



## STRENGTHENING FINANCIAL RISK PROTECTION

How USAID's LuzonHealth Project enabled increased access to PhilHealth-accredited facilities

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## LIST OF ACRONYMS

ANC	antenatal care	NBB	No Balance Billing
BDR	Benefit Delivery Rate	NCP	Newborn Care Package
BEmONC	basic emergency obstetrics and newborn care	NHIP	National Health Insurance Program
CHO	City Health Officer	NSD	normal spontaneous delivery
DOH	Department of Health	PHA	Philippine Health Agenda
DOHRO	Department of Health Regional Office	PhilHealth	Philippine Health Insurance Corporation
FP	family planning	PHN	Public Health Nurse
IIUD	interval intrauterine device	PHO	Provincial Health Office
IUD	intrauterine device	PPIUD	postpartum intrauterine device
LGU	local government unit	PRO	PhilHealth Regional Office
LTO	License to Operate	RLED	Regulation, Licensing and Enforcement Division
MCP	Maternal Care Package	TA	technical assistance
MHO	Municipal Health Officer	USAID	US Agency for International Development
MNCHN	maternal, newborn, child health and nutrition	USD	US dollars

## BACKGROUND AND CONTEXT

Building on the gains of earlier health reform policies in 2016, the Philippines government launched the 2016–2022 Philippine Health Agenda (PHA), known as “All for Health toward Health for All.” PHA aims to: ensure the best health outcomes for all, without socioeconomic, ethnic, gender, and geographic disparities; promote health and deliver healthcare through means that respect, value, and empower clients and patients as they interact with the health system; and protect all families especially the poor, marginalized, and vulnerable against the high costs of health care [1]. Consistent with the National Health Insurance Act [2], this reform program has identified health financing as a key enabling mechanism towards ensuring that essential health care services are provided to all families. The goal is to provide maximum financial protection to the poorest Filipinos.

In 2011, the Philippine Health Insurance Corporation (PhilHealth), through its National Health Insurance Program (NHIP), introduced the No Balance Billing (NBB) Policy, which provides that no other fees or expenses shall be charged or be paid for by indigent patients above and beyond the packaged rates during their treatment period [3, 4].

To assess the extent of financial risk protection NHIP provided to the target beneficiaries, a summary measure called the **Benefit Delivery Rate (BDR)** was developed in 2008, with assistance from USAID Philippines under the UPEcon Foundation’s Health Policy Development Program. BDR, which gained official Department of Health (DOH) recognition in 2010 as a preferred indicator, measures the proportion of all Filipinos that are fully protected against the cost of any insurable health care service.

BDR estimates from a study conducted by the Philippine Center for Economic Development in 2013 indicate a low level of BDR at about 11 percent, compared to a best-case scenario of 32 percent BDR (at 100 percent coverage, 100 percent claim and full NBB implementation) [5]. Results also show that those who are least protected are the women and children (among groups) and overseas Filipino workers and the poor (among sectors).

The low coverage rate, particularly among the poor, can be attributed to a lack of awareness of premium sponsorships, lack of awareness of eligibility for benefits package under PhilHealth, or the local government’s low or varying degrees of subsidy for the poor. Low claim rates can be attributed to critical barriers such as inadequate access to PhilHealth-accredited facilities, inability to fulfill documentary requirements, including membership data records, and inefficiencies in claims processing. Furthermore, reimbursement rates are influenced by several factors such as the peso ceiling on insurance benefits, which are periodically adjusted by PhilHealth management.

To increase BDR, PhilHealth has laid out its overall goal of effectively implementing a comprehensive, customer-oriented approach by focusing on four strategies: (1) ensuring access to facilities where healthcare is paid for, (2) providing the opportunity to claim benefits, (3) realizing higher availability and utilization, and (4) providing significant financial support.

## DESCRIPTION OF PHILHEALTH COVERAGE FOR MATERNAL, NEONATAL, CHILD HEALTH AND NUTRITION AND FAMILY PLANNING IN BIRTHING FACILITIES

**Maternal Care Package (MCP) Benefits Coverage:** This package covers the essential health services during antenatal period, stages of labor, normal delivery, and immediate postpartum period including follow-up visits within the first 72 hours and one week after delivery. This package may be availed in accredited hospitals, infirmaries/ dispensaries and birthing facilities at the following rates:

TYPE OF HEALTH CARE INSTITUTION	MCP PACKAGE RATE
Hospitals	PhP6,500.00
Infirmaries/dispensaries/birthing homes/maternity clinics	PhP8,000.00

**Newborn Care Package (NCP) Benefits Coverage:** This package covers essential health services that newborns must receive within the first hours of life, regardless of the method of their delivery and presence of co-morbidities. It covers essential newborn care (immediate drying of the baby, early skin-to-skin contact, timely cord clamping, non-separation of mother/baby for early breastfeeding initiation, eye prophylaxis, vitamin K administration, weighing of the newborn, first dose of hepatitis B and Bacillus Calmette-Guérin vaccine), Newborn Screening Test (for metabolic diseases), and Newborn Hearing Screening Test. The amount of the package shall be PhP1750.00 and paid to accredited facility.

**Normal Spontaneous Delivery (NSD) Package:** This package covers essential health services for normal, low-risk vaginal deliveries and postpartum period within the first 72 hours and 7 days after delivery. This package may be availed in accredited hospitals, infirmaries/dispensaries, and birthing facilities at the following rates:

TYPE OF HEALTH CARE INSTITUTION	NSD PACKAGE RATE
Hospitals	PhP5,000.00
Infirmaries/ dispensaries/ birthing homes/maternity Clinics	PhP6,500.00

**Interval and Postpartum Intrauterine Device (IUD/PPIUD) Package:** This package is worth PhP2,000 and covers payment for counseling, IUD device, professional fee, use of facility, and other related services that patients may require. Postpartum IUD may be availed as a second case rate. This Package may be availed in accredited hospitals, infirmaries/dispensaries, and birthing facilities.

**Antenatal Care Package (ANC) Package:** This package is worth PhP1,500 and covers essential prenatal health services for pregnant women regardless of the method of delivery or pregnancy outcome. This package may be availed in accredited hospitals, infirmaries/dispensaries, accredited birthing facilities, and primary care benefit provider for antenatal care services with at least four pre-natal visits.

**Subdermal Implant Package:** This package is worth PhP3,000 and covers insertion of implantable subdermal contraceptive, including consultation and counseling prior to performance of the procedure, medicines and supplies, follow-up, and counseling after the procedure. This package may be availed of in accredited hospitals, infirmaries/dispensaries, accredited birthing homes and lying-in clinics, and primary care facilities.

LuzonHealth recognizes these goals to be critical in the successful implementation of the local NHIP in each of its project sites. Technical consultation meetings with PhilHealth and DOH revealed major problems still existed in ensuring access. Despite national efforts to increase coverage, particularly among the poor, several birthing facilities still lacked accreditation, implying that poor clients are still unable to access free health services for maternal care and newborn care. To determine where to focus technical assistance (TA) support, LuzonHealth conducted a baseline survey in 2013 in 856 rural health units and health centers, including 290 public birthing facilities. The survey also determined barriers to PhilHealth accreditation.

The baseline survey identified critical gaps and challenges in 290 birthing facilities with respect to Maternal Care Package (MCP)/Newborn Care Package (NCP) accreditation. Among them include the following: (1) lack or limited number of accredited facilities, thereby depriving more than a million pregnant women and newborn children and 4 million women of reproductive age of the maternal, neonatal, child health and nutrition (MNCHN) benefit package; (2) difficulties in meeting the requirements for MCP/NCP accreditation and securing a License to Operate (LTO), thereby slowing down the expansion of accreditation among facilities; and (3) lack of continuing and consistent coaching among DOH Regional Offices (DOHROs) and PhilHealth to guide local government units (LGUs) in the whole process of getting accredited and filing claims.

Specifically, in 2013, among the 290 birthing facilities, only 51 percent were accredited for MCP and only 38 percent were accredited for NCP. Several facilities in LuzonHealth’s project sites (14 provinces and 7 cities) needed support to obtain and sustain accreditation status to ensure provision of financial protection to more than half a million pregnant women and half a million children who had no access to an accredited facility and thus were unable to receive the benefits package intended for them.

Specific concerns were identified in the baseline survey, including: (1) facility staff’s inadequate understanding of the benefits and corresponding requirements for MCP/NCP accreditation and securing an LTO; (2) difficulty in meeting the requirements for accreditation and certification, particularly, documentary requirements; and (3) LGUs’ inability to complete the application process.

Additionally, there was a need to closely collaborate with DOH and PhilHealth to facilitate and fast-track MCP/NCP accreditation and LTO issuance.

<b>2013 BASELINE DATA ON THE AVAILABILITY OF HEALTH FACILITIES (BY TYPE) IN LUZONHEALTH-SUPPORTED AREAS</b>	
Facility type	Count
Total health facilities	856
Birthing facilities	290 (34%)
Facilities accredited for MCP	154 (18%)
Facilities accredited for NCP	116 (14%)
Facilities accredited for MCP among birthing facilities	148 (51%)
Facilities accredited for NCP among birthing facilities	110 (38%)





## **LUZONHEALTH'S EFFORTS TO STRENGTHEN PHILHEALTH FINANCING**

To address the identified challenges, LuzonHealth designed and conducted the following TA strategies and activities:

- Self-assessment tools for determining gaps in accreditation and licensing were developed and administered to capture critical data for a more focused TA provision. These were administered in 229 partner LGUs, covering 300 birthing and 102 soon-to-be birthing facilities. Nearly 833 health personnel were enabled to use the assessment tools to jointly determine their respective facility gaps and take necessary action. These assessment tools allowed the LGUs to identify specific gaps in each facility and determine the specific actions they needed to take, commitments that they needed to make, and forms of assistance these facilities would need from the DOH Regional Office (DOHROs), PhilHealth Regional Offices (PROs), Provincial Health Offices (PHOs), and LuzonHealth Project.



- The assessment tools covered the following requirements: personnel capacities, skills, and licenses; equipment, instruments, supplies, and basic medicines; physical infrastructure; documentary requirements, including clinical guidelines for facility operations; LGU and clinical policies and related memoranda of agreements; and required records and reports.
- During the LGU assessment workshops, the details of the requirements were discussed and clarifications made with the DOH and PhilHealth partners. These workshops facilitated greater understanding of the requirements for MCP/NCP accreditation and LTO issuance among the LGUs and appreciation for why they were being required.
- The results of these assessment showed that the LGUs found the following requirements to be the most difficult to meet: documentary requirements, including clinical policies and guidelines; infrastructure requirements; equipment requirements; and complete personnel training, such as basic emergency obstetrics and newborn care (BEmONC) and basic life support.
- A “training-writeshop” was conducted with the Public Health Nurses (PHNs) and Municipal and City Health Officers (M/CHOs) to complete critical documentary requirements and enable them to fully understand the PhilHealth and DOH policies for accreditation and licensing. Each requirement was discussed in the plenary discussion, and “writeshops” were held to ensure the completion of documents that the LGUs had not yet completed.
- Coaching/mentoring of rural health units and health center-level staff was conducted to ensure compliance to mandatory requirements. This TA also included guidance for LGUs on how to proceed with the application process after completing the requirements and how to file claims and what forms to use. The project provided hands-on support to the birthing facilities in LuzonHealth areas and conducted coaching and mentoring activities to deliver step-by-step guidance for completing the requirements to secure MCP/NCP accreditation and LTO issuance. This support included a review of documents, physical inspection of infrastructure, and determination of the availability of equipment and supplies in collaboration with the DOHRO’s Regulation, Licensing and Enforcement Division (RLED). This activity served as a comprehensive review and assessment of the completion of requirements before the LGU application was submitted to the DOH and PROs. Likewise, the coaching/mentoring activity served as hands-on training for the DOHRO’s Development Management Officers whose major task is to provide TA to LGU partners with respect to FP/MNCHN program implementation, including financing.
- LuzonHealth—to ensure consistency and synchrony with all DOHRO-RLED and PROs’ expectations and additional instructions and guidelines not included in the list of criteria—partnered with facilities to enable them to fully appreciate and understand expectations, submit correct requirements, be officially assessed and evaluated within given deadlines, and successfully secure LTO issuance and MCP/NCP accreditation.

- To ensure that LGUs comply with the PhilHealth policies on sharing and utilization of reimbursements, LuzonHealth likewise provided LGUs with a comprehensive orientation on the PhilHealth circulars that defined how the funds should be allocated and supported them in drafting of policies and ordinances that define sharing mechanisms. Specifically, percent share for professional fees and facility operations were purposely highlighted to ensure LGUs' awareness of the need to utilize the financial resources for further improving the provision of maternal and newborn care and family planning (FP) services.

In 2015, the project likewise decided to provide support to 90 private birthing facilities in Luzon. A rapid assessment was conducted and results showed that 12 percent of these facilities had not yet been accredited by PhilHealth and 37 percent had not yet secured a DOH LTO (which was identified as a pre-requisite to MCP/NCP accreditation or renewal of accreditation). Gaps were identified in the following areas: infrastructure, small equipment (OR equipment and instruments except for delivery table), documentary requirements, and personnel capacities and training. As a response to these gaps, the project conducted BEmONC training, purposive coaching, and facility assessments and visited 70 private facilities to support and guide them in the process of completing mandatory requirements.

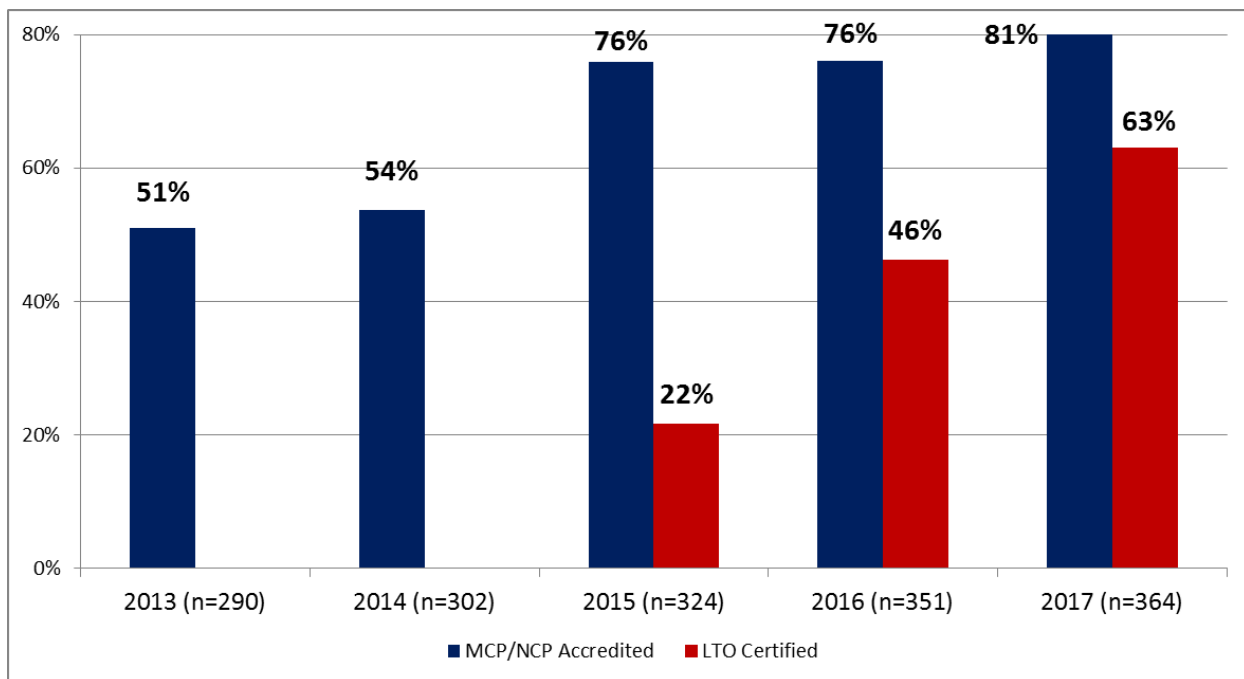
## **COST**

LuzonHealth has spent a total of PhP2.6 million (51,000 USD) for the provision of this TA in 2013-2017, while partner DOHROs and PHOs have spent an estimated amount of PhP1.78 million (35,700 USD) to support this endeavor. After realizing the importance of this TA, DOHRO and PHO partners supported the activity and rolled it out to other LGUs. The total amount invested by LuzonHealth has resulted in a 100 percent increase (148 to 296) in the number of accredited birthing facilities, with a corresponding increase in financial resources of PhP527.9 million (10.6 million USD) from 2015 to 2017, through MCP/NCP reimbursements.

## **RESULTS**

The LuzonHealth TA resulted in an increase in the number of birthing facilities with MCP/NCP accreditation and an LTO. In 2013, 51 percent (148 of 290) of birthing facilities were MCP/NCP accredited, and in 2017 this proportion increased to 81 percent (296 of 364). In 2015 (first year of data collection), only 22 percent of birthing facilities had an LTO. This increased to 69 percent in 2017.

LuzonHealth support to LGUs attempting to secure an LTO started in 2015 when the DOH Health Facilities and Services Regulatory Bureau announced its strict implementation of LTO issuance as a pre-requisite to securing new applications and renewals for MCP/NCP accreditation. The support allowed most of the LuzonHealth-supported facilities to retain their accreditation status and continue to provide the benefit packages to qualified beneficiaries.



Status of MCP/NCP Accreditation and LTO Certification among Birthing Facilities in LuzonHealth Areas 2013–2017

These successes ultimately resulted in nearly 1.2 million pregnant women and newborns having access to quality service from an accredited facility from the existing MCP/NCP package in 2017, compared to 430,000 in 2013 (176% increase). In 2015, 92,000 women and newborns benefited from MCP/NCP packages at accredited facilities. This number increased to 272,376 (196% increase) in 2017. Additionally, in 2015, only 3,000 women benefited from family planning through the use of either an interval or postpartum intrauterine device (PPIUD). As of September 2017, 9,000 women had benefited from these services (200% increase).

Equivalently, the program saw an impressive scale-up of reimbursements by MCP/NCP-accredited facilities. In 2015 (earliest available data), reimbursements for MCP/NCP reached PhP447.1 million (8.9 million USD). This value increased by 195 percent to PhP1.321 billion (26.4 million USD) in 2017. Among IUD-certified facilities, reimbursements increased from PhP6.1 million (122,000 USD) in 2015 to PhP18.6 million (371,600 USD) in 2017.

The increase in reimbursements allowed many LGUs to generate resources for further improving FP/MNCHN services and procure needed commodities and equipment for more efficient operations. Eighty-nine percent, or 246 of the 276 LGUs with MCP/NCP-accredited facilities, have reported utilization of their reimbursements for FP/MNCHN-related expenses, thus contributing to increased investments toward expanded quality services for FP/MNCHN.

As of September 2017, a total of 1,060 health personnel—from 438 facilities in 229 LGUs from 10 provinces and 7 cities supported by LuzonHealth—were oriented on the requirements and processes for securing an LTO and MCP/NCP accreditation. The orientation allowed these LGUs to ensure that MCP/NCP accreditation status and financing for FP/MNCHN services is being sustained, and that the poorest populations have access to accredited facilities, preventing them from making out-of-pocket payments for maternal and child care as well as family planning services.

## RECOMMENDATIONS AND NEXT STEPS

Continuing TA support must be provided to the remaining 19 percent of birthing facilities that are not yet MCP/NCP accredited and the 37 percent of birthing facilities that are still without an LTO. The non-accreditation of these facilities corresponds to about 480,000 women and children without access to accredited facilities and 1.9 million women of reproductive age without access to reimbursable FP services.

The TA approach can be replicated and scaled up in other areas of Luzon, Visayas, and Mindanao, through the following steps: detailed identification of gaps, collaboration with M/CHOs to advocate for the funding of remaining physical requirements, purposive “writeshops” for meeting documentary requirements, updating on benefit packages, continuous follow-up and follow-on coaching, and close collaboration with DOH and PROs to provide other related support and facilitate the process of addressing remaining bottlenecks. As PhilHealth Region III Vice President [REDACTED] said:

“The LGUs, DOH, PhilHealth and development partners should collaborate strategically towards making our noble businesses work—the LGUs and DOH, being in the business of providing quality maternal and child care—and we, at PhilHealth, being in the business of ensuring that such business flourishes and expands through financing; and furthermore, our development partners being in the business of providing quality technical assistance to ensure sustainability—all of us together trying to achieve one common ultimate goal of reducing, if not totally eliminating maternal and child death, particularly among the poorest of the poor.”

Sustaining this TA approach as part of the regular TA support activities of partner PHOs, CHOs, and DOHROs will require a purposive transfer of technology and instruments, and hands-on training. The goal is to ensure that focused TA support is given to LGUs’ birthing facilities to retain accreditation status and to soon-to-be birthing facilities to secure accreditation, and continuously provide quality maternal and child care.

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