

# **Informal Economy Segmentation Study: Towards UHC in the Philippines – Reaching and Retaining Members in the Informal Sector**

Implementing Agency: Alliance for Improving Health Outcomes (AIHO)

Cooperating Agency: Philippine Council for Health Research and Development & Philippine Health Insurance Corporation

## **ABSTRACT**

Achievement of universal health coverage in the Philippines remains a challenge especially extending coverage to the informal economy workers. This study aims to define the informal sector, identify the factors affecting their enrollment and retention in the national health insurance scheme (NHIS), and determine the appropriate method of membership for this population. Although PhilHealth claims to cover 98% coverage of all Filipinos, survey shows that only 82.4% of respondents reported that they are enrolled under the NHIS. The informal economy workers comprise 18% of total membership in the social health insurance and only 23.3% of them reported that they pay their premiums regularly. A 1,000 peso increase in gross monthly income increases the odds of enrollment by 4%. The choice of private facilities compared to public facilities also increased the odds of enrollment by 2.8 times. Those who consider themselves to be sickly were 32% more likely to be enrolled. In terms of paying premiums, those who are employed were 50% less likely to be inactive in paying premiums. While a 1,000 peso increase in gross monthly income decreases the likelihood of inactivity. The choice of private facilities compared to public facilities also decreased the odds of inactive membership by 47% ( $p=0.006$ ). Lastly, those who considered themselves sickly (sometimes, often, very often) compared to those who reported as not sickly were 52% more likely to have inactive memberships ( $p=0.054$ ). The study also developed four prototypes using the design thinking activity. The study concludes that targeting the informal economy workers instead of aiming to capture all is a better way of allocating resources that can sustain the financial pool.