

Long-Standing Woes on Philippine Healthcare

Alejandro N. Herrin

New S-Curves to Long-Standing Woes

2019 Social Innovation Forum

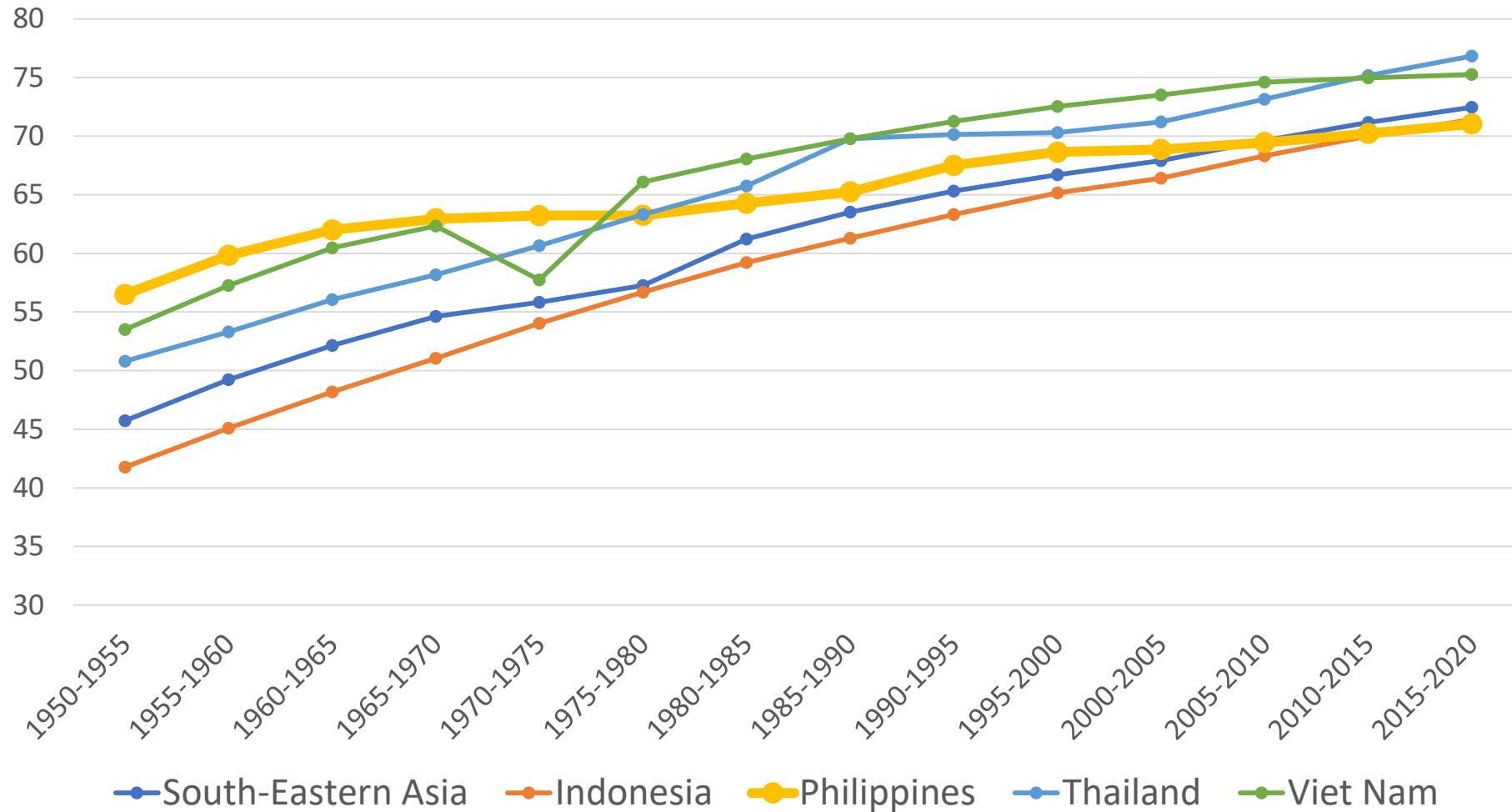
Hotel Jen, Pasay City

November 12, 2019

Health outcomes: back to the future

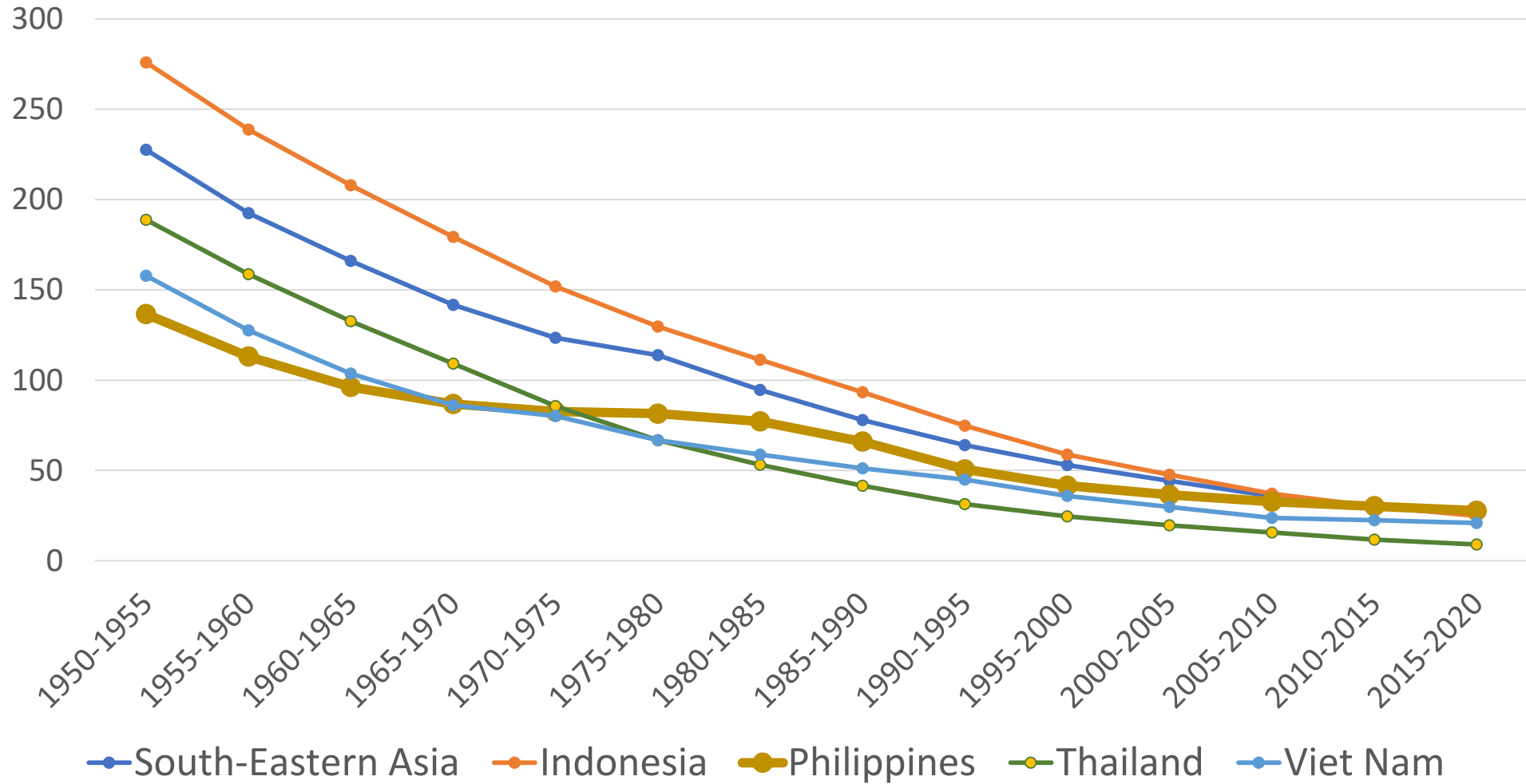
- Life expectancy at birth
- Child mortality (under-five)
- Maternal mortality
- Child malnutrition
- Fertility

Life Expectancy at Birth, Both Sexes



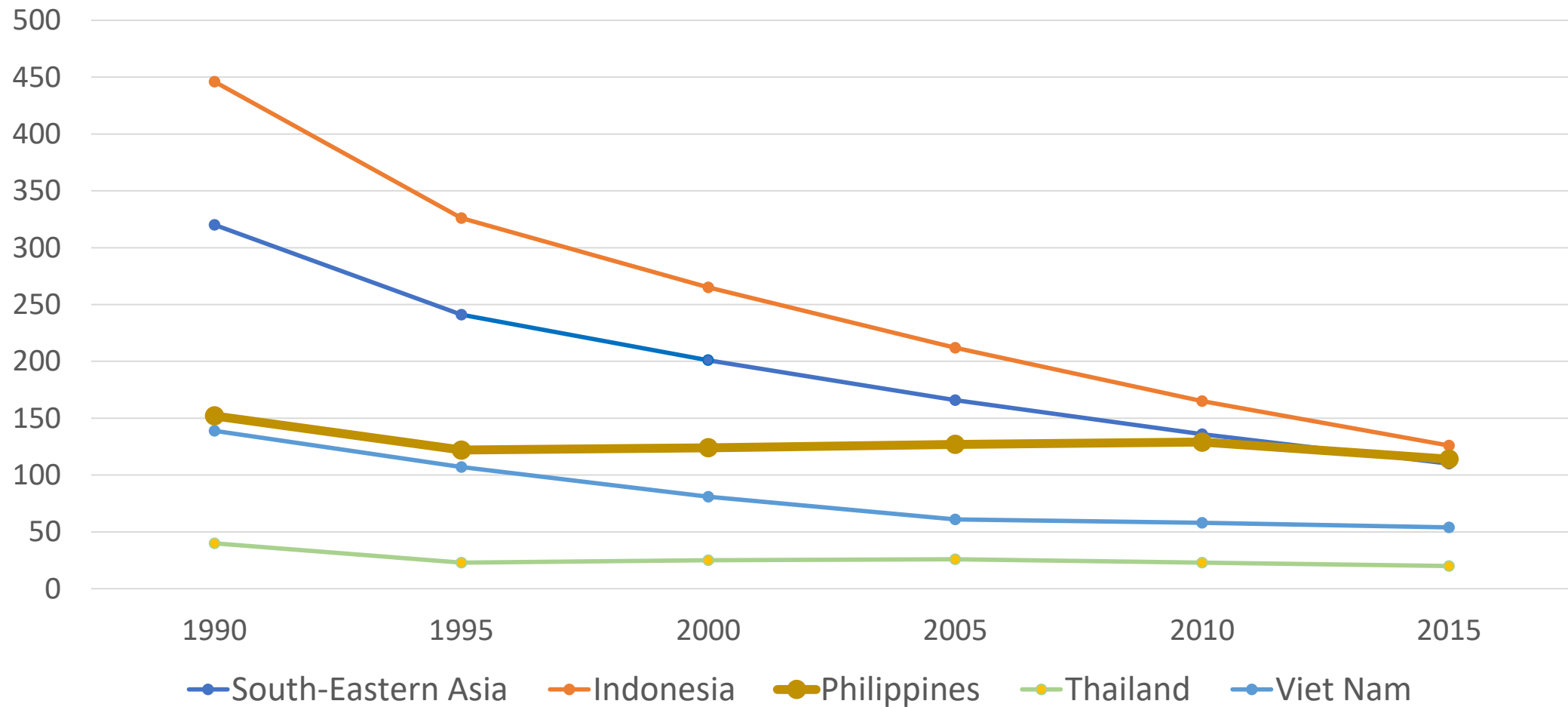
Source: United Nations, World Population Prospects 2019

Under-five Mortality (Deaths per 1,000 Live Births)



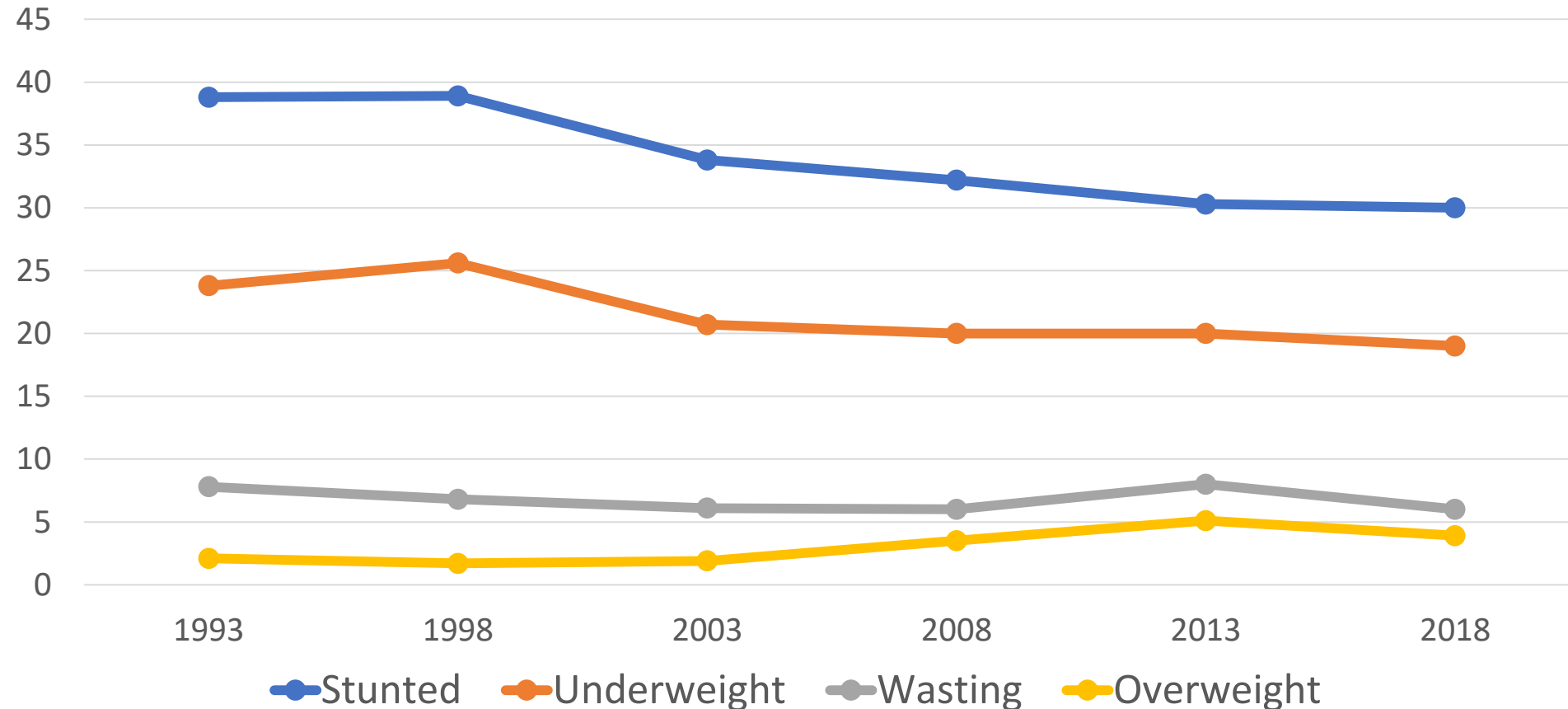
Source: United Nations, World Population Prospects 2019

Maternal Mortality (Deaths per 100,000 Live Births)



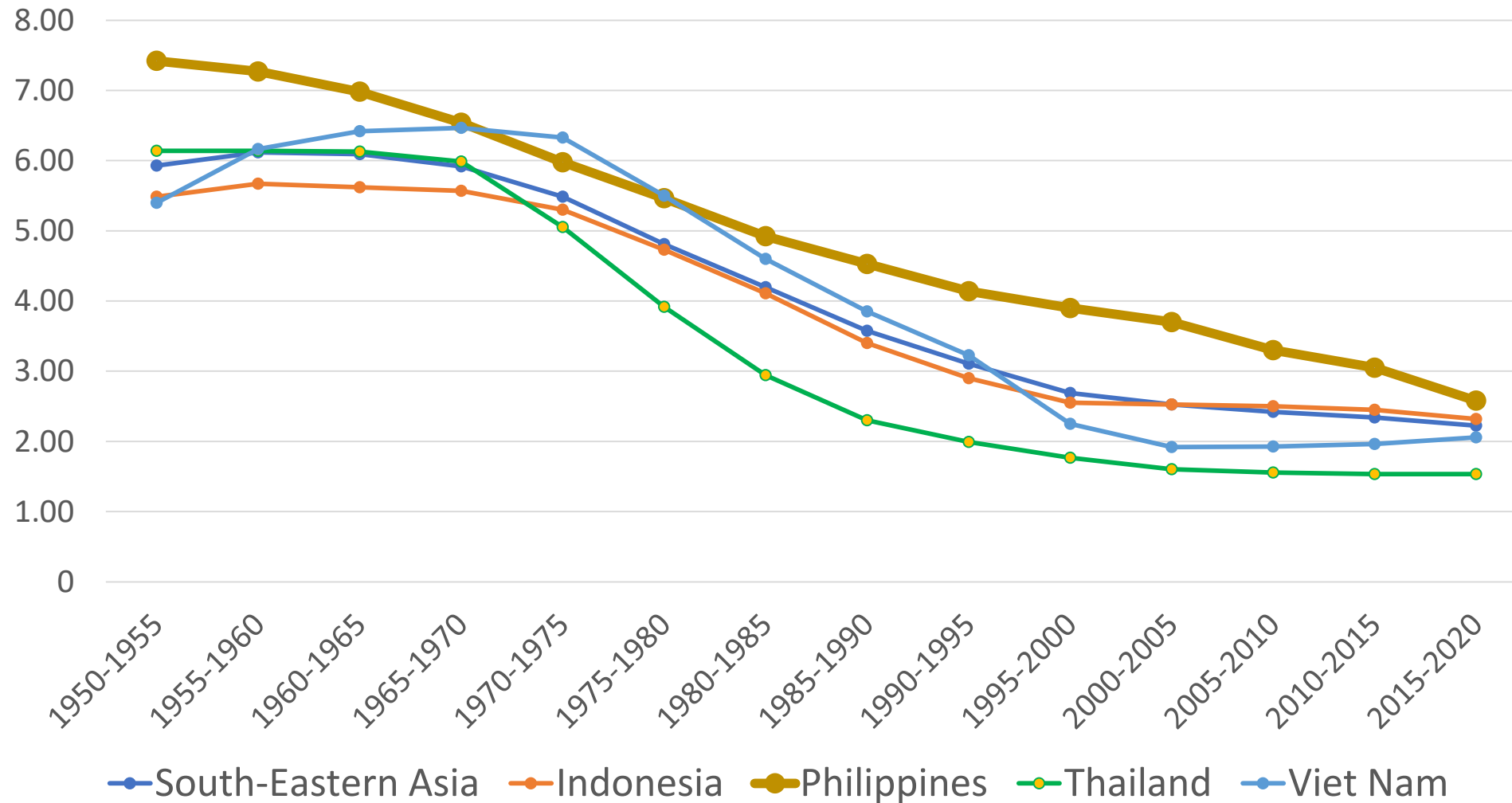
Source: WHO, UNICEF, UNFPA, World Bank, United Nations. 2015. Trends in Maternal Mortality: 1990-2015

Prevalence of Malnutrition among Children Age 0-59 Months, 1993-2018: Philippines



Sources: FNRI (2014). *The Philippine Nutrition Facts and Figures 2013: Anthropometric Survey*; Vargas, M. B. (2019). *Nutritional Status of Preschool Children (2-5 Years Old)*. FNRI: 2019 National Nutrition Summit (June 26, 2019)

Total Fertility (Live Births Per Woman)



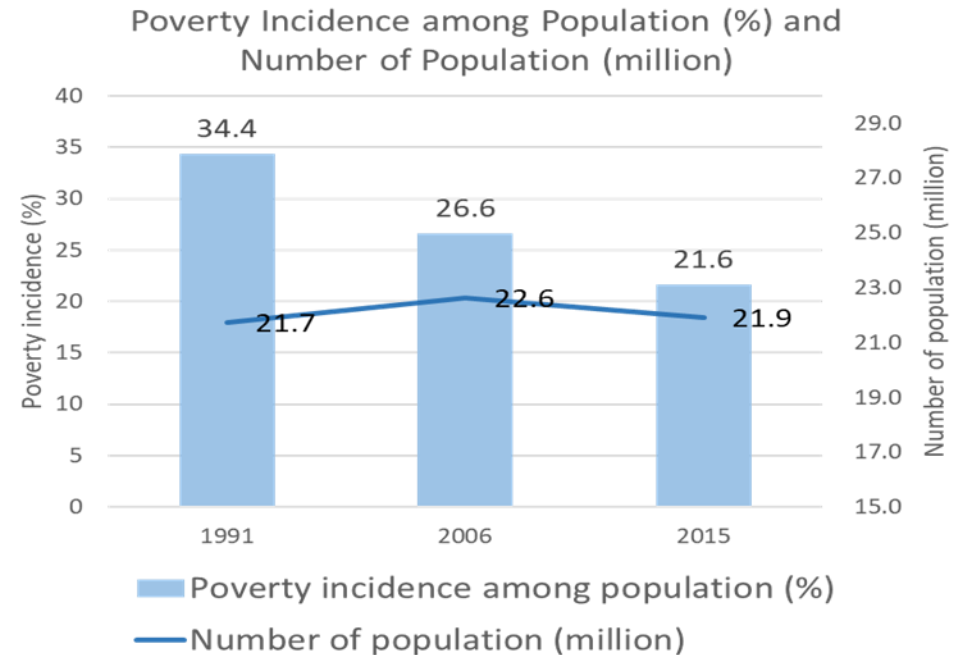
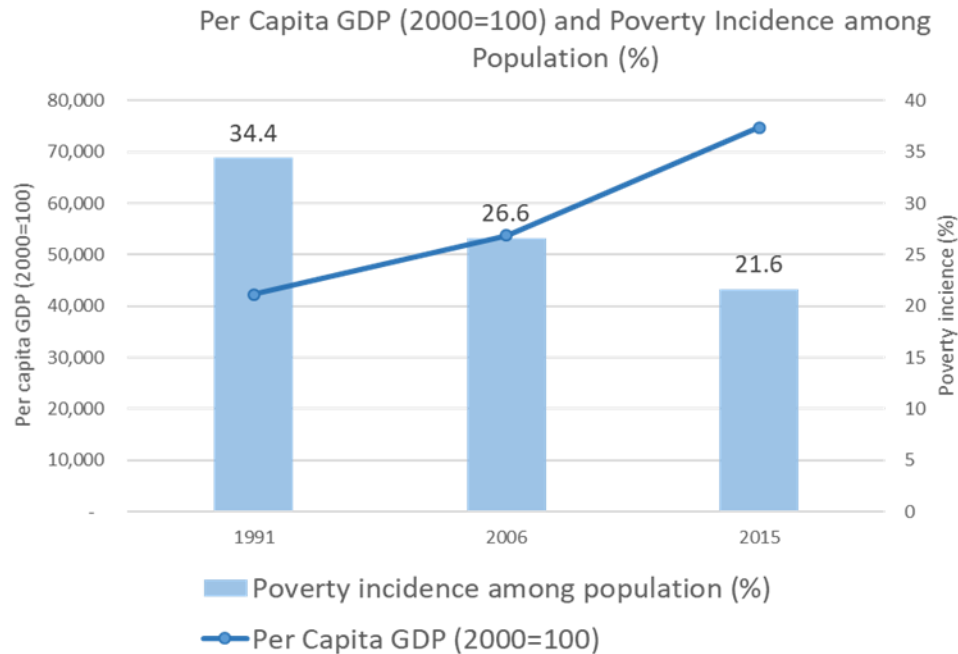
Source: United Nations, World Population Prospects 2019

Possible reasons for faltering –
lack of second round
acceleration

Could it be because we were
poor and continued to be poor?

GDP per capita and poverty: 1992-2015

Per Capita GDP and Poverty Incidence



Source: Philippine Statistics Authority (2016). Official Poverty Statistics of the Philippines: Full Year 2015.

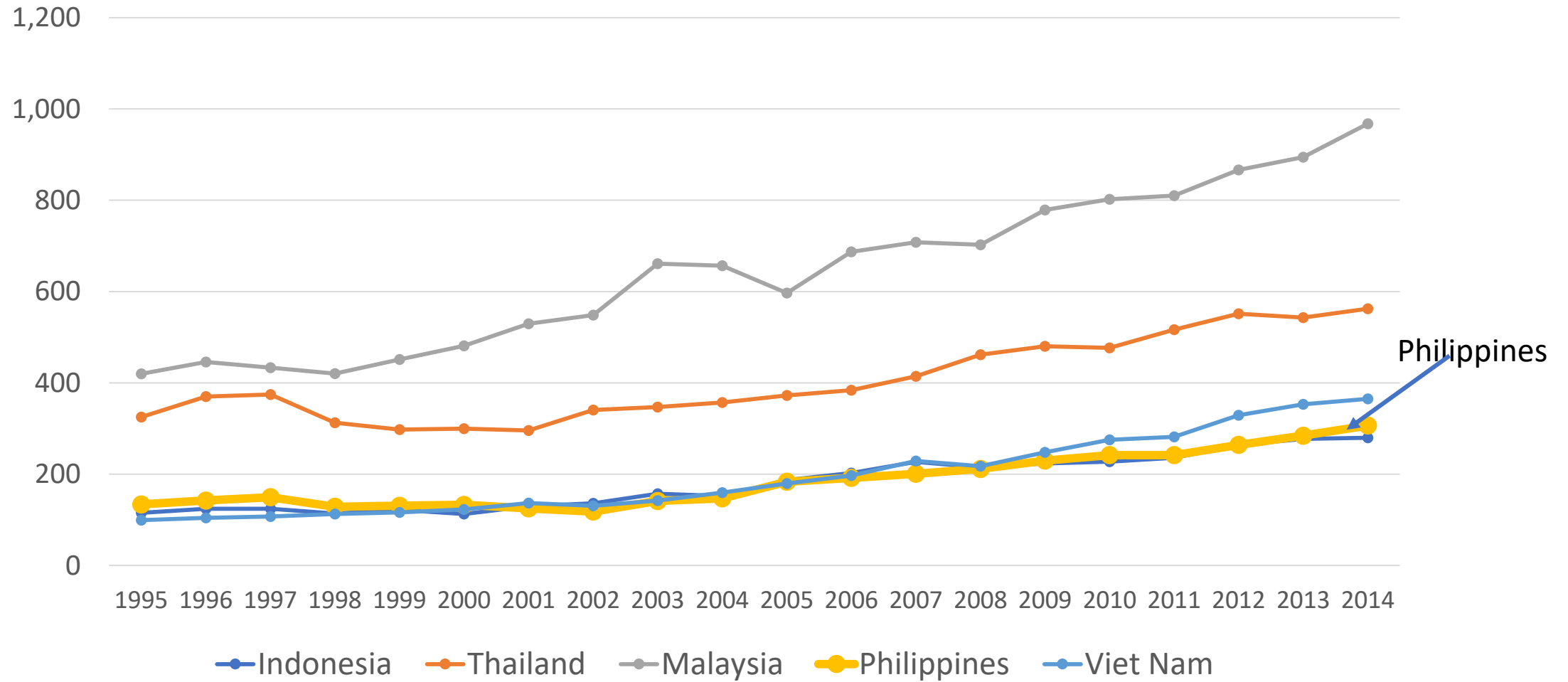
Poverty incidence declined slowly in the 1990s owing to the relatively slow increase in per capita GDP. With more rapid increase in per capita GDP in the more recent period, poverty incidence started to decline.

While poverty incidence declined more rapidly in the more recent period, the number of poor population still remained high due to the rapid growth of the population.

Could it be that we did not spend enough on health?

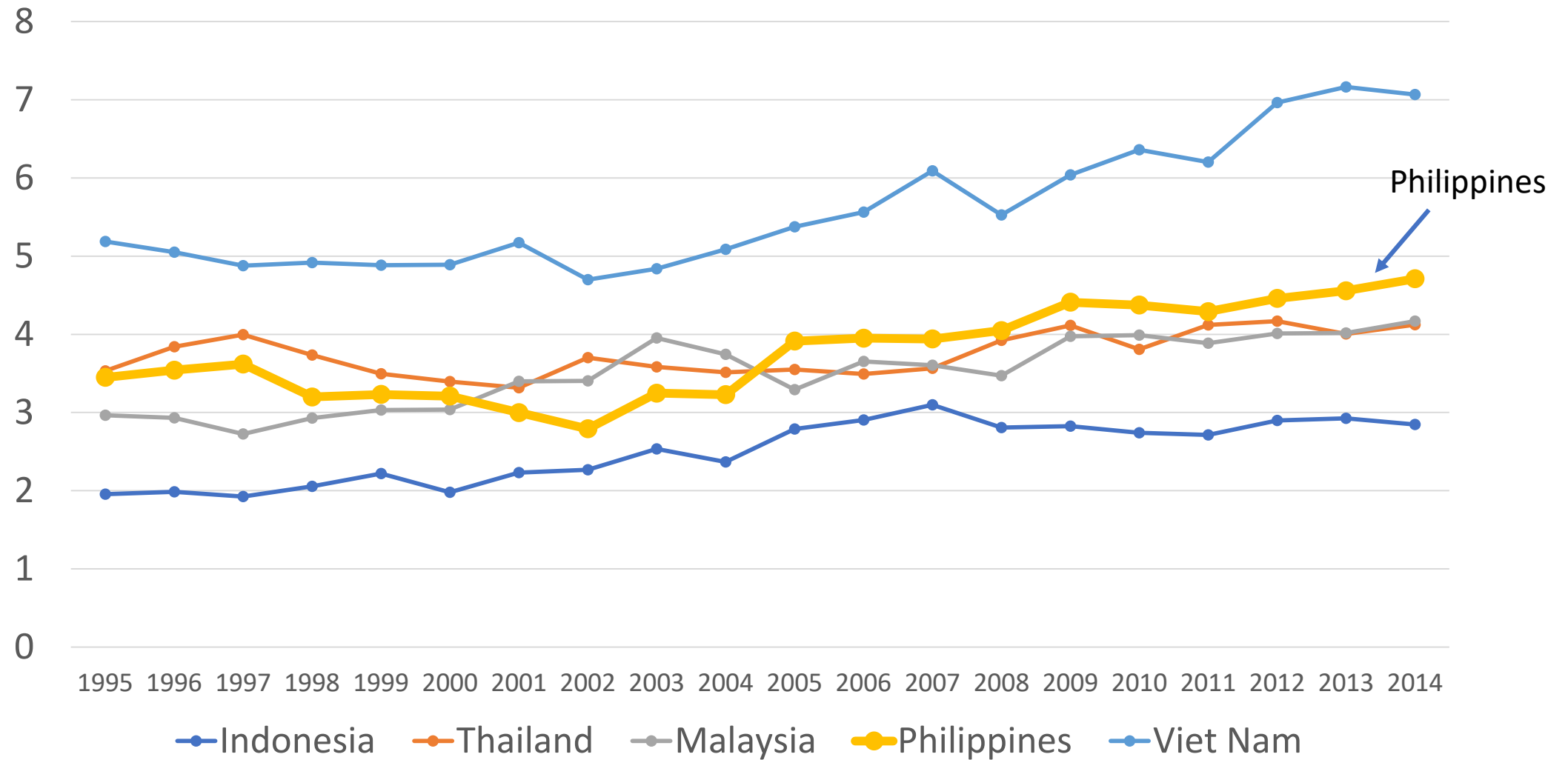
- Healthcare expenditures per capita: 1995-2014
- Healthcare expenditures as percent of GDP: 1991-2014

Per Capita Total Health Expenditures (in PPP 2010)



Source: WHO Global Health Expenditures Data Base <http://apps.who.int/nha/database> as reported in Panelo, Solon, Ramos and Herrin 2017

Total Health Expenditures as Percent of GDP



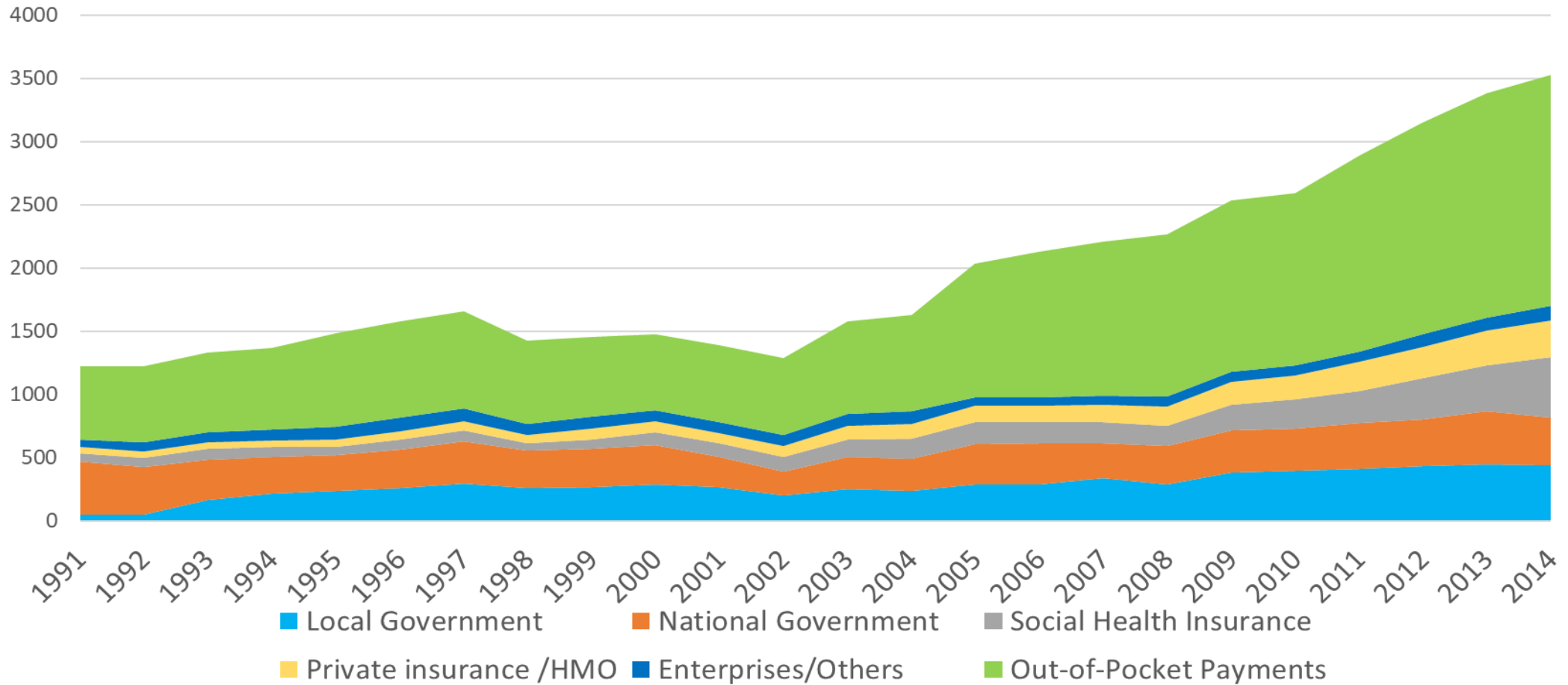
Source: WHO Global Health Expenditures Data Base <http://apps.who.int/nha/database> as reported in Panelo, Solon, Ramos and Herrin 2017.

Could it be because of how we finance spending on healthcare?

- Healthcare expenditures by financing agent: 1991-2014
- Healthcare expenditure by financing agent and by wealth quintile: 1991-2014

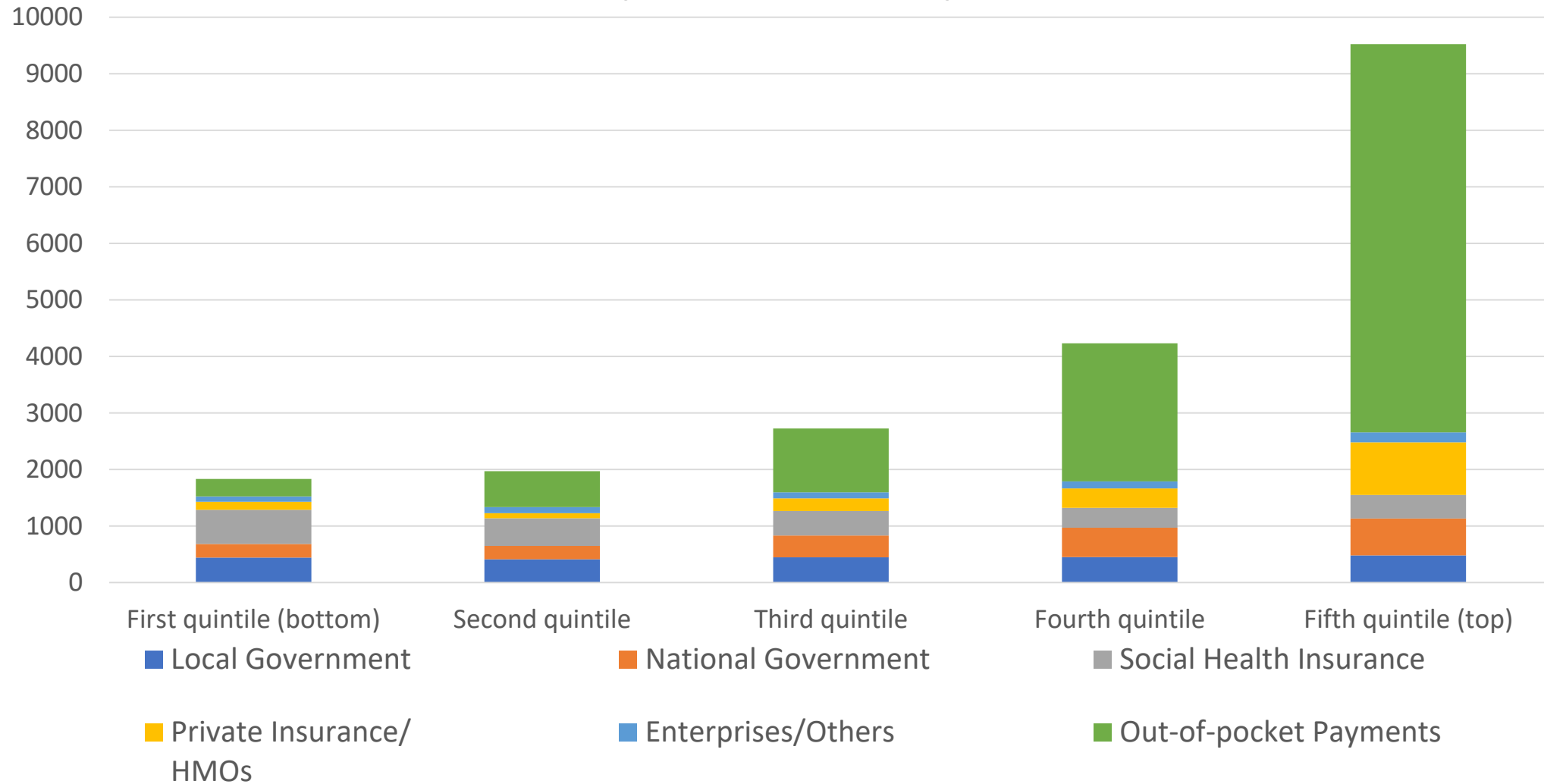
Health care expenditures: who is paying for health care?

Per Capita Total Health Expenditures by Financing Agent, 1991-2014
(in PHP at Constant 2000 Prices)



Sources: NSCB 2004, 2013, 2015; PSA 2015; Racelis et al., 2016 in Panelo, Solon, Ramos and Herrin, 2017

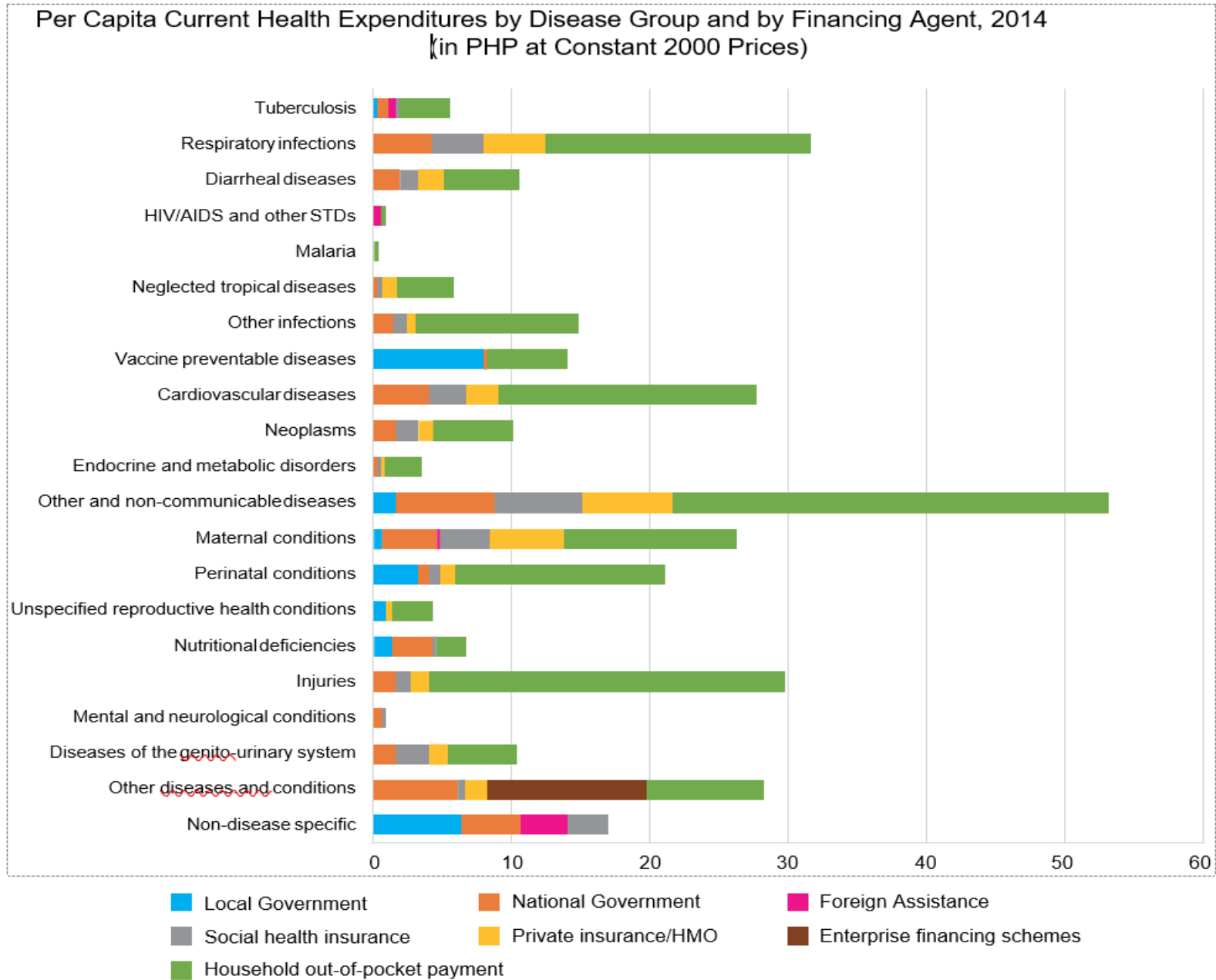
Per Capita Health Expenditures by Financing Agent and by Income Quintile, 2014 (Constant 2000 Prices)



Source: Racelis et al. (2016) as reported in Panelo, Solon, Ramos and Herrin 2017

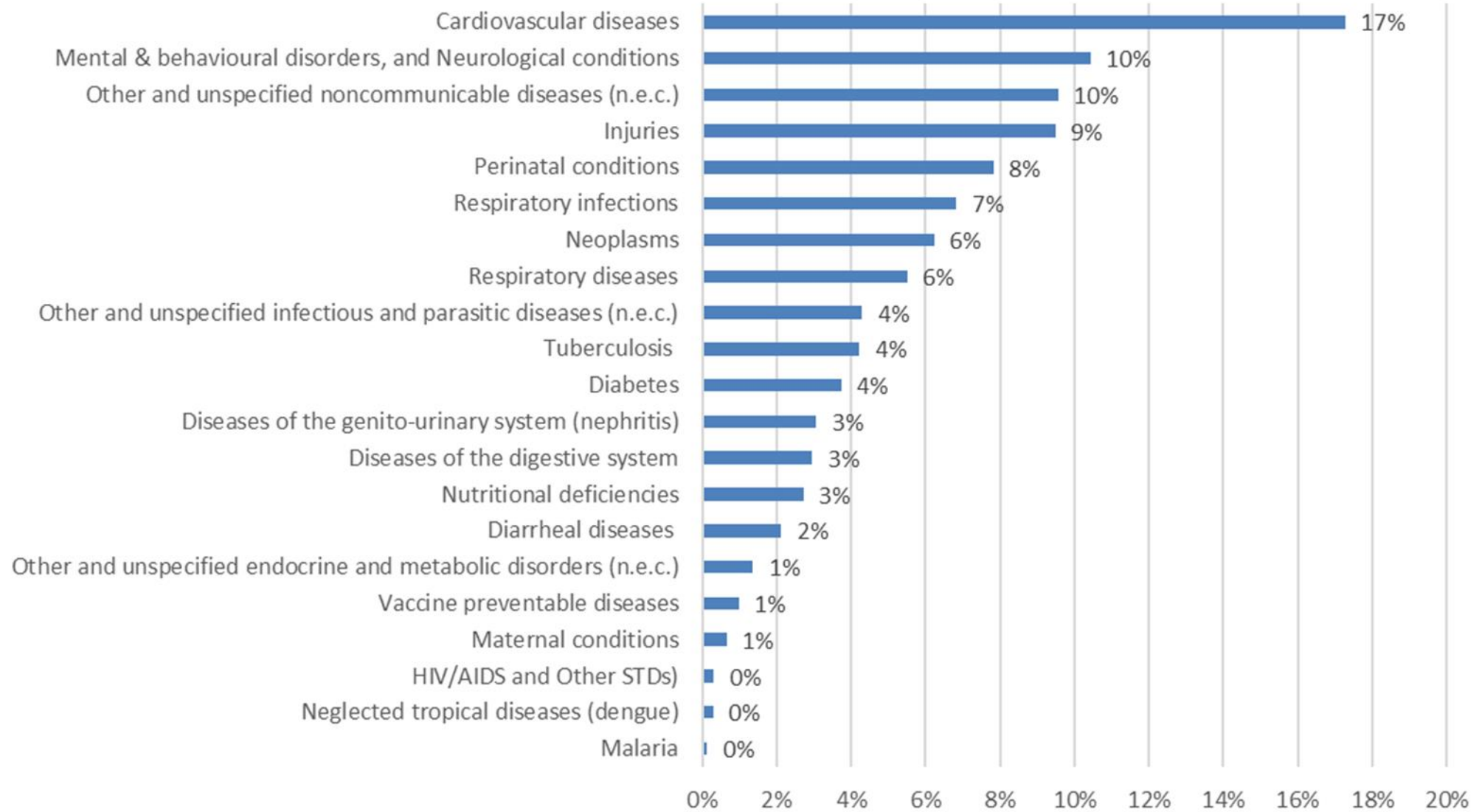
Could it be that we are not spending enough on the most important problems?

- Healthcare expenditures by disease category 2014
- Percent of healthcare expenditures and DALYs, by disease category 2014



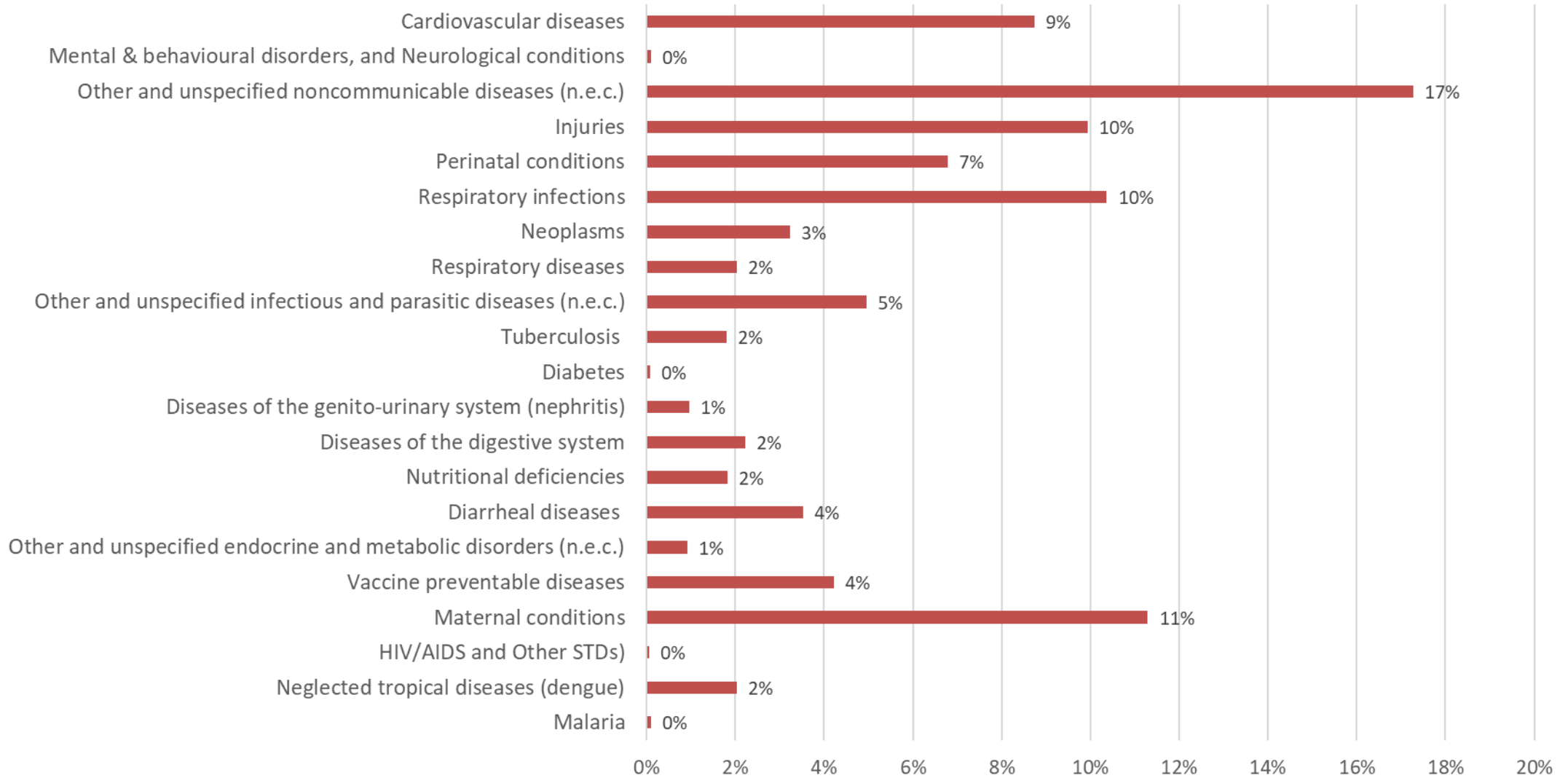
Source of basic data: Racelis et al., 2016, as reported in Panelo, Solos, Ramos and Herrin 2017

Percentage Distribution of DALYs, 2012



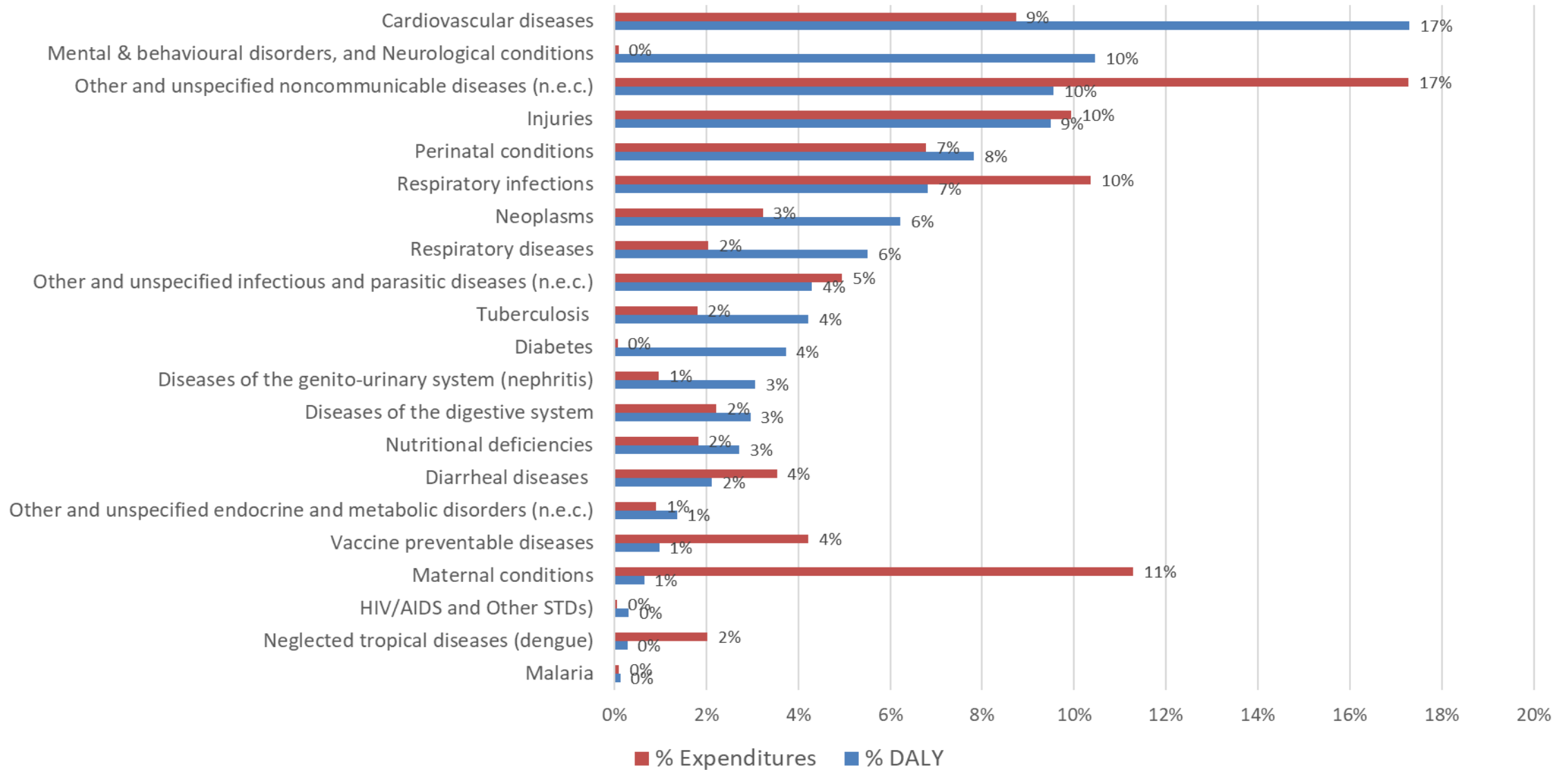
Source: WHO (2014)

Percent Distribution of Health Expenditures, 2012



Source of basic data: Racelis et al. 2016

Percent Distribution of DALY's and Health Expenditures, 2012



Sources: WHO (2014) and Racelis et al. (2016)

Reforms (or social innovations) in the 1990s

- Local Government Code of 1991
- National Health Insurance Act of 1995

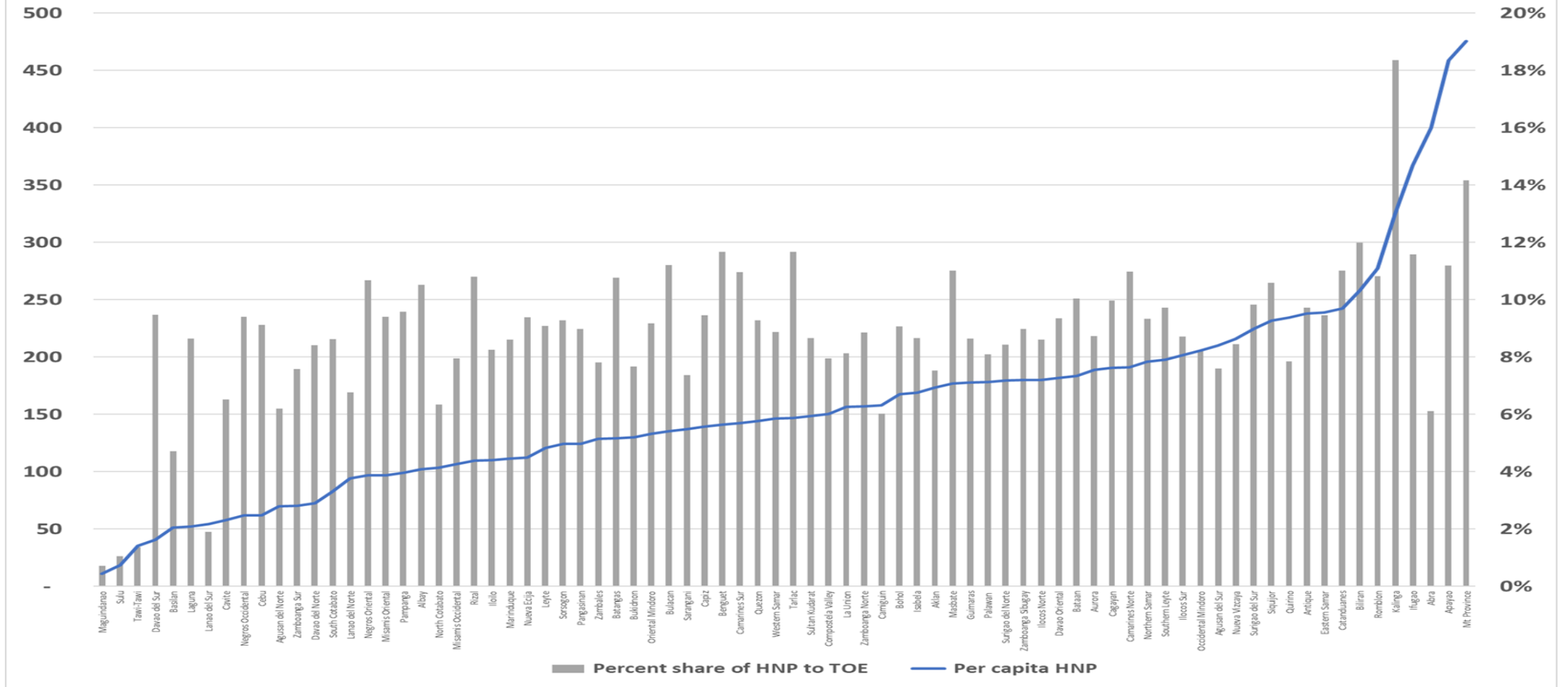
Main features of devolution and implications for health sector performance

- Decision-making devolved to local authorities
- Service delivery tend to be fragmented
- Large variation in capacity of LGUs to finance healthcare

Example of LGU performance

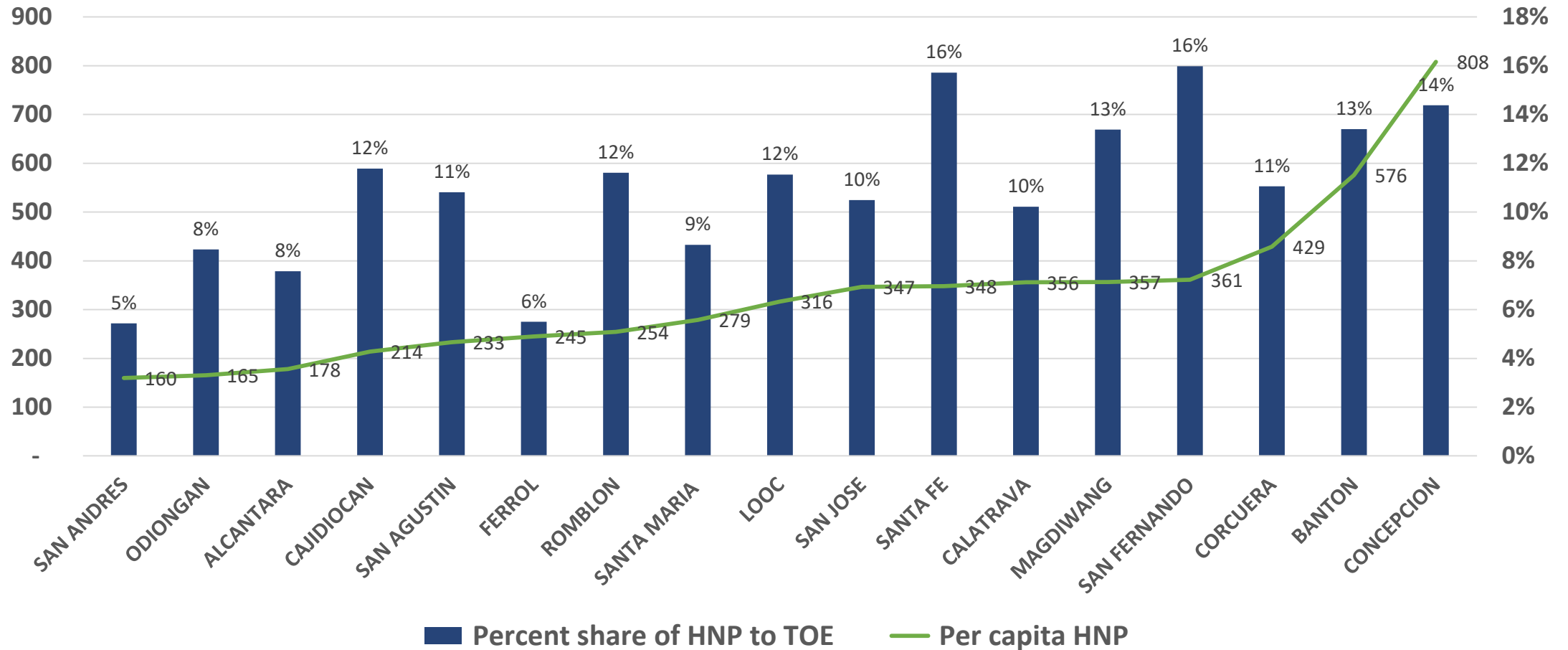
- Variation in the per capita HNP expenditures of municipal-LGUs aggregated at the province level, 2015
- Variation in the per capita HNP expenditures among municipal-LGUs within a province, 2015
- Effect of poverty and local healthcare expenditures on stunting, 2015

Per Capita HNP Expenditures and Percent of HNP Expenditures to Total Operating Expenditures, Municipal Aggregates by Province, 2015



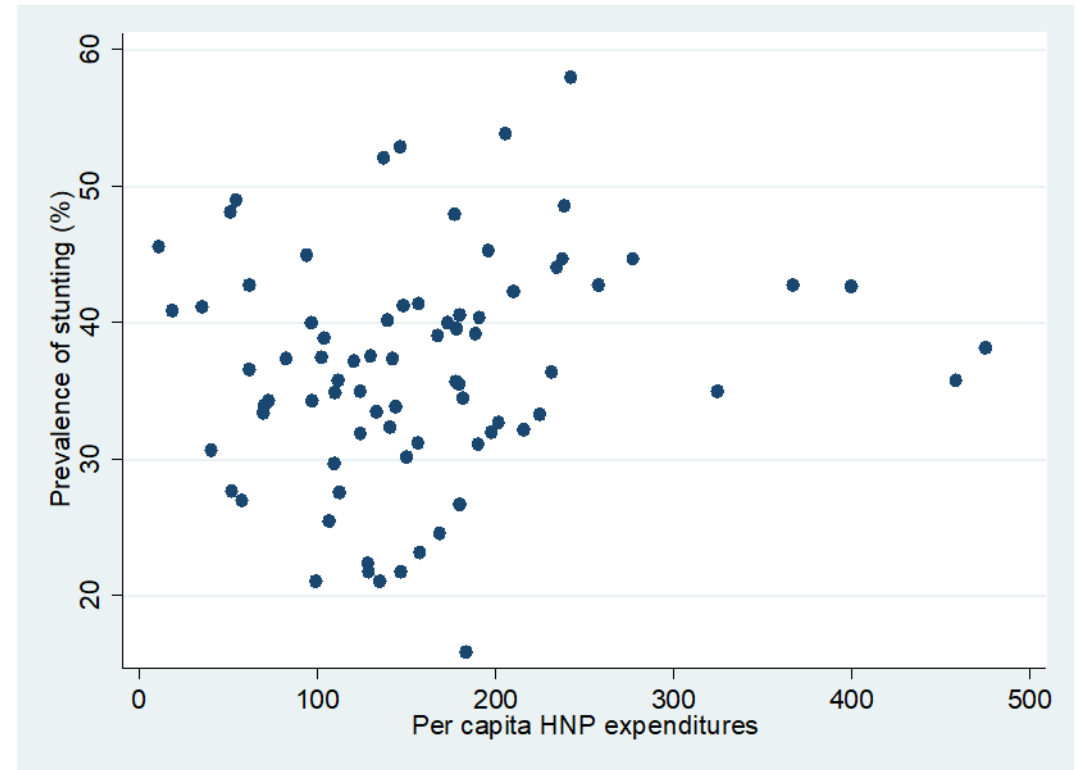
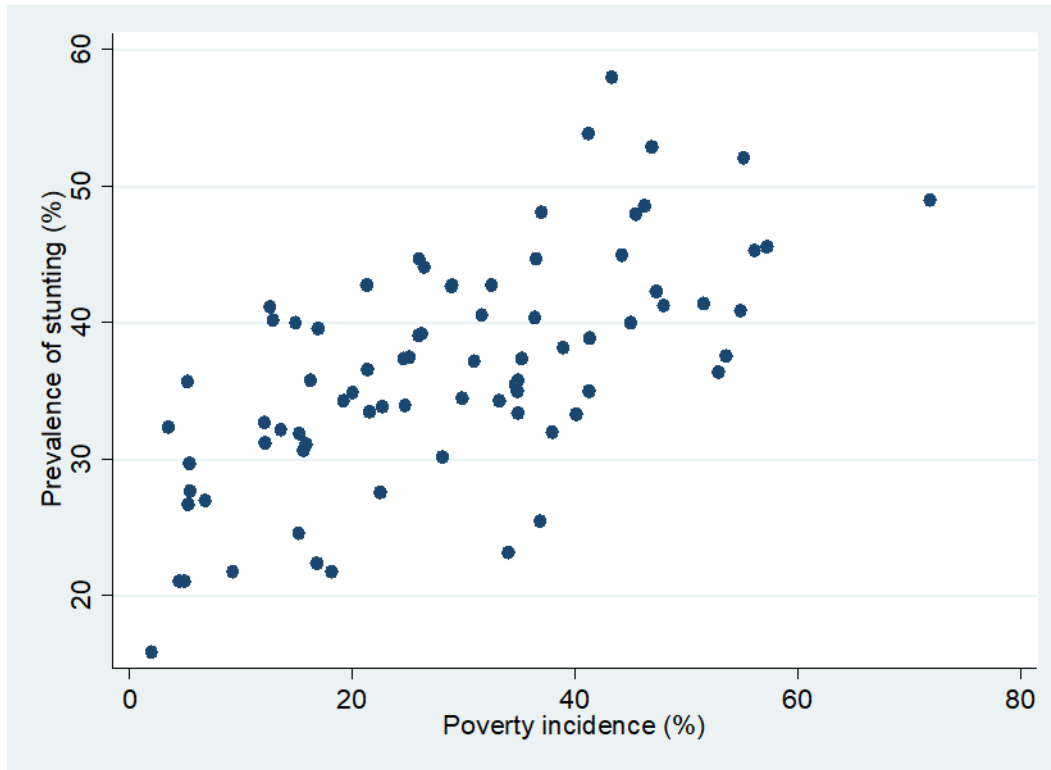
Source of basic data: DOF, BLGF 2015

Per Capita HNP Expenditures and Percent Share of HNP Expenditures to Total Operating Expenditures, Romblon, 2015



Source of basic data: DOF, BLGF 2015

Effect of Poverty and Per Capita HNP expenditures on Stunting, Municipal-LGUs by Province, 2015



	Coefficient	Std. Err.	t	P> t	[95% Conf. Interval]	
Poverty incidence (%)	0.34	0.046	7.39	0.000	0.248	0.432
Per capita HNP expenditures (PhP)	0.009	0.008	1.17	0.246	-0.007	0.026
Constant	25.258	1.914	13.91	0.000	21.444	20.073

Source of basic data: DOF, BLGF 2015 and FNRI, 2015 NNS

DOH 1999 assessment of devolution and its consequences

Fundamental problem – fragmentation of delivery and financing of public healthcare services

Consequences:

- wide variation in access and quality
- LGU facilities not upgraded
- Technical coordination lacking
- Difficulty in implementing the NHIP, family out-of-pocket payments still the main source of financing

Source: 1999 DOH Health Sector Reform Agenda (HSRA)

Reforms under DOH FOURmula ONE for Health

Focused on Inter-LGU cooperation and use of incentives to influence performance of local health system (2004-2009)

- Assistance to LGUs to establish Inter-local Health Zones (ILHZ)
- Promoted inter-LGU planning: Province-wide Investment Plan for Health
- Central level grants as performance incentives
- Out-patient Benefit (OPB) capitation given in advance to LGUs to encourage enrolment of indigents in the NHIP

Reforms under DOH Universal Health Care/ Kalusugan Pangkalahatan (UHC/KP)

Increased role of national government

- Centrally financed and managed funds to address investment gaps among local health facilities
- Deployment of centrally contracted doctors, nurses, midwives, dentists and medical technologies
- Central procurement of public health commodities
- Use of NHTS-PR to identify PhilHealth indigent beneficiaries
- Full national premium subsidy for NHTS-PR poor
- Fresh mandate to centrally finance and delivery MNCHN-FP services (RPRH Law)

Addressing the continuing challenge of fragmentation

Universal Health Care Law of 2019

- Integrated local health systems (province-wide and city-wide)
- Special Health Fund
- Healthcare provider networks and contracting

Other innovations?

Mabuhay