

OPINION

## High-performance health financing

A recent Social Weather Stations (SWS) national survey commissioned by the Pharmaceutical and Healthcare Association of the Philippines (PHAP) found that medicines ranked first as the most burdensome healthcare expense among Filipinos, followed by payment for doctor's fees, laboratory fees, and hospital room.

The respondents ranked "guaranteed PhilHealth financial subsidy to cover full or a portion of medication expenses" as the most helpful way for Filipinos to obtain medicines, closely followed by "acquire free medications procured by the government from public hospitals, health centers and government pharmacies."

A 2019 report published by the World Bank stressed that it is no longer plausible to argue that health spending is purely consumption, noting that high-performance health financing is an investment that benefits the economy in a number of ways.

One is by reducing poverty and inequity. Scaling up prepaid and pooled financing to reduce out-of-pocket payments (OOPs) can have a swift, substantial benefit for poverty reduction. With financial protection, people no longer need to sell assets or borrow to meet health payments. They conserve resources that they can then spend or invest in other ways.

Financial protection also allows the sick and poor to protect, maintain and improve their health and increase their earnings. As a result, income inequality falls. Financial protection also fosters consumption and competitiveness by freeing people from making precautionary savings and potentially stimulating expenditures on other goods and services.

The coronavirus disease 2019 (COVID-19) pandemic underscored the importance of strengthening health security through high-performance health financing. Investments in preparedness capabilities including surveillance, primary and community health workers, public-health laboratory networks, and information systems are essential to detect and mitigate infectious disease outbreaks before they spread out of control.

In addition to saving lives, investing in preparedness and early action to stop outbreaks also help prevent macro-economic shocks and much more costly emergency response efforts, the report stated.

### ADEQUATE AND SUSTAINABLE

Titled "High-Performance Health Financing for Universal Health Coverage: Driving Sustainable, Inclusive Growth in the 21st Century," the World Bank report warned that the majority of developing countries will fail to achieve their targets for health- and poverty-related Sustainable Development Goals (SDGs) un-

less they take urgent steps to strengthen their health financing.

"[Less than] a decade out from the SDG deadline of 2030, 3.6 billion people do not receive the most essential health services they need, and 100 million are pushed into poverty from paying out-of-pocket for health services," the report said.

It underscored the strong evidence that progress towards UHC will spur inclusive and sustainable economic growth.

However, the report stressed that this will not happen unless countries achieve high-performance health financing, defined as "funding levels that are adequate and sustainable; pooling that is sufficient to spread the financial risks of ill-health; and spending that is efficient and equitable to assure desired levels of health service coverage, quality, and financial protection for all people — with resilience and sustainability."

The report noted that the total per capita health spending from all sources is very low in developing countries, averaging \$40 in low-income countries, \$135 in lower middle-income countries, \$477 in upper middle-income countries.

"Part of this low spending is because many developing countries allocate relatively small shares of total government spending to health — levels that are inadequate to support coverage with essential quality health services for all," it said.

Total per capita health spending from all sources in high-income countries is \$3,135.

As a result of low levels of government spending, OOPs constitute a large share of health expenditures in developing countries, amounting to more than half a trillion dollars or \$80 per capita annually.

OOP spending is the expense for medical care that families pay directly from their own money or savings. These payments deter people from using needed health services, and push others into poverty or trap them once there, the report stated.

In the Philippines, government share in health spending (45.7% in 2020) is significantly lower compared to those of some ASEAN neighbors and developed countries. The share of Filipinos' household OOPs in current health expenditure (CHE) is still among the highest (44.7% in 2020) in the region.

TEODORO B. PADILLA is the executive director of Pharmaceutical and Healthcare Association of the Philippines (PHAP), which represents the biopharmaceutical medicines and vaccines industry in the country. Its members are at the forefront of research and development efforts for COVID-19 and other diseases that affect Filipinos.



# Prepare for Omicron XE, possible surge — experts

By Brontë H. Lacsamana  
Reporter

EXPERTS say a surge caused by the rising Omicron XE variant may be on the horizon.

"XE is a recombinant of Omicron subvariants BA.1 and BA.2. It's still a variant under monitoring, not a variant of concern," said Dr. John Q. Wong, an epidemiologist at EpiMetrics, Inc., at a University of the Philippines webinar held on April 8.

"It's 10% more transmissible than BA.2 but because of the small numbers, scientists still can't tell if it has immune escape properties," he added.

Immune escape, in this context, refers to a mutation that allows a virus to resist vaccines. The Philippines, like other countries, is preparing for this possibility by promoting booster vaccination, whether it's a third or even fourth booster shot.

Health Undersecretary Maria Rosario S. Vergeire said in an online



PHILIPPINE STAR/MICHAEL MARCOS

briefing on Friday that case numbers "can go down further, but they can also go up again, so it's important that we sustain the plateauing" through continuous vaccination and consistent practicing of minimum health standards.

Recombinant variants — including XE, which was recently detected in Thailand — have so far not been found in the Philippines.

Other factors that can contribute to a surge include transmissibility, which is how fast a virus can spread; and virulence, which is how dangerous it is for those infected.

Dr. Wong explained: "Many people are done with the pandemic even though the pandemic may not be done with them. This means the response to a wave may not be the same as with previous waves."

Masking and distancing should be complemented by good ventilation. He recommended using a filter with a minimum efficiency reporting value of 13, usually the highest rating for home use; or a carbon dioxide (CO2) sensor as a proxy for estimating the risk for infection (the lower the levels of CO2, the lower the risk).

"We're in a better place than two years ago ... Just the same, we need to control spread," Dr. Wong said.

## WHO says it is tracing 2 new Omicron COVID subvariants

THE World Health Organization (WHO) said on Monday it is tracking a few dozen cases of two new subvariants of the highly transmissible Omicron strain of the coronavirus to assess whether they are more infectious or dangerous.

It has added BA.4 and BA.5, sister variants of the original BA.1 Omicron variant, to its list for monitoring. It is already tracking BA.1 and BA.2 — now globally dominant — as well as BA.1.1 and BA.3.

The WHO said it had begun tracking them because of their "additional mutations that need to be further studied to understand their impact on immune escape potential."

Viruses mutate all the time but only some mutations affect their ability to spread or evade prior immunity from vaccination or infection, or the severity of disease they cause.

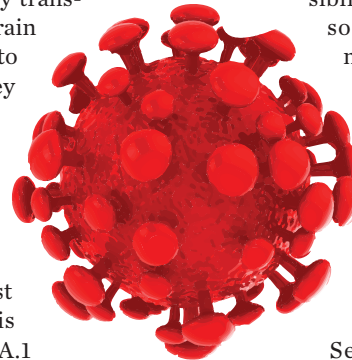
For instance, BA.2 now represents nearly 94% of all sequenced cases and is more transmissible than its siblings, but the evidence so far suggests it is no more likely to cause severe disease.

Only a few dozen cases of BA.4 and BA.5 have been reported to the global GISAID database, according to WHO.

The UK's Health Security Agency said last week BA.4 had been found in South Africa, Denmark, Botswana, Scotland, and England from Jan. 10 to March 30.

All the BA.5 cases were in South Africa as of last week, but on Monday Botswana's health ministry said it had identified four cases of BA.4 and BA.5, all among people aged 30 to 50 who were fully vaccinated and experiencing mild symptoms.

— Reuters



### Inflation, from SI/1

"Given the potential broadening of price pressures over the near term, the BSP stands ready to deploy timely and appropriate monetary policy measures, in line with its price and financial stability mandate," Mr. Diokno said.

The central bank's next policy meeting is on May 19.

In a separate note, ANZ Research Chief Economist for Southeast Asia and India Sanjay Mathur and economist Debalika Sarkar said they now expect the central bank to raise interest rates by 125 basis points (bps) this year from 25 bps previously.

It said the BSP would likely start hiking by 25 bps in June, which will be followed by similar moves at their Aug. 18, Sept. 22, Nov. 17, and Dec. 15 meetings.

### Voyager, from SI/1

it addresses pent-up demand for financial services in the country.

Regina Capital Development Corp. Equity Analyst Anna Corenne M. Agravio said in a phone message the fundraising round means that Voyager's expansion plans are in "full swing."

Voyager "will be able to more efficiently tap into the unbanked sector through Maya Bank," she added.

Voyager directly competes with Globe Fintech Innovations, Inc. (Mynt), operator of mobile wallet company GCash. However, Mynt is not planning on operating a digital bank.

"Both Voyager and Mynt have very aggressive expansion plans; both are looking to tap several aspects of financial markets. Cryptocurrency seems to be the talk of the town nowadays, so Voyager's

"We think these [inflation] risks are not trivial, given the limited fiscal intervention to control oil prices as well as a probable increase in firms' pricing power," the analysts said.

They said broader policy actions might be warranted to address the surge in oil prices, such as the suspension of taxes on fuel products.

The government has rejected calls to halt the collection of excise taxes on fuel products, and instead provided fuel subsidies to the transport and agriculture sector.

"However, concerns over potential revenue loss and consequent deterioration of fiscal health have taken precedence, particularly when the government is walking a tightrope on fiscal targets," ANZ analysts said. — Luz Wendy T. Noble

planned venture into this scene will likely be beneficial," Ms. Agravio said.

The critical factor is whether PayMaya "will be able to turn a profit soon, since GCash seems to be ahead of it in that aspect," she added.

"The more platforms you have, the more you are ahead of the pack," First Grade Finance, Inc. Managing Director Astro C. del Castillo said in a phone interview. "As long as you are ahead of the pack, you will eventually generate revenues," he added.

PLDT shares closed 1.53% lower at P1,800 apiece on Tuesday.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in BusinessWorld through the Philippine Star Group, which it controls.

### FDI, from SI/1

The equity placements were mainly from Japan, the United States, the Netherlands and Malaysia. These were invested in manufacturing; electricity, gas, steam and air-conditioning; financial and insurance; and real estate industries.

Inflows to equity and investment fund shares also slumped by 58% to \$184 million in January from \$439 million a year ago.

Meanwhile, reinvestment of earnings dipped by 1.4% to \$78 million from \$79 million a year earlier.

Among FDI segments, only inflows to debt instruments recorded growth, expanding by 18.3% to \$634 million in January from \$536 million a year earlier.

Asian Institute of Management economist John Paolo R. Rivera said FDIs might rebound in the next few months as COVID-19 cases continue to drop and business activity improves.

"FDIs should continue to increase given the plateauing of cases, reopening of the economy and better economic prospects for the rest of the year," he said in a Viber message.

Rizal Commercial Banking Corp. Chief Economist Michael Ricafort said the war in Ukraine might continue to hurt global investor sentiment.

"The Russia-Ukraine war could further disrupt the global supply chains, in terms of some reduction in global trade (both exports and imports), and potential drag on some investment activities as well," he said in a Viber message.

Global oil prices have soared since Russia invaded Ukraine on

Feb. 24. While the Philippines has limited trade and economic ties to Russia and Ukraine, it has been affected by the higher oil and commodity prices.

Investors will also closely watch the outcome of the May national elections.

"This (improving FDI) trend might change depending on who will win — whoever is the preference of the market. Yes, the preference of the people matters, but FDI is a function of the preference of the market and not necessarily of the people," Mr. Rivera said.

Former Senator Ferdinand R. Marcos, Jr., the son of the country's late dictator, remains the frontrunner in the presidential elections on May 9.

A Bloomberg survey of economists last month showed Vice-President Leonor G. Robredo was the preferred bet of investors and analysts.

"For planned investments, investors are looking at concrete platforms in the short, medium and long terms, proof of concept that policies materialize and transparency with anti-corruption and anti-red tape that will create a conducive environment for investments," Mr. Rivera said.

The central bank last month raised its FDI projection for 2022 to \$11 billion from \$8.5 billion, citing the continued recovery of economic activities and the implementation of investment-friendly reforms.

FDI inflows jumped to an all-time high of \$10.5 billion in 2021, rebounding from \$6.822 billion in 2020. — Luz Wendy T. Noble

### JOB VACANCY

#### GENERAL MANAGER

- Qualifications:
- Bachelor's/College Degree in any field
  - Good knowledge of different business functions
  - Strong leadership qualities and strong work ethics

ARAMAX SOLUTIONS INC.  
Unit 1702, 17th flr., Annapolis Wilshire Plaza, No. 11 Annapolis St., Greenhills, San Juan City  
Send your resume to [aramaxsolutions@gmail.com](mailto:aramaxsolutions@gmail.com)

### JOB OPENING

#### BUSINESS DEVELOPMENT MANAGER

Plan, develop and oversee the overall business development strategy of Amfy Import Export Corp. plan and study the company's financial success and helping the company maximize its profits. Has 5 years or more experience in business development or in sales management, college graduate preferably in business and marketing field, excellent in leadership skills, critical thinker and problem solver.

AMFY IMPORT EXPORT CORP.  
G/F 601 M. Lerma St., Brgy. Old Zanjaga Mandaluyong City 1550  
Email Add: [amfygroup@gmail.com](mailto:amfygroup@gmail.com)

### JOB OPENING

#### 5 Chinese Language Customer Service Representative 3 Bahasa Language Customer Service Representative

- Bachelor's/College Degree or with equivalent training and work experience
- Proficient in writing, reading and speaking in both English and Chinese/Bahasa

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Unit 9-A, 9th Floo., Marvin Plaza Bldg.,  
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### NOTICE OF PUBLIC AUCTION OF UNSERVICEABLE PROPERTIES

1. The Philippine Ports Authority-PMO NCR-North Disposal Committee invites interested parties for the public auction of the following unserviceable Equipment and Motor Vehicles by way of sealed bids on "AS IS WHERE IS" basis:

Lot No.	Qty.	Item/Particular	Location	Minimum Floor Price (Inclusive of 12% VAT)
1.	1-lot	VARIOUS EQUIPMENT (consist of computers, printers, scanners, calculators, magnetron & portable AC Genset)	PPA-PMO NCR North Building	P4,000.00
2.	1-unit	ELECTRIC JACKHAMMER	PPA-PMO NCR North Building	1,200.00
3.	1-lot	VARIOUS AIRCONDITIONERS	PPA-PMO NCR North Building	18,000.00
4.	1-lot	GENERATOR SETS, 15KVA (consist of 3-units 15KVA Genset)	PPA-PMO NCR North Building	30,000.00
5.	1-unit	HYUNDAI STAREX, Model 2004, with Plate No. XRZ-107, with Engine No. D46H4000756	PPA-PMO NCR North Building	146,832.00
6.	1-unit	TOYOTA HILUX, Model 1996, with Plate No. SEK-287, with Engine No. 2L-9382214	PPA-PMO NCR North Building	96,992.00

2. Interested bidders may submit their bid offer together with the required documents addressed to Ms. Evelyn I. Regla, Chairperson, to the PMO-NCR North Disposal Committee Secretariat at PMO Admin. Bldg., Mel Lopez Blvd., North Harbor, Tondo, Manila, on or before April 21, 2022, at 1:00PM. No submission shall be accepted after this hour.

3. Bid offer shall be accompanied by a bid bond in an amount equivalent to ten percent (10%) of the minimum floor price (inclusive of 12% VAT), which may be in the form of Cash, Manager's/Cashier's Check as guarantee that the successful bidder shall, within ten (10) working days from receipt of the Release Order, withdraw the goods from its present location.

4. The PPA-PMO NCR-North Disposal Committee reserves the right to reject any or all bids, to annul the bidding process, and to reject all bids at any time prior to contract award without incurring any liability to the affected bidders.

5. For further information, please refer to:

PPA-PMO NCR North Disposal Secretariat  
PMO-NCR North Admin Bldg.,  
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Email address: [rbritan@yahoo.com](mailto:rbritan@yahoo.com)

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Chairperson  
PMO NCR-North Disposal Committee