



Informal Economy Segmentation Study: Towards UHC in the Philippines - Reaching and Retaining Members in the Informal Sector

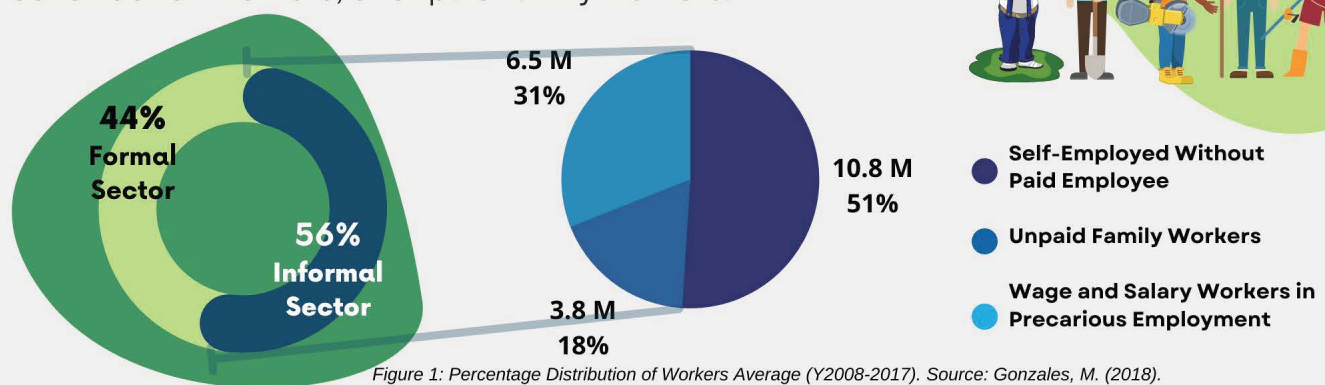
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The **informal sector** is a group identified as the "missing middle" essential to be covered and retained in the National Health Insurance Program (NHIP) to achieve Universal Health Care (UHC). The **informal economy workers** are independent, self-employed, small scale producers, and distributor of goods and services.

Total Employment: 37.6 M Filipinos

Formal - 16.5 M | Informal - 21.1 M

Members of the informal sector may range from professionals i.e. doctors and lawyers to minimum/below-minimum wage earners which include ambulant vendors, fishermen, jeepney drivers, agriculture laborers, construction workers, or unpaid family workers.



Factors Affecting PhilHealth Membership

Demographics of All Survey Respondents: **5,302 respondents**



3 out of 4 respondents are women



60% are married

median age:

45

education: sample is concentrated in the elementary (30.5%) to high school (42.4%)



PhilHealth enrollment:

✓ 82.4% ✗ 17.6%

96% of those not enrolled expressed their willingness to join PhilHealth

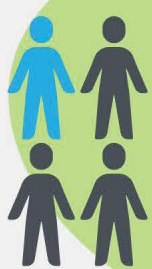
Reasons for Enrollment:

- Financial protection against illness 67.3 %
- Good benefits 39.4 %
- Less out of pocket payment 28.1 %
- Encouraged by others 12.0 %
- Job requirement 12.0 %
- Others 16.5 %

Reasons for Non-Enrollment:

- Affordability 37.2 %
- Lack of information on enrollment 25.0 %
- Unaware of PhilHealth benefits 18.8 %
- Lack of information on payment 8.3 %
- Lack of information on health insurance 7.4 %
- PhilHealth package is not sufficient 4.4 %

Factors Affecting Payment and Retention



Survey results show that **only 1 in 4 are retained members** and pay their premiums quarterly at PhilHealth.

- Convenience of payment
- Amount of premium
- PhilHealth benefits and coverage
- Lapsed contribution
- Quality of services of PhilHealth and health facility
- Knowledge of PhilHealth benefits

Recommendations

- Premiums should be custom fit to their capacity to pay.
- Tiered payment scheme where government shares the burden of the premium with informal workers.
- Progressive payment scheme where higher earning informal workers contribute higher premiums.
- Quarterly payment schedule to reduce indirect costs related to premium payment.
- Text message reminder to encourage continuous payment of contribution.

"It is important not to assume that all informal workers can pay their premium or, inversely, that they are too poor to prepay for health care."