

Health care financial support for patients needing medical assistance in Southern Philippines Medical Center: policy notes

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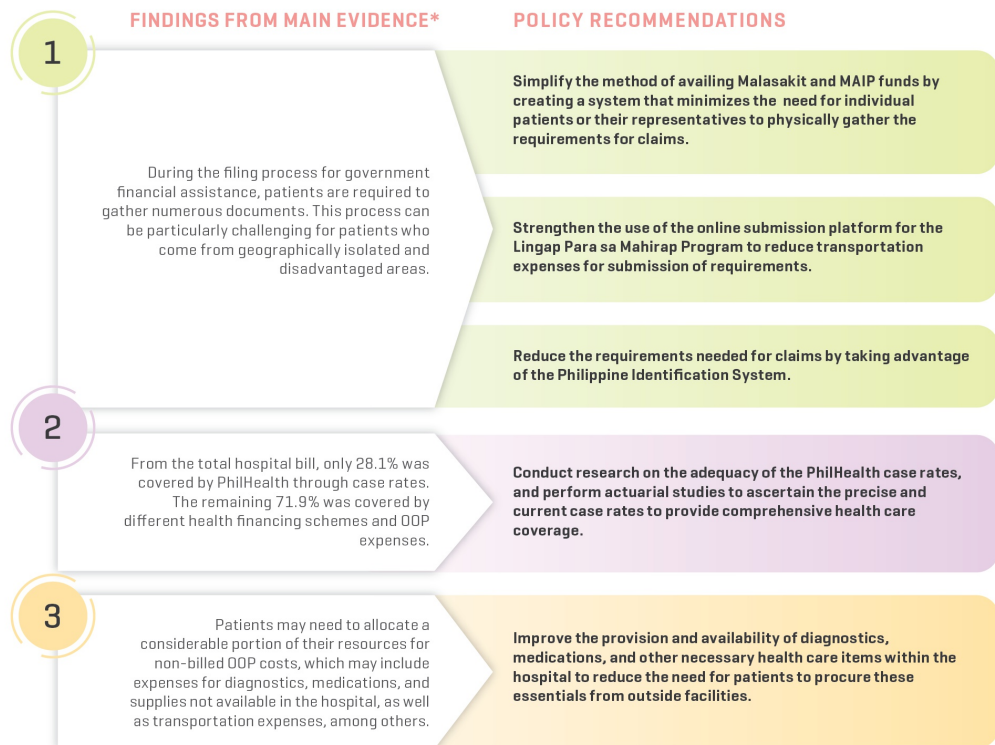
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EVIDENCE to POLICY



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INTRODUCTION

Accessing health care services can lead to a significant financial burden on patients, especially when an episode of illness necessitates out-of-pocket (OOP) expenditures.¹ Apart from health improvement, an essential function of health care systems is to provide financial protection for individuals against the costs associated with illness.² The establishment of the Philippine Health Insurance Corporation (PhilHealth) has emerged as a crucial step towards

achieving the goal of universal health care for individuals in need of medical services.³ Since the passage of the Universal Health Care Act in 2019, all Filipinos have been automatically enrolled in PhilHealth for social health risk protection. In 2021, PhilHealth covered health care utilization claims amounting to over Php 88 billion.⁴ PhilHealth coverage is usually not sufficient to fund the entire hospital expense in a single episode of illness. Meanwhile, the creation of other government health care



financing schemes helps alleviate the financial burden of patients.

Through the enactment of the Republic Act (RA) 11463, also known as the Malasakit Centers Act, patients may now seek financial aid from a unified assistance hub to settle outstanding health care expenses not covered by PhilHealth. The Malasakit Centers Act mandates the establishment of one-stop shops for medical and financial assistance. This one-stop shop consists of representatives from the Department of Health (DOH), PhilHealth, the Philippine Charity Sweepstakes Office (PCSO), and Department of Social Welfare and Development (DSWD).⁵

This article aims to recommend health care policies to improve the existing health financing mechanisms currently sought by patients to cover their medical expenses during an episode of illness.

MAIN EVIDENCE

The characteristics of the health care financing schemes for patients needing medical assistance in Southern Philippines Medical Center (SPMC) have been described in an infographic article.⁶ In SPMC, patients, especially the indigent and financially incapacitated, may benefit from several government-initiated health financing schemes to help cover their hospital expenses. While SPMC houses several offices for various health financing schemes, the prerequisites to access these services can pose challenges for many patients. This is especially true for patients from geographically isolated and disadvantaged areas who often find fulfilling these requirements to be a daunting task.⁶ For example, to benefit from the *Lingap para sa Mahirap* Program, a patient must submit a computerized hospital bill, a medical certificate or certificate of confinement with the hospital logo, and a barangay certification of voter's certificate.⁷ Gathering these documents may take a few days and would require a patient or their watcher to travel back to their barangay and then return to the hospital. PhilHealth only covered 28.1% from the total hospital bill for all patients admitted to SPMC from January 2022 to September 2023. The balance of 71% was covered by several discounts (4.7%) and different programs such as the Malasakit Center Program (3.9%), Medical Assistance to Indigent Patients (MAIP) Program (26.2%), and

SPMC subsidy via quantified free services (QFS) (36.2%). The remaining 0.9% had to be covered by the patients' OOP expenses. In addition to covering the hospital bill, a patient must also spend on non-billed OOP expenses. These could include costs for diagnostics, medications, and other necessary health care items that are not available in the hospital, along with the added expense of transportation.⁶

Based on the data presented in the infographic article, we have outlined our policy recommendations in the following evidence-to-policy diagram.

RELATED EVIDENCE

When patients have ready access to health care, they are at lower risk of poor health outcomes. They are more empowered to make informed decisions that affect their health. Consequently, the Philippines currently has government health financing schemes (e.g., the MAIP Program), in addition to social health insurance or compulsory contributory health care financing schemes, that provide enhanced and more comprehensive access to health care.

The MAIP Program, an initiative of the DOH, provides inpatient and outpatient financial assistance for essential and life-saving medicines, services, and other medical products as prescribed by a licensed physician or health personnel, beyond the coverage of the PhilHealth case rates/packages and/or other financing resources. Any Filipino citizen who demonstrates a clear inability to pay for one's treatment is eligible to become a program beneficiary, as assessed by a medical social worker (MSW).^{8,9}

When seeking assistance from government health financing sources, patients or their families must submit the necessary documents required by the MSW to assess their financial eligibility. This process involves traveling to and from their residence and preparing multiple copies of the same document for submission to various offices. This task can be particularly daunting for those living in geographically isolated and disadvantaged areas (GIDA), where additional funds are needed for transportation.

In order to expedite the process of applying for financial assistance, the MSW facilitates provision of medical assistance requests and ensures the delivery of necessary services.⁹ By simplifying the complex application process, streamlining in-person

applications, and establishing an online application procedure that enables patients to answer screening questions and upload necessary documents, patients can gain an earlier and more accurate understanding of how much aid they are qualified to receive.^{10 11}

Online platforms for requesting medical assistance, such as *Lingap Para sa Mahirap*, must be further promoted not only through social media but also through broadcast media, which people in GIDAs have more access to. In addition to this, local government units (LGU) open more satellite offices to cater to these areas.¹² National databases, such as the Philippine Identification System (PIS), must be designed to include household incomes in order to identify financially incapacitated and indigent patients upfront. This should be readily accessible by government health financing sources, especially the DSWD. Consequently, this would make transactions more seamless since patients won't have to prove their financial incapacity every time they are admitted to the same or another hospital, thus eliminating a relatively duplicative process.^{10 11 13}

Another approach to create more accessible health care services is by reducing the requirements needed to file claims. Filling-out numerous forms is tedious and time-consuming. By decreasing the number of forms that need to be completed, patients would find it easier to comply with the required documents necessary to file their insurance and health care financing benefits.¹⁴ Additionally, patient data stored in the PIS could be utilized to enhance efficiency and accuracy in claims management. As a result, this would lead to lower operating costs and better customer experience.¹⁵

In a study conducted on actively paying self-earning PhilHealth members, the majority of the respondents claimed that they received only 10% to 40% coverage of their hospital bills from PhilHealth. Out-of-pocket expenditures ranged from Php 10,000 to Php 20,000.¹⁶ The current coverage of PhilHealth for patients' hospitalization is

insufficient to cover the total, or at least a significant amount, of the hospital bill.¹⁷⁻²⁰ The great disparity between the actual hospitalization cost and the PhilHealth's case rate payment contributes to this insufficiency, resulting in low financial protection for its members. With this knowledge, policymakers and other stakeholders can devise strategies to increase the rate of PhilHealth's benefit packages, leading to increased financial coverage for hospitalization and outpatient care for every Filipino.^{21 22}

The unavailability of medications inside the hospital can impose a significant financial burden on patients. A survey conducted in the Philippines showed that availability of 50 sampled drugs was lower in public hospital/retail pharmacies (1.3% for originator brands, 25.0% for lowest-priced generics) compared to private hospital/retail pharmacies (34.7% for originator brands, 35.4% for lowest-priced generics). It was also found that the median unit price of medicines in private sectors was higher compared to those in public sectors.²³ This implies that due to the unavailability of drugs within the hospital pharmacy, especially in public hospitals, patients would not only incur OOP expenses, but also potentially face higher costs for medications. Enhancing the availability of medicines, diagnostic procedures, and other vital health care items and services within the hospital can minimize the necessity for patients to obtain these essentials from external facilities, thereby providing financial protection to patients against excessive health care costs.

Leveraging government health care financing is imperative to improve access, affordability, and equity in health care. By streamlining the application and enrollment process in filing claims from government health financing schemes, expanding social health insurance coverage, and improving the affordability of drugs and other health services, patients can have a better health care experience, and consequently, better health outcomes.

Contributors

CMPA and RCR contributed to the conceptualization of this article. All authors wrote the original draft, performed the subsequent revisions, approved the final version, and agreed to be accountable for all aspects of this report.

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