

SCALING UP SUCCESSIONS & GAINS:

THE 2020 & 2021 PHILHEALTH

SUPPORT VALUE FOR INPATIENT CARE

BACKGROUND

In 2019, the Philippines passed the Universal Health Care Law with the goal of improving healthcare accessibility by automatically enrolling citizens in the National Health Insurance Program managed by PhilHealth. With 98% population coverage, PhilHealth acknowledges the need to assess its support value, which was previously estimated at 65.89%, to evaluate its effectiveness in covering healthcare costs, particularly out-of-pocket expenses. As PhilHealth is tasked with providing health protection for all Filipinos, an updated analysis is crucial, covering patient types, healthcare facilities, and the services accessed.



Support Value

It is defined as the amount reimbursed by PHIC divided by the total of the Gross Bill for the procedure less discounts received, less unclaimed costs, plus unrecorded out-of-pocket (OOP) expenditures.

OBJECTIVES

To measure the level of support value of PhilHealth against the patients' total actual hospitalization cost.

METHODOLOGY

Based on Valverde et al. (2022), a thorough analysis of the PhilHealth claims database for 2020 and 2021 was carried out, which involved breaking down and interpreting valid claims. Next, field data from patients and hospitals were examined, including interviews with patients about out-of-pocket (OOP) expenses and the validation of patient billing records in hospitals. The third phase integrated the analyses of the 2020 and 2021 claims database with patient and hospital data to determine adjusted support values. These adjusted values account for OOP expenses, as well as discounts and other financial assistance provided by various entities to reduce hospital bills.



KEY RESULTS

The **unadjusted support value** (SV) increased from

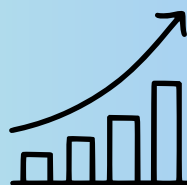
43.58%
(2020)



56.80%
(2021)

With **adjusted SV accounting for out-of-pocket (OOP) expenses**

33.02%
(2020)



40.88%
(2021)

Finally, the average rates of **avilment** were

84.48%
(2020)



85.60%
(2021)



RECOMMENDATIONS



Firstly, the policy recommends implementing a regular and periodic review of reimbursement rates, taking into account external factors such as the COVID-19 pandemic and global events that affect inflation.

Secondly, to improve affordability, policies should prevent hospitals from pressuring patients to purchase medications outside the hospital and explore collaborative procurement models, particularly for smaller hospitals, to reduce the risk of medication wastage or expiration.



Lastly, the study suggests enhancing financial protection mechanisms by expanding health insurance coverage and revising benefit packages to include essential services, preventive care, and cost-effective interventions.

