

## **Towards UHC in the Philippines – Reaching and Retaining Members in the Informal Sector**

Strategies to implement Universal Health Care in the Philippines has been developed ever since the establishment of PhilHealth in 1995. This is also in complement with national health policies. At present, the Philippine Health Agenda (2016-2022) is being implemented which aims for financial protection, better health outcomes, and responsiveness. The Universal Health Care Act was also passed into law in 2019 which aims to provide all Filipinos equitable access to quality and affordable health care goods and services and protect them against financial risk.

Consistent with the enrollment and financing strategy of other developing countries, membership in the National Health Insurance Program usually commence with those who are employed and are considered capable to pay, and the identified poor population which is subsidized by the government (Bitran, 2014). However, this poses a challenge in reaching the informal sector leaving them vulnerable to health emergencies and unexpected circumstances.

The informal sector was described by the International Labor Organization as comprised of workers undertaking economic activities that are not recognized by formal arrangements. The sector accounts for 38% of the total working population and is comprised of a wide range of work classification, from self-employed professionals such as doctors or lawyers, to construction workers, ambulant vendors, agriculture laborers, and jeepney drivers, among others (Institute for Labor Studies, 2016). They generally lack the usual benefits provided to formal employees including pension, allowances, vacation and sick leaves, and health insurance and are usually exposed to income insecurity due to the seasonal nature of some of these activities (Nyorera and Okibo, 2015).

UHCA mandated automatic membership for all Filipinos and members are automatically tagged as indirect contributor – those who are sponsored and whose premiums will be subsidized by the national government. This is until they are proven capable to pay premium wherein they will be categorized as direct contributors. However, due to the diverse nature of the sector and lack of formal arrangements, there is a challenge in identifying and validating who are capable to pay. This poses a problem for the sustainability of the financial pool. Further, among those enrolled and capable to pay, the problem on irregular income also poses a challenge since missed premium contributions incur penalties in the form of interests. Considering the percentage of informal workers in the distribution of total workers, enrollment and retention of direct contributors from the informal sector would contribute to achieving UHC.

The Corporation employed several strategies previously to capture and retain members to the NHIP, in general, including group enrollment scheme and requiring regularity of premium payment to avail benefits. However, both did not fully address the issue of the informal sector due to the sector's unorganized nature and the irregular sources of income. Studies have shown that to effectively capture the informal sector, there is a need to study the factors from the demand side – factors affecting the client's need (Nyorera, 2015) and utilization (Sanhueza and Ruiz-Tagle, 2002), as well as the supply side, which should look into the current strengths of the program and weaknesses that needs to be addressed in order to cater to the needs of the sector (Bitran, 2014).

A study conducted by Salvador (2020) aimed to identify members of the informal sector in the Philippines and described factors affecting the enrollment and retention of informal sectors in the NHIP. Results showed that the wide segmentation of the informal sector is present in the Philippine context. Marketing personas were identified (Figure 1) to provide an easier reference to some of these members.

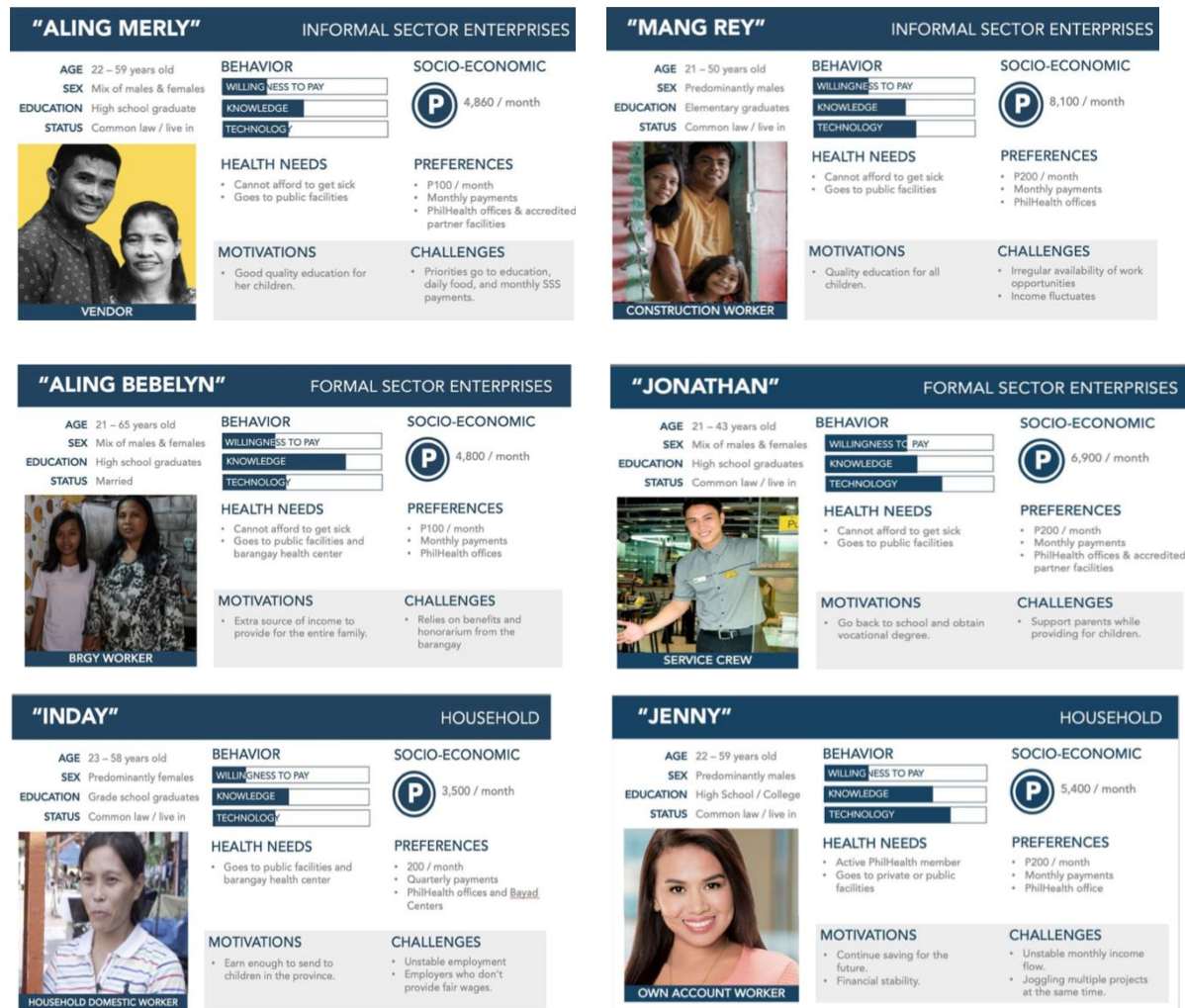


Figure 1. Marketing personas of the informal sector

According to the study, enrollment into the program is primarily affected by knowledge on financial protection and awareness of the benefits included in the Program. Non-enrolled members who are included in the study answered high premium rates and inadequate information on how to register, as well as the low awareness of the benefits that they can get from being a member affected their decision. Payment of premium contributions and retention of membership in the program was also found to be affected by the convenience (and inconvenience) of paying premiums, the amount of the premium itself, quality of services from both the PhilHealth offices and service providers, and the benefits included in the Program.

More specific factors affecting enrollment and retention were also identified, as follows:

- those with formal education are more equipped to understand the underlying notions of health policy interventions, hence, are more likely to enroll and retain PhilHealth membership
- Lack of awareness on the available benefits also affect enrollment and retention
- Civil status is also another factor that affects membership. Those who are married and separated - who are more likely to have dependents that would need health services, are also more likely to be enrolled.

- Income has a direct relationship on both enrollment and retention. Active employment further increases the likelihood of retention.
- Those who seek health care in private facilities are more likely to be enrolled and retained which could be attributed to the quality of services offered by the facility compared to public ones.
- Adverse selection can also be observed since those who perceived themselves or their family members as sickly are more likely to enroll and retain their memberships.

Several recommendations to address the challenges of enrolling and retaining the informal sector in the NHIP were identified such as improvement in the processes and modalities for premium payment, exploring partnerships, and improved information dissemination. Specific recommendations were identified as follows:

1. *Generation of Statement of Premium Accounts*  
Generation of SPAs is a strategy done by private health insurances wherein members receive a regular statement containing details of their membership and premium due for the period.
2. *Text message reminders*  
The high mobile usage of Filipinos may be utilized wherein members may be given the option to subscribe to regular premium payment reminders through text message.
3. *Providing more payment options*  
Online payment option and accrediting LGUs as collection agents could increase access points especially to those in GIDAs
4. *Repackaging the program per segment of the sector*  
Due to the wide segmentation of the sector, providing different packages based on the capacity to pay of the members could improve uptake of the NHIP among the informal workers
5. *Social media as a marketing tool*  
Due to the wide reach of social media nowadays, utilizing the platform to communicate information about the program could improve awareness
6. *Relaxing requirements for ACAs*  
Consistent with the provisions of the Ease of Doing Business Law, the process of accrediting collection agents may be revisited to be further streamlined and simplified
7. *Partnership with the private sector*  
Existing initiatives of the private sector such as reward points mechanisms in gasoline stations and supermarket chains, especially those that are usually patronized by the informal sector such as jeepney drivers, household workers, etc may be utilized. Reward points may be used to pay premium.
8. *Development of a PhilHealth application*  
A PhilHealth application that can be accessed through desktop computers or mobile phones may be developed which can provide easier access to member data records, payment notifications, and premium payment. These options will provide convenience to members and reduce, if not eliminate indirect costs of being a PhilHealth member.
9. *Advocating financial literacy*  
Lastly, participants of the study raised that PhilHealth premium contributions are usually not included in the priority for allocating financial resources among members in the informal sector. Educating the public on the importance of a social health insurance could, in the long term, increase uptake of members from this sector.

The achievement of UHC in the Philippines will only be realized once all Filipinos are given access to equitable, quality, and affordable health goods and services. Coverage of the informal sector, considering not only their contribution in the financial pool but also their increased risk from health-related financial risks due to the nature of their employment would be a great leap in ensuring health care for all.

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