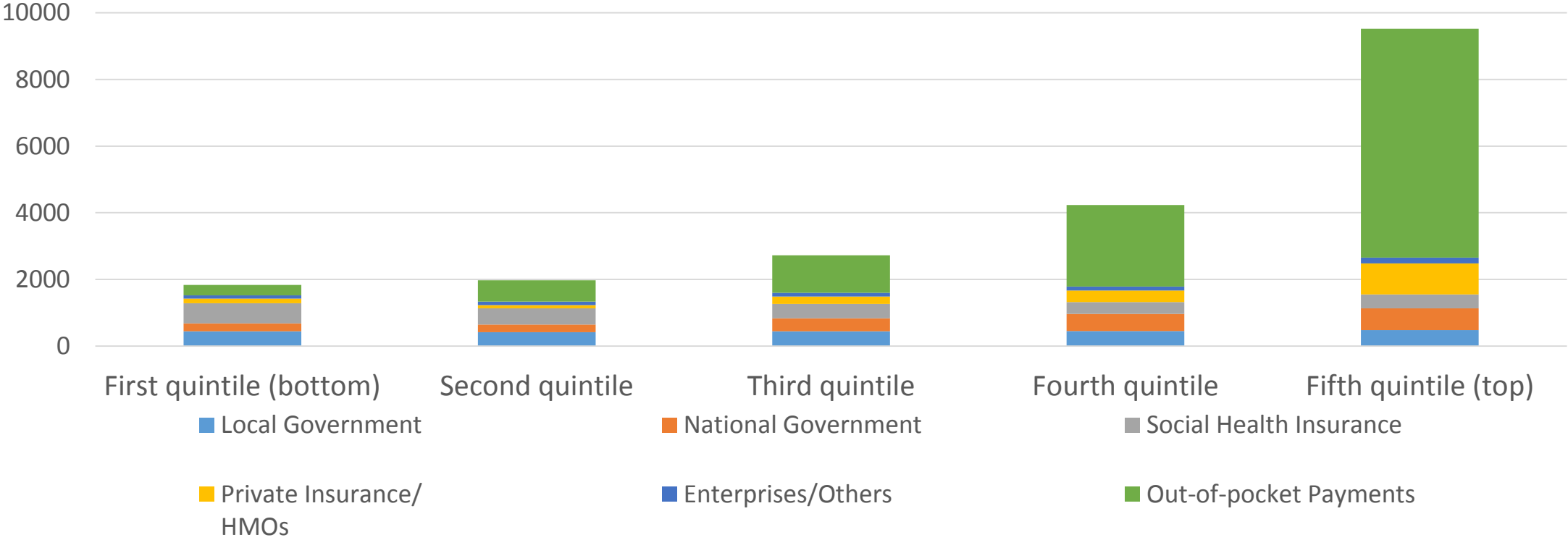


Sources: DOH/WHO NHA Project (2016)

Who benefits from what we
spend on health?

The poor do not receive adequate support from public financing sources

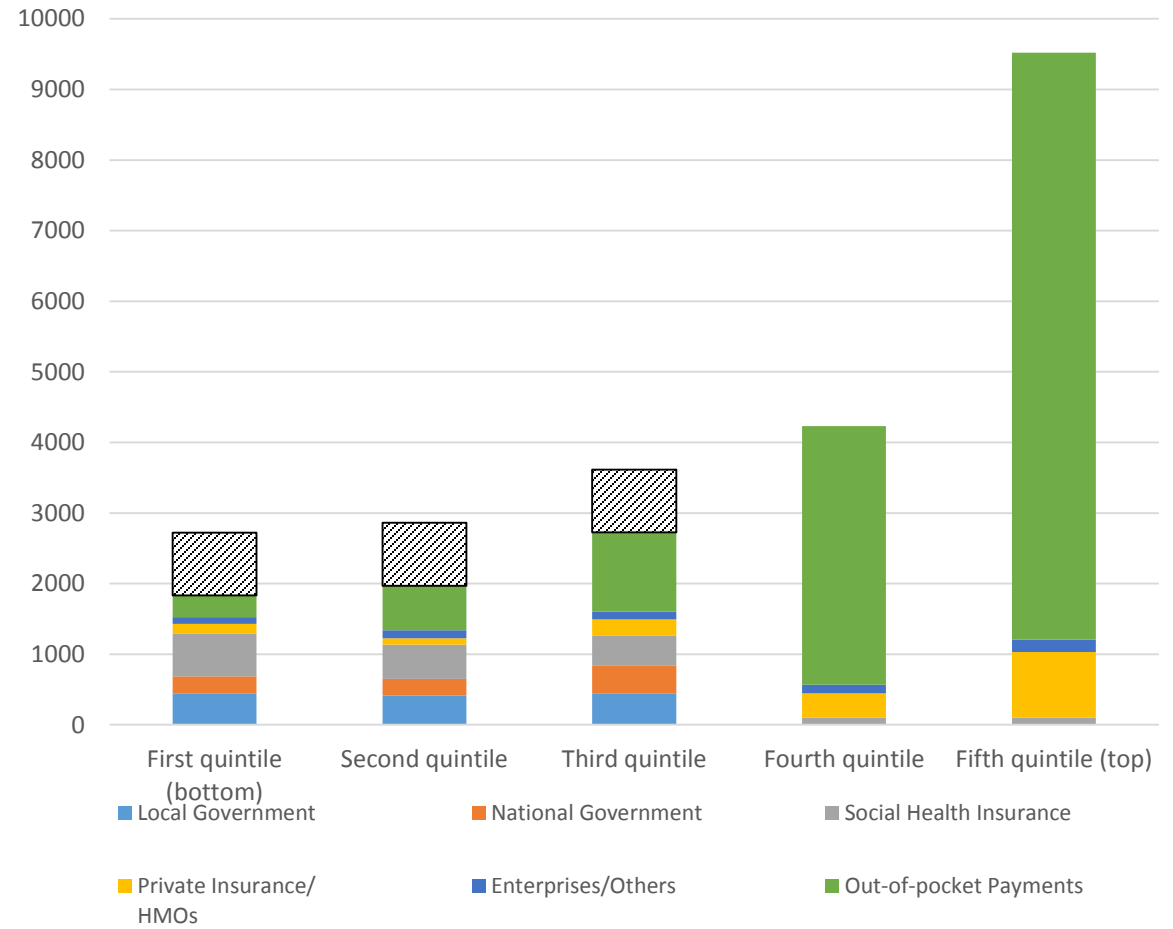
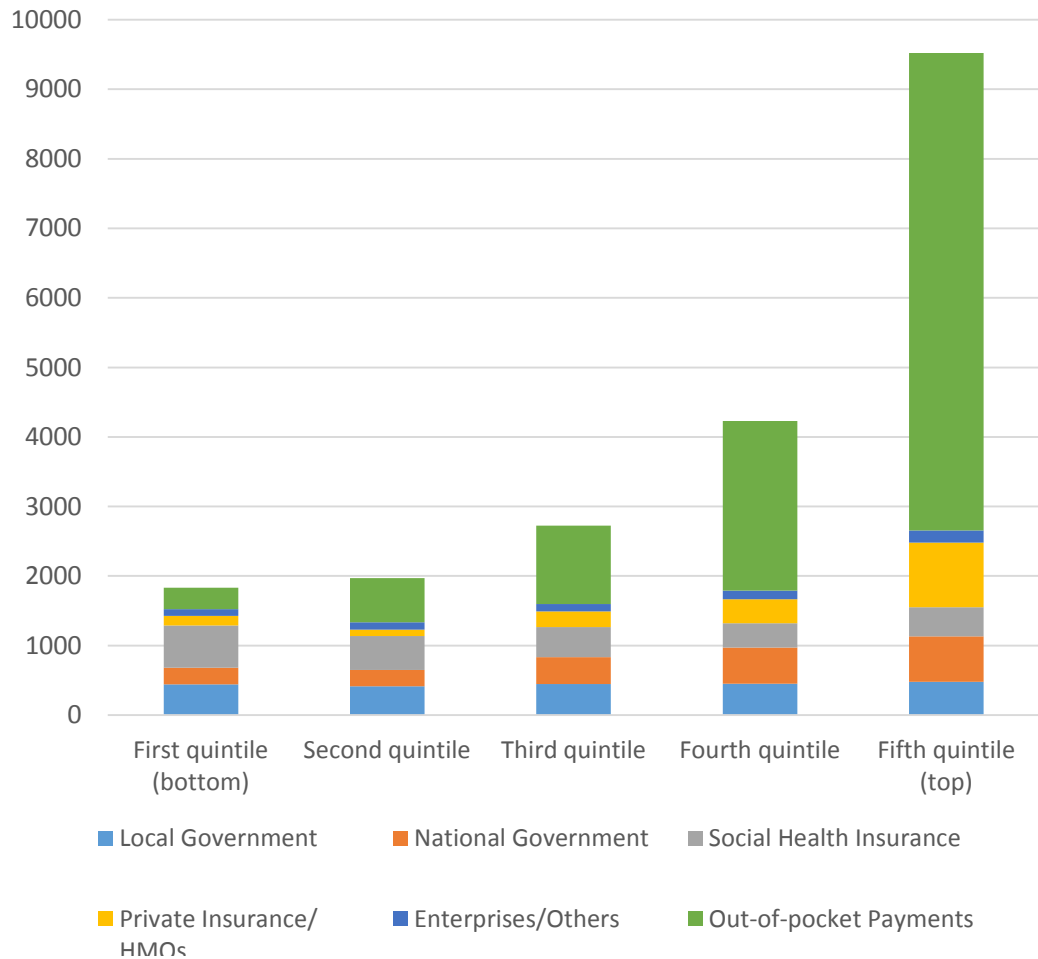
Per Capita Health Expenditures by Financing Agent and by Income Quintile, 2014
(Constant 2000 Prices)



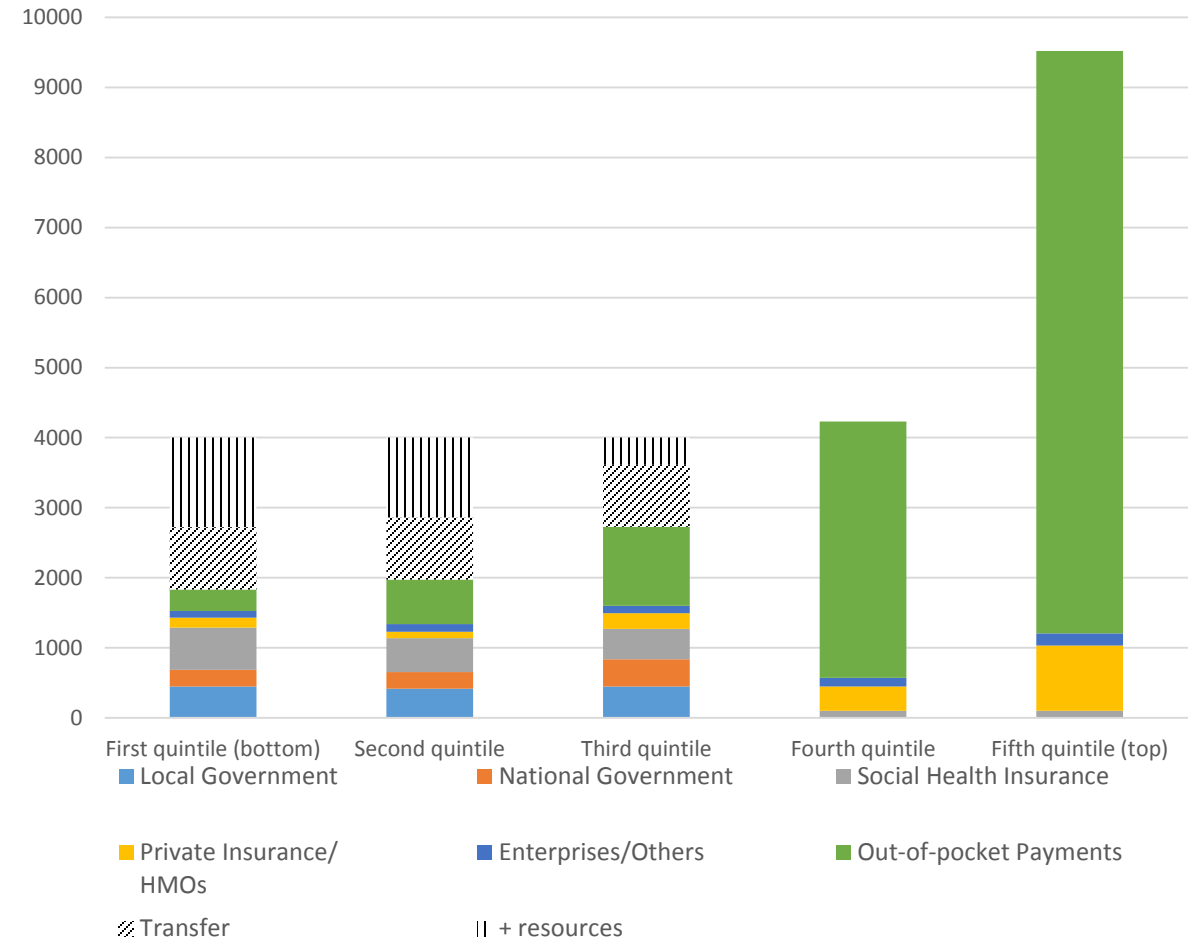
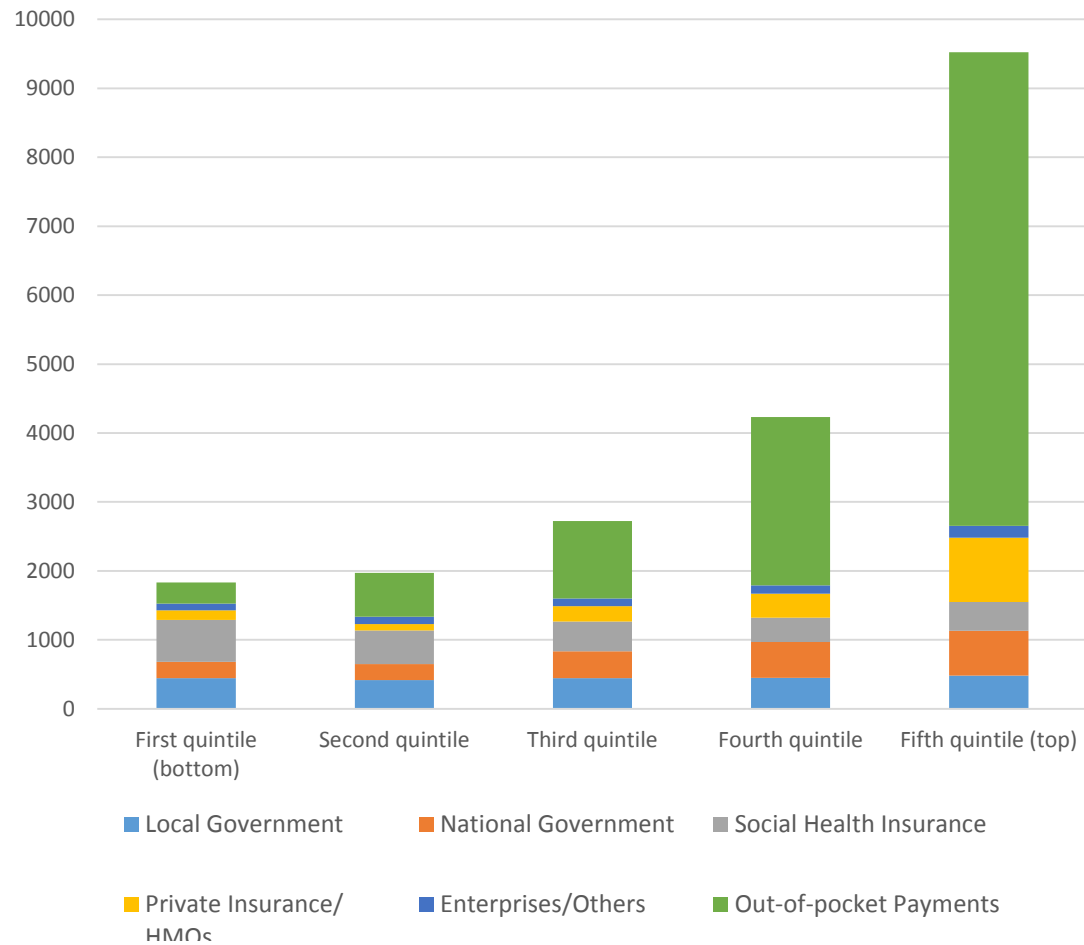
Sources: DOH/WHO NHA Project (2016)

Where do we need to be?

Where we can be, given current public resources



Where we can be, with additional resources



How do we get there?

Step 0: Watch out for stumbling blocks

Three fundamental weaknesses that would require structural change:

- Highly fragmented local health systems
- Non-competitive compensation packages for government workers
- Lack of basic information to track progress of the proposed reforms.

Step 1: Remove inequities in the way we finance public health services

- Introduce socialized pricing in government facilities
- Raise premium ceilings but possibly with lower contribution rates
- Explicitly target the poor in the distribution of centrally procured commodities
- Raise public subsidies for health as the economy grows

Step 2: Ensure that the poor have access to quality care

- Explicitly link social health insurance payments to quality, i.e., pay for performance
- Engage private providers through incentivized government procurement contracts

Outline of full Health Sector Review

1. Introduction: Objectives and Timeframe of Analysis
2. Background: Population, Health and the Economy
3. Analysis: Financing, Service Delivery and Governance
4. Analysis: Selected Health Concerns – maternal and neonatal mortality, tuberculosis, HIV/AIDS, non-communicable diseases, and injuries
5. Integrated reforms in financing, service delivery and governance
6. Reform implementation, organization and next steps

Thank You