

Fraud-Free Health Financing

POLICY BRIEF

Rationale



The basic functions of a health financing system are revenue collecting, pooling resources, and purchasing of goods and services. Under the Universal Health Care Act, all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk.

For universal health care to achieve its goal, several factors must be in place, including: a strong, efficient, well-run health system that meets priority health needs; a system for financing health services to prevent people from falling into bankruptcy; access to essential medicines and technologies; and a sufficient number of well-trained, motivated health workers to provide the services.

Argument



PhilHealth has been at the center of widespread controversies and scandals over the years. From allegations of corruptions, irregular benefit claims, ghost patients, diverted premium payments and the controversial implementation of advance payments to health care institutions through the Interim Reimbursement Mechanism (IRM) during the Covid-19 pandemic. This put into question the readiness and preparedness of the agency in implementing the reforms under the Universal Health Care law. While fraud is inherent to any national health system, even in developed countries, and it may be said that it is impossible to achieve a fraud-free health financing system, however, protecting the National Health Insurance Fund must be at the highest degree possible.

Policy recommendation

Improving PhilHealth governance



Management is responsible for the detection and prevention of fraud, misappropriation, and other irregularities. An integrated, robust and harmonized information system may help in dealing with systemic fraud that is causing the agency to lose billions of pesos a year. The organization must institute reforms to be more responsive and proactive in the early detection of irregular practices not just of health care providers but also members, employers and even PhilHealth officials and employees.

The Corporation should be well advised to establish some form of internal evaluation process, which would look at the successes and failures of initiatives, and draw lessons from this for future planning and projects.