

# Group 2



## POLICY BRIEF

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# IMPACT OF IMMEDIATE ELIGIBILITY TO THE WILLINGNESS TO PAY OF THE SELF EARNING INDIVIDUALS

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### Introduction

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A healthy population is vital to any nation because it leads to a productive workforce. With the enactment of the National Health Insurance Program, the aim is to provide health insurance coverage and ensure accessibility of health care services to all Filipinos. Like, any health care system in place, health financing is very important in seeing to it that there are adequate financial resources to ensure that Universal Health Care for all is attained and sustained.

Upon effectivity of Republic Act (RA) No. 11223, also known as "the Universal Health Care (UHC Act) and its Implementing Rules and Regulations, the eligibility rules governing benefit availment transitioned from compliance to requiring qualifying contributions to immediate eligibility. RA 11223 effectively repeals Section 12 of RA No. 10606 and removes contribution-based eligibility rules in benefit availment.

According to the PHIC Policy Brief 2021-01 issued on April 30, 2021, government's goal of achieving the universal health coverage is now made more possible by the immediate eligibility clause of the UHC Act. However, PhilHealth must balance the welfare of members and the sustainability of the Program. As the premiums of the employed and subsidized groups are assured through the employer-based arrangements and tax-financing schemes, the important point of focus now is sustaining payment of contributions by self-earning individuals. They are also referred to as the "Missing Middle" or group of individuals that are not fully or partially subsidized by the government or employer. Based on the Universal Health Care Act of 2019, they are required to pay the fixed premium based on their income level. Nonpayment of premiums will not deprive them from availing health care benefits and services but would entail payment of penalties not to mention the long-term effects on the fund sustainability of unpaid premiums.



PhilHealth is now faced with the challenge of how to operationalize immediate eligibility, balancing the interest of members with ensuring the sustainability of the program.

## Methods

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### Study setting, sampling, and data collection

Our study utilized a general survey as its primary source of feedback. The survey consisted of 32 questions spread across 4 areas: Demographics, Membership Status, Member's Benefits, and Membership Awareness. Also attached to each survey questionnaire is an Informed Consent for participants to volunteer their participation freely, without threat or undue coaching. Our participants were also provided with information to help them decide whether to participate or not.

A total of 426 respondents were gathered from the areas of Central Luzon and the CARAGA region. We requested for an extraction of data from the regional ITMS. Data extracted included the number of actively paying self-earning individuals from January to September 2022. The total number of actively paying individuals constituted 234,800. The Slovin's formula was used to get the total respondents which is used to calculate the sample size (n) given the population size (N) and a margin of error (e). -It is computed as  $n = N / (1 + Ne^2)$ . A retrieval rate of 20% was added which corresponds to 460. However, only 426 survey questionnaires were retrieved.

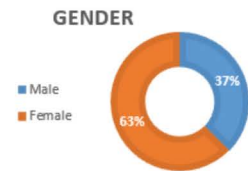
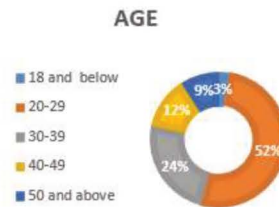
To facilitate the gathering of information, the questionnaires were handed over to the Local Health Insurance Officers (LHIO). LHIOs were in a more optimum platform to conduct surveys as they had direct interactions with the target respondents of the said survey. Given their relative access to members and their location, LHIOs could provide better diversity and substance to the data.



# Results

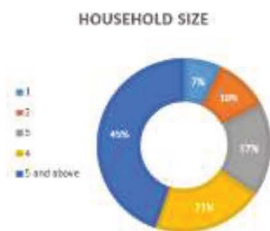
## Individual demographic status

Majority of the 426 respondents belong to the 20-29 years old age group, which is at 52%. Followed by the 30-39 years old age bracket at 24%. Only 9% of the respondents come from the 50 and above age group.



Most of the respondents are Female at 63% while the remaining 37% are male. This means that for every 10 respondents, 6 of them are female and only 4 are male. This proves to show that Female are more attentive to the health status and safety of their family members.

On Civil Status, 56% percent of the respondents are Single, while 34% are married and 7% are living with their common law partner.

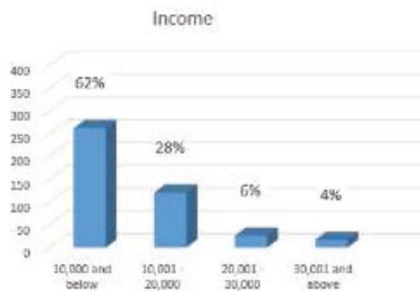
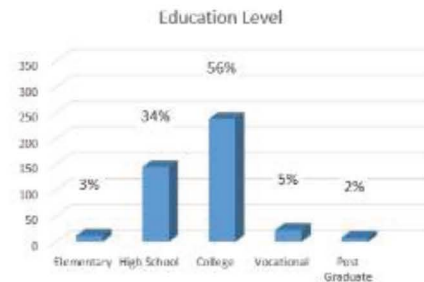


Most of the respondents belong to a household size of 5 members and above at 45%; while 21% of the respondents belong to household size of 4. The household size 1 and 2 represents the minority at 7% and 10% respectively.

In summary, majority of our respondents belong to the 20-29 years old group, Female, Single and with more than 5 members in their household.

## Socio Economic Status

Majority of the 426 respondents have attained at least College Education which translate to 56%, followed by High School graduates at 34%. Respondents with Post graduate education is the lowest percentage at 2%.



Most of the respondents belong to the 10,000 and below salary bracket at 62%, while only 4% of the respondents belong to the 30,000 and above income range.

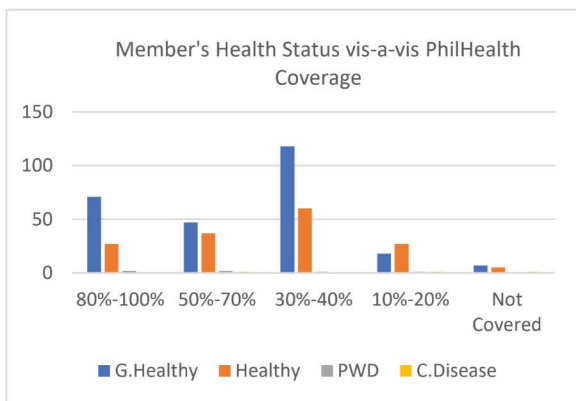
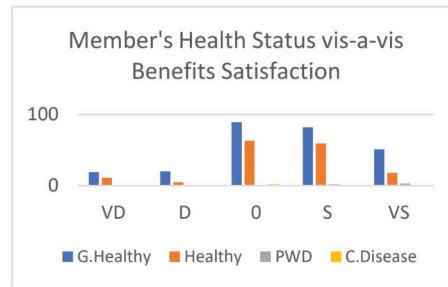
On source of Income based on occupation, 37% percent of the respondents are Skilled workers, while 34% of the respondents sourced their income from Business/Vendors and only 5% are self-practicing professionals.



In general, majority of our respondents are College graduates with 10,000 and below income, and who are skilled workers.

## Member's Perspective on Benefits

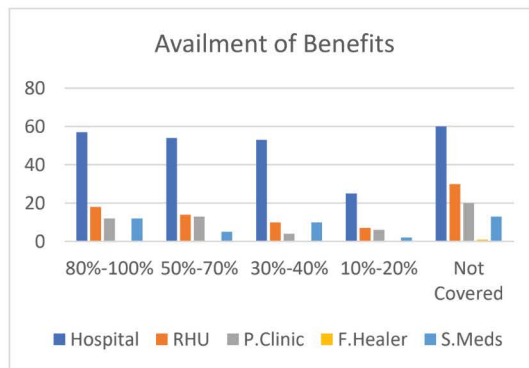
On the respondents' health status vis-à-vis benefits satisfaction, Survey results show that of the 426 respondents, 97.89% or 417 members are generally healthy. Of the 417 respondents, 86.85% rated PhilHealth benefits as sufficient.



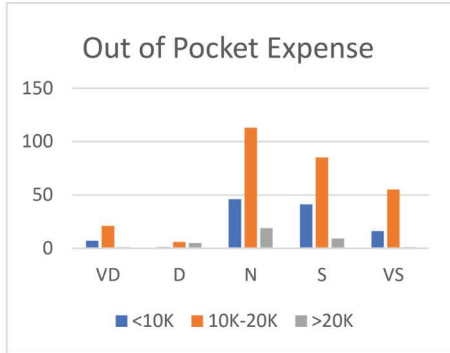
On the respondents' health status vis-à-vis PhilHealth coverage. The study found out that 96.95% or 413 respondents believe that their medical conditions were sufficiently covered by PhilHealth benefits. Of these, 187 respondents or 45.28% were able to get 50% to 100% PhilHealth coverage. While the remaining 226 respondents or 54.72% were able to

get 10% to 40% PhilHealth coverage.

On the respondents availment of benefits, the study shows that 302 respondents or 70.89% were able to avail PhilHealth coverage in health care institutions. While the remaining 124 respondents or 29.11% stated that their medical condition was not covered by PhilHealth.



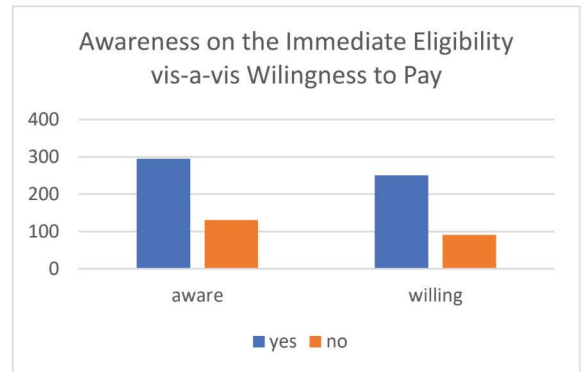


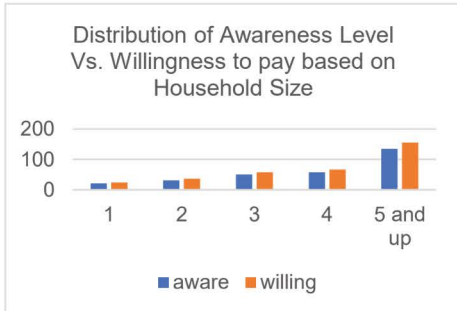


On the respondents out of pocket expense, Study shows that 391 respondents or 91.78% shelled out P20,000 .00 and below as out of pocket expenses during confinement. Of these, 280 respondents or 72% had an out of pocket expense ranging between P10,000.00 to P20,000.00

### Member’s Awareness on Immediate Eligibility

On member’s awareness compared to member’s willingness to pay, the study found out that 69% or 295 respondents are aware that with the signing of RA 11223 or Universal Health Care (UHC) Act into law, Filipinos shall be granted immediate eligibility even without sufficient premium contribution. Of these, 251 or 85% are still willing to pay their premium contributions despite the provision. Further, 191 respondents or 31% are not aware of the immediate eligibility but still, 91 of them or 27% are willing to pay their premium contributions.

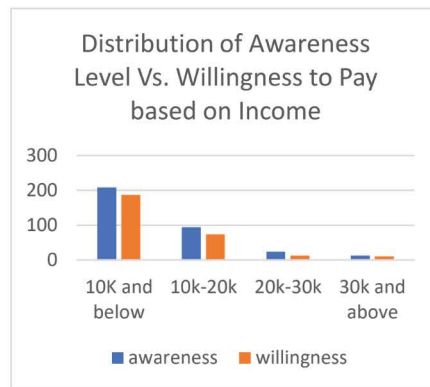




On member's awareness compared to member's willingness to pay based on household size, shows that the awareness level and willingness to pay of the respondents are directly proportional to the household size of the respondents. As the number of household size

increases, the same is true to the awareness level and willingness to pay. This may be attributed to the value of shared risk among family members that is why they are more willing to pay if the family size is bigger.

On member's awareness compared to member's willingness to pay based on income, shows that 49% of the respondents under Income bracket 10K and below are aware of the immediate eligibility rule while only 3% of the respondents under the 30K and above bracket are aware of the said provision. Respectively, 44% of the respondents under income bracket 10K and below are willing to pay despite the provision on immediate eligibility while only 2% under the 30K and above income bracket are willing to pay. It can be noted that the higher the income bracket the lower the willingness to pay of the respondents. This can be attributed to the 4% of the income to premium contribution of PhilHealth.

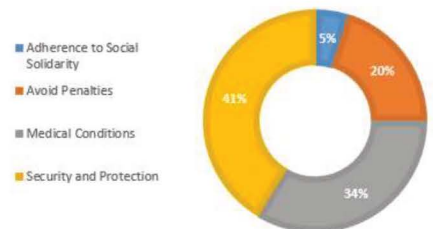




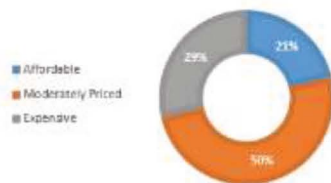
## Other Significant Factors

On the factors that could motivate the respondents to pay their premiums, survey results show that 200 respond or 47.28% are motivated to pay their premium because of security and protection. While 130 respondents or 30.73% will pay for their premium due to their medical condition. The remaining 21.99% are motivated to pay to avoid penalty and because of the adherence to the principle of social solidarity

**MOTIVATIONAL FACTORS**



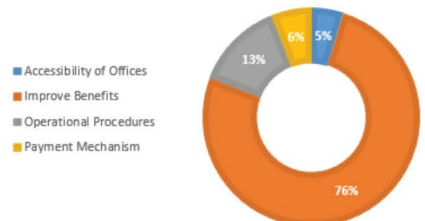
**AFFORDABILITY OF PREMIUM**



On the affordability of the PhilHealth monthly premium rate, survey results show that half or 50% of the respondents find the PhilHealth premium moderately priced. while 29% of them have answered that the PhilHealth monthly premium rate is expensive. Only 21% of the respondents find the premium rate affordable. Currently, the monthly premium rate for self-earning individuals is pegged at 4% of their monthly income with a floor income of Php. 10,000.00 translating to a monthly premium contribution of Php. 400.00 and the ceiling income is Php. 80,000.00 or Php. 3,200.00 per month.

On the areas for improvement to further entice respondents to pay their premiums, the study shows that respondents will continue to pay their premium payment based on the following: improvement of benefits 76%; simplified operational procedures of PhilHealth 13%; payment mechanism 6% and accessibility of PhilHealth office 5%.

**AREAS FOR IMPROVEMENT**



## Recommendations

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The impact of the immediate eligibility rule to the willingness to pay of self-earning members does not have a great effect on the payment behavior of members. Survey results show that 69% of the respondents were aware of the immediate eligibility rule and of these, 85% are still willing to pay the premium contribution.

The following are the group's recommendations:

- Expand the benefit coverage of self-paying members as incentive to encourage them to pay the premium in accordance with the premium schedule per UHC law. It can be observed that the amount of benefit packages was pegged since 2014 during the introduction of the case rate system in benefit payment. It is high time to re-evaluate the applicability of the benefit packages considering the high cost of hospitalization and Professional fees specially during this time of Pandemic and the current inflation rate. This is for the PhilHealth members, not just the self-earning individuals, to truly appreciate the support value of PhilHealth in financial risk protection.
- Improve other program benefits similar to private insurance and HMOs mainly through primary care to make PhilHealth a priority to this segment. Inclusion of specialized benefits in the Konsulta program and to pursue PhilHealth Plus program can be considered as an option too.
- Conceptualize and implement IEC plan including marketing strategies for self-paying members. A unique approach is necessary to capture this type of members. Unlike indigents and employed members, self-earning members are fragmented thus, forum, Alaga Ka, or any conference seldom work out for them. It is imperative to tap social media platforms as the main channel to effectively connect with this segment.



- Develop a material that is more likely akin to a contract that will serve as a guide for self-paying members. The material should include benefits, responsibilities, schedule of payment, payment mechanisms and penalties among others.
- Review, a thorough study, and make representation for the possible revision of the provision of the law regarding premium rate contributions to consider affordability of premium rate since most of the self-earning individuals pay the entire amount without any employer counterpart or government share.
- Considering the implementation of the 4% monthly income for premium and a yearly increase of 0.5% per annum, regular payment contribution can be a challenge. Provision of access to various payment channels and online payment will be beneficial to both the member segment and PhilHealth.
- Issue policy for the institutionalization of the installment arrangements on arrearages incurred by self-earning members. A flexible payment terms must be considered in order to sustain regularity of premium payment contribution from this segment.
- A further research should be done to conduct the said study. Survey should expand to a more randomized sample since there was a Convenient Sampling in the selection of the sample size. Future researchers may opt to conduct survey in the market, transport terminals and the likes where ample size of the self-earning individuals may be captured.
- Lastly, to conduct further study on the possibility to set maximum limit of avilment under the immediate eligibility feature of the UHC to avoid abuse of the said provision in benefit avilment without regular payment of premium contributions and compromising the program's financial viability.





**Kalsada nga  
may coverage...  
Kalusugan pa  
kaya?**

**Kaya magpa miyembro  
ka na sa **PHILHEALTH****

**“ Benepisyong  
Pangkalusugang  
Sapat at De-kalidad  
para sa Lahat ”**

 **PhilHealth**  
*Your Partner in Health*

 **UNIVERSAL HEALTH CARE**  
ASSOCIATION OF MEMBER STATES OF PHILHEALTH