

PHILHEALTH SHARE RATIO STUDY

A National Survey of PhilHealth's Share on Revenues of Government Hospitals from 2011 to 2017



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Rationale and Significance

Anecdotal evidence point out that PhilHealth reimbursements constitute already a large chunk of the funding of government hospitals. While this has yet to be substantiated, this serves as a viable area to influence hospitals to deliver better care. Studies have yet to be conducted on the share of revenue from PhilHealth over total revenue from all possible sources of income of hospitals, comparison between financial ratios before and after implementation of the case rate system, and how the payouts from PhilHealth are utilized and distributed. **Addressing this gap in current literature will help PhilHealth see the diversity of practices in different areas and consequently, develop policy recommendations and enforce standards which can aid in quality improvement of government hospitals.**



Objectives

This study analyzed financial

reports of government hospitals to quantify the financial influence of PhilHealth. It assessed the leveraging power of PhilHealth as a purchaser of healthcare services by estimating how much of government hospitals' revenues are paid by PhilHealth.



Methods

This study employed a sequential

explanatory research design. The quantitative phase involved collection and analysis of financial statements and fund utilization reports to calculate and describe PhilHealth share ratio and fund utilization per region, level and category of hospital, and period (pre-CRS and CRS). Moreover, reimbursement data from PhilHealth and data from OHSRS were collected, reviewed, and analyzed. The qualitative phase was done to elicit explanations on data recording and reporting, gather opinion of government hospital stakeholders on the quantitative data collected, explain the trends seen in the available quantitative data, and explain how the funds from PhilHealth reimbursement claims are utilized by the facilities.

Major Findings



The general trend across all hospitals is an increasing ratio of PhilHealth-derived revenues over total revenues when the case rates payment scheme was implemented starting in 2014. However, the increase in the median of ratios in Level 1 hospitals from 2011 to 2013 (prior to case rates payment scheme) is generally higher compared to Level 2 and Level 3 hospitals, except in NCR where Level 2 demonstrated the highest increase in range and median values.

Reporting of Financial Statements



Financial statements are either prepared by the hospitals or by the local government office. **Responses revealed a lack of uniformity in how financial statements are prepared, sources of revenues, and how revenue is defined between the hospitals.**

Management of PhilHealth Funds



The hospitals also vary in how they utilize their PhilHealth funds, whether for professional or facility fees. They also follow different guidelines in the management and utilization of PhilHealth funds.

Effect of PhilHealth Revenues



Majority of the respondents found PhilHealth revenues as beneficial to the hospital. Some hospitals rely on their PhilHealth revenues for most of the hospital expenses. The most prominent effect is the improved capacity to purchase medicines and equipment.

Effect of Case-Rate System (CRS)



Most participants' revenues generally increased after the implementation of case rate system due to higher total PhilHealth revenues. In most Level 2 and 3 hospitals, the case rate system had increased the amount of reimbursement claims and hence their revenue. However, it also resulted in higher hospital expenses.

Implementation of E-claims



E-claims decreased revenues of three hospitals during 2017, mainly due to increase in "returned" claims. Hospitals initially had difficulty during the transition period, however they were able to adapt eventually. There were also problems on internet connectivity in some hospitals resulting to delayed processing of claims.

Online Hospital Statistical Reporting System (OSHSRS)



Majority of those interviewed refuted the data in the OSHRS because of being unaware or not participating or submitting reports. Majority of the participants have no trained staff on the OHSRS and do not follow standard operational procedures.

Policy Recommendations



Practice regular periodic monitoring and evaluation of health information to better inform policy decisions that should be implemented



Strengthen internal capacity in PhilHealth as an essential component of hospital reforms, including the the establishment of a consistent and regular reporting of financial data



Implement further studies to include assessment of private hospitals and compare differences between public and private hospitals.



Revisit the implementation of PhilHealth Enterprise Architecture (EA), adopted after DOH EA, to guide the development of health information systems