Linkages between Statutory and Community-based Organizations
Primary Care  Secondary Care  Tertiary Care

Private Insurance

PhilHealth Indigent Members

Micro Insurance

Regular PhilHealth Member
PhilHealth
(Philippine Health Insurance Corporation)

- MEDICARE 1969
- Administers the National Health Insurance Program since 1995
- Hospitalization, some out-patient surgeries, hemodialysis, chemotherapy maternity care, TB-DOTS, Out-patient Benefit Package (for indigents), SARS, Avian Flu & HIV/AIDS Package
- Mandate of universal coverage by 2015
  - As of December 2005, there are 13.42 million members approximately covering 54.60 million beneficiaries or 64% of the Philippines’ total population
- 1,574 hospitals (40% public), 20,000 professionals, 1,200 out patient clinics
PhilHealth’s Membership Programme

- Employed
- Individually Paying Program
  - Self-employed
  - Overseas migrant workers
- Indigent Program
- Non-paying (retirees)

<table>
<thead>
<tr>
<th></th>
<th>Members, millions</th>
<th>Beneficiaries, millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Employed</td>
<td>8.3</td>
<td>61.8%</td>
</tr>
<tr>
<td>Government Sector</td>
<td>1.85</td>
<td>13.8%</td>
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<tr>
<td>Private Sector</td>
<td>6.45</td>
<td>48.1%</td>
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<tr>
<td>Individually Paying Members*</td>
<td>2.44</td>
<td>18.2%</td>
</tr>
<tr>
<td>OFWs</td>
<td>0.55</td>
<td>2.6%</td>
</tr>
<tr>
<td>Sponsored Members</td>
<td>2.49</td>
<td>18.6%</td>
</tr>
<tr>
<td>Non-paying Members</td>
<td>0.2</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total</td>
<td>13.42</td>
<td></td>
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</tbody>
</table>

*includes OFWs
Indigent Program
PhilHealth

- Covers the poorest population (25%)
- LGU and national government share in paying the premium of Php1200.00
- Members entitled to all benefits plus an out-patience benefit package to be availed in government out-patient clinics
  - LGU gets a capitation of PHp300.00 for every member family enrolled in OPB Package
## Schedule of Premium Contribution

<table>
<thead>
<tr>
<th>LGU Income Classification</th>
<th>YEAR</th>
<th>National Government Share</th>
<th>Local Government Unit Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>Php</td>
</tr>
<tr>
<td>1st to 6th city and 1st to 3rd municipality</td>
<td>1st onward</td>
<td>50</td>
<td>600.00</td>
</tr>
<tr>
<td>4th to 6th municipality</td>
<td>1st and 2nd</td>
<td>90</td>
<td>1,080.00</td>
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<tr>
<td></td>
<td>3rd</td>
<td>85</td>
<td>1,020.00</td>
</tr>
<tr>
<td></td>
<td>4th</td>
<td>80</td>
<td>960.00</td>
</tr>
<tr>
<td></td>
<td>5th</td>
<td>75</td>
<td>900.00</td>
</tr>
<tr>
<td></td>
<td>6th</td>
<td>70</td>
<td>840.00</td>
</tr>
<tr>
<td></td>
<td>7th</td>
<td>65</td>
<td>780.00</td>
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<tr>
<td></td>
<td>8th</td>
<td>60</td>
<td>720.00</td>
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<tr>
<td></td>
<td>9th</td>
<td>55</td>
<td>660.00</td>
</tr>
<tr>
<td></td>
<td>10th onward</td>
<td>50</td>
<td>600.00</td>
</tr>
</tbody>
</table>

Source: IRR 2004, NHIP
Linkage

- **LGU – Community members**
  - Members of the community who can afford to pay a portion of LGU’s share
  - Allows the LGU to sponsor more members from the community & members have lower premiums
- **LGU – Community organizations**
  - Negotiations between LGUs and CBOs
  - More efficient
  - Complementation of benefits particularly for those CBOs that operate a HMIS
- **LGU-Community Organizations-Corporations**
  - Corporations/businesses support members to Indigent Program
Individually Paying Program
PhilHealth

- Member pays Php 1,200 per annum regardless of income
- 2.4 million members registered, 0.5 million actively paying = ADVERSE SELECTION
LINKAGE

Voluntary membership of community organizations
- Payment schemes that may be favorable to CBO members developed
- Usually informal sector groups, non agricultural

Savings for Health
- Year 1: Private corporations pay for premiums, members begin to save for next year’s premium
- Year 2: Sharing of premiums by members and corporations
- Year 3: Members pay full
- Department of Agrarian Reform continuously supports enterprise development of members
Linkage

- PhilHealth Organized Group Interface (POGI)
  - Cooperatives acting as agents
  - Commissions for every new member recruited and for every premium paid
    - Php 10 for every new member
    - 1% - 3% of premiums collected depending on mode of payment
      - Annual premium gets 3% commission
Results of POGI

- 15% coverage = **VOLUNTARY MEMBERSHIP**
  - LOW AWARENESS OF THE PROGRAM
  - INFLEXIBILITY OF PAYMENT SCHEDULES
  - LOW FINANCIAL PROTECTION
  - COMPETED WITH ANOTHER PHILHEALTH PROGRAM

- 3% renewal rate = **PREMIUMS WERE PAID THROUGH LOANS**
  - INTEREST OF 1.5% - 2% PER MONTH = PHP 1,416 to PHP 1,448 per year

- **Commissions** are not enough to cover promotion of PhilHealth to members

- **Operational problems**
  - Poor MIS – could not identify members who are entitled to other benefits
  - Lack of accredited health providers near area of residence
  - PhilHealth staff lack the capacity to deal with CBOs
Linkage

- **KaS API**
  - Supposed to be an improvement of POGI
  - Targeted bigger groups
  - Group should at least have 1000 members
  - Principle of group enrollment
    - Premium discounts given to CBOs depending on the number of members enrolled
      - Php77 – Php117 per member enrolled
  - PhilHealth developed a membership software
Initial results

• CBOS are interested to join the program: MFIs, cooperatives, rural banks
  • Leaders recognize the need to protect its members against sickness

• Difficulty for CBOs in reaching minimum number of enrolled members = LOW AWARENESS, previous experience with PhilHealth, paying premiums is an additional burden to potential members, members could not produce required documents

• Finding resources to pay premiums is a challenge for CBOs
Initial results

- CBOs set their minimum number of qualified members to 1,000 so they could avail of the discount
- CBOs can pass on the discount to their members or keep them to cover for expenses incurred
  - Some say discounts are not enough
- There is on-going experiment with an MFI (Green Bank) that would determine effects of PhilHealth membership to its general membership
  - Automatic membership, voluntary membership, no intervention
Facilitating Factors
- Legal basis
- Political will
- Willingness of community organizations to work with government

Hindering Factors
- Availability of quality service

Challenge
- Working relationship between government agencies and community organizations
Other Linkages

- Social Security System
  - Voluntary contribution of members through community organizations
  - “Easy Payment System”
    - Small incremental deposit in participating banks
    - Very limited access, only urban communities
    - Unsustainable