PhilHealth members still pay out of pocket in spite of universal healthcare

By Patricia B. Mirasol
Reporter

BW FILE PHOTO
FILIPINO "charity patients" fall in line to get served at the Philippine General Hospital in Manila.

MEMBERS of state-owned Philippine Health Insurance Corp. (PhilHealth) still pay out of pocket for medical services despite a law on universal healthcare, according to state think tank Philippine Institute for Development Studies (PIDS).

The elderly, women, rural and poor Filipinos are more likely to spend more, with the national health insurance program coverage limited to 40% of total hospital costs, PIDS said in a December 2022 study.

"Despite modest improvements in health outcomes, inequities continue to exist due to unresolved challenges in access to healthcare," PIDS senior research fellow Valerie Gilbert T. Ulep, supervising research specialist Jhanna Uy and research consultants Clarisa Joy A. Flaminiano, Vicente Alberto R. Puyat and Victor Andrew A. Antonio said.

"This includes the physical constraints due to lack of health facilities, along with the financial risks of catastrophic health expenses especially for vulnerable populations," they added.

PIDS computed the "support value" — the percentage of hospital care costs shouldered by PhilHealth — using PhilHealth data from 2018 to 2021, along with data sets from the Department of Health, Philippine Statistics Authority and Washington-based Institute for Health Metrics and Evaluation.

While 55.83% was found to be the average support value, the rate varied based on membership type, socioeconomic status, patient accommodation, disease classification, hospital ownership and level, and location.

Elderly members got the lowest support value in both public and private hospitals. Poor indirect contributors had a lower average support value than direct contributors such as like employees.

Women faced higher financial risk due to lower incomes and higher hospital admission rates across all age brackets, the think tank said.

This was for "avoidable conditions" such as nutritional deficiencies that could have been addressed through outpatient and preventive care, it added.

The study found that Filipinos in rural areas were likely to spend more because of the uneven distribution of primary care facilities and accredited hospitals that "do not cover the cost of all services."

Less than a half (43%) of Level 1 hospitals, which offer minimum health services, were government owned.

Out-of-pocket costs are an important indicator of an effective healthcare system, PIDS said in a November 2016 report.

In 2012, about 1.5 million Filipinos spent more than 40% of their earnings on healthcare. Drugs were the major source of out-of-pocket costs.

PIDS recommended a shift in PhilHealth's service purchasing and revenue generation to guarantee funds for all covered diseases.

It also said the government should increase the support value of the elderly and invest in health literacy.

"Effective financial protection in a health system should reduce out-of-pocket patient costs that are not covered by insurance, as much as possible," it said in a separate statement.

The state think tank examined the performance of PhilHealth in terms of population coverage (how many people are covered), service coverage (how many people access care) and financial risk protection (how many people are exposed to out-of-pocket payments).

OPINION

Early detection of cancer

MEDICINE CABINET
TEODORO B. PADILLA

Breast and cervical cancer are the most common cancers affecting Filipino women. They are highly amenable to early detection and cure, but women continue to die prematurely from these diseases.

Delaying screening and early detection programs is a substantial social and economic burden on individuals, families and the whole society. Effective screening programs drastically improve survival rates for women affected by breast or cervical cancer.

Cancer registration is necessary for cancer control, because knowledge of the country's particular cancer situation and patterns is needed to make informed decisions on the targeted interventions to reduce incidence and death. High-quality population-based cancer registries at the national level are the ideal standard for cancer registration.

The National Integrated Cancer Control Act (NICCA) mandates the establishment of a national population-based cancer registry that covers all forms of cancer among adults and children and serve as a guide for the NICCA Council in policy development. This registry will collect data on all new cases of cancer by geographical region to provide a framework for assessing and controlling the impact of cancer on the community. Cancer registries will form part of the Electronic Medical Record requirement of the Department of Health (DoH), and must comply with the Data Privacy Act.

NICCA contains a comprehensive set of provisions that aims to enhance cancer screening, treatment and survivorship, especially for underprivileged and poor Filipinos. As the country observes National Cancer Awareness Month, the development of a national registry can help ensure the law's full and effective implementation.

Like in the Philippines, breast and cervical cancer impose a heavy disease burden in many countries in the Americas, where cancer is the second leading cause of death. Each year, 400,000 women in the Americas are diagnosed with breast and cervical cancer, and 92,000 die from breast cancer and 36,000 from cervical cancer, according to the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA).

The IFPMA earlier formed a three-year partnership with the Pan American Health Organization (PAHO) Foundation to increase awareness of breast and cervical cancer and improve screening and earlier detection services. Initiatives under this partnership eventually helped build a cancer registry that saved lives.

There was great progress in three main areas in the first year of the partnership. The partnership produced a number of educational materials for the public on breast and cervical cancer prevention, detection and treatment to raise disease awareness and encourage women to go for screening and early detection services.

A pilot project with the Ministry of Health in Chile was implemented to strengthen national cervical cancer screening programs, as well as a series of policy workshops with government officials and health experts. Finally, a cancer registry training was held in 11 countries, in collaboration with the International Agency for Research on Cancer.

Health information, education and communication activities were developed to raise public awareness and to support an informed, empowered community of women. A toolkit with educational messages on HPV, HPV vaccination, cervical cancer screening and treatment was also created and disseminated throughout the region. Spanish language guidelines for program managers and health professionals on how to design and deliver programs for comprehensive cervical cancer prevention and control were shared with the Ministries of Health in Latin America. English language guidelines have also been disseminated.

The partnership also offered healthcare provider training to strengthen the national cervical cancer screening program, focusing on HPV test-based strategies to improve screening coverage and pre-cancer treatment rates. The program likewise disseminated evidence on breast cancer screening and early detection, and trained providers at the primary healthcare level on the early signs and symptoms of breast cancer.

Training for primary health providers on visual inspection using acetic acid took place as well as a pilot screening program using HPV DNA testing for cervical cancer.

All these best practices can help inspire activities in the Philippines as both the national and local governments work on the implementation of the cancer law in communities. These efforts will be more successful if conducted in partnership with patients, the medical community and private sector.

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

Inflation,
from S1/1

ANZ noted the recent hike in water rates is estimated to contribute an additional 10 basis points (bps) to inflation this year.

Metro Manila's two main water concessionaires began implementing higher rates in January. Manila Water raised rates by P8.04 per cubic meter, while Maynilad hiked rates by P3.29 per cubic meter.

"After factoring in the current direction of inflation and all upside risks, we believe that the central bank will need to extend its tightening cycle to May 2023," ANZ said.

ANZ expects the BSP to raise borrowing costs by another 50 bps at its Thursday meeting, followed by two 25-bp hikes each at the March 23 and May 18 meetings.

"This takes our overnight reverse repurchase forecast to 6.50% (previously 6.00%) in this cycle. Combined with our inflation forecast, this translates into a real policy rate of 1.4% — signaling further room for monetary policy tightening if inflation remains more stubborn than anticipated," it added.

In a *BusinessWorld* poll conducted last week, the BSP is widely expected to raise borrowing costs on Thursday, with a slim majority of nine analysts forecasting a 50-bp rate increase, while eight analysts anticipate a 25-bp increase.

The BSP raised interest rates by 350 bps since May 2022 as it sought to curb inflation. This brought the benchmark rate to a 14-year high of 5.5% last year.

BSP Governor Felipe M. Medalla last month said the central bank is ready to adjust policy stance as necessary "to keep further second-round effects at bay and prevent inflation expectations from becoming disanchored."

While not ruling out another supply shock, Mr. Medalla said January inflation was most likely the peak.

January inflation was above the BSP's forecast range of 7.5-8.3%. It also marked the 10th consecutive month inflation was above the BSP's 2-4% target range. — **Keisha B. Ta-asan**

Stubborn Philippine inflation fuels higher for longer rate bets

PHILIPPINE INFLATION at a fresh 14-year high has prompted bets that the central bank will extend its monetary tightening and hit a higher-than-initially expected peak policy rate.

Bangko Sentral ng Pilipinas (BSP) will raise borrowing costs by another 75 basis points (bps) in the coming meetings, according to a median forecast in the latest Bloomberg survey. That compares with a half-point estimate in a January survey.

All nine analysts polled after the January inflation data see the possibility of a higher BSP terminal rate. Of that, seven flagged a longer-than-expected tightening cycle, with some seeing an end to rate increases as late as June.

Policy makers will next set the overnight borrowing rate — currently at 5.5% — on Thursday and analysts are split between a half- and 25-basis-point increase.

Inflation at the highest level since 2008 puts in question BSP Governor Felipe M. Medalla's remarks last month that an end to rate increases could come this quarter. Following the latest consumer price data, Mr. Medalla said he can't discount further price shocks.

Analysts raised their forecasts on average price gains this year by full percentage point to 5.4%, with inflation seen staying above 8% in the first quarter, a separate Bloomberg survey showed.

The Philippines' statistician said price risks have broadened. In India too, inflation flared up in January. In contrast, price gains are on a downtrend in Indonesia and Thailand.

BSP may also take its cue from the US Federal Reserve where a possible reacceleration in consumer price growth boosts bets for a higher rate path. "More comfortable interest-rate differentials" could help stabilize the peso and inflation, said Rizal Commercial Banking Corp.'s Michael Ricafort said.

More work is needed to cool prices, according to BSP, which has so far raised the rate by 350 bps, among the most in the region. "Non-monetary measures are urgently needed," said China Banking Corp.'s Domini Velaquez, who forecast a BSP terminal rate of 6%.

While full-year Philippine output growth hit its fastest since 1976 in 2022, challenges point to a slower expansion this year. Still, the nation is forecast to remain among Asia's economic bright spots, giving room for BSP to sustain its most-aggressive monetary tightening in two decades, if needed. — ***Bloomberg***

CAMPI,
from S1/1

Mr. Gutierrez expects auto sales to continue increasing this year due to pent-up demand.

"Yes, there is still pent-up demand. The supply continues to improve and in fact, we have many models coming this year. So, that will really boost the sales. All brands are really preparing for this year's full recovery," he said.

However, the industry is facing supply challenges arising from the shortage of microchips used in vehicles, Mr. Gutierrez said.

"For some models yes, (there are supply issues). Especially those Japan sourced models are really still affected by the shortage of microchips," Mr. Gutierrez said.

In January, the auto industry's sales were driven by strong demand for commercial vehicles and passenger cars.

Commercial vehicle sales jumped by 46.8% to 21,993 in January, as sales of light commercial vehicles went up by 40.9% to 16,757 units. Sales of Asian utility vehicles surged by 87.1% to 4,587 units.

Passenger car sales increased by 29.8% to 7,506 units in January. — **Revin Mikhael D. Ochave**

JOHN VICTOR D. ORDOÑEZ
JAKARTA SKYLINE — the view from the top of the National Monument.

Jakarta,
from S1/1

He described Jakarta as the central business hub in Indonesia, with plans to expand direct flights with various airlines in Southeast Asia.

Jakarta is home to historical landmarks such as Old Batavia, which contains original Dutch buildings dating back to the 17th century, some of which have been converted into museums and cafés.

It also has enormous modern multipurpose structures like the Grand Indonesia and the state-owned department store PT Sarinah, the first high-rise building in the city.

Jakarta also boasts the largest stadium complex with a retractable roof in Asia, with its Jakarta International Stadium having a seating capacity of 82,000 people.

The city is also home to the Kepulauan Seribu, which translates to the Thousand Islands, a chain of about 342 islands and beaches stretching 45 kilometers into the Java Sea.

MORE DIRECT FLIGHTS

Mr. Wibowo said the government is working on more direct flights between the Philippines and Jakarta to boost tourism.

Philippine Airlines (PAL) currently operates 10 weekly direct flights between Manila and Jakarta, PAL Spokesperson Cielo C. Villaluna said in a Viber message.

Last year, Jakarta reported 14,890 visitor arrivals from the Philippines, significantly higher than the 2,540 in 2021, according to data from the Jakarta provincial government.

However, this is still a far cry from the 57,593 Filipinos who visited Jakarta in 2018 and 45,521 in 2019.

The Philippines ranked third among foreign visitors to Jakarta before the pandemic in 2019, Mr. Wibowo said.

"Hopefully, with more collaborative projects between our two countries this year, we hope to have more Filipino tourists in Jakarta," he said.

Indonesia is targeting between 3.5 and 7.4 million foreign tourists this year.

Last year, Indonesia attracted 5.47 million foreign visitors, more than three times the number in the previous year. However, this is still well below the 16.1 million visitors it welcomed in 2019.

PERA,
from S1/1

Under the law, contributors aged 18 or older can make a maximum annual investment of P100,000 in their PERA account, while overseas Filipinos are allowed to invest up to P200,000 a year. The BSP has said there may be a need to adjust these contribution caps to account for inflation.

The PERA law also offers various tax incentives to contributors such as tax exemptions on earnings from PERA investments, a 5% income tax credit on contributions which could be used for paying income tax liabilities, and a tax-free distribution on qualified withdrawal of PERA investments.

When a contributor reaches 55 years old and an investment period of at least five years, he or she can redeem the PERA investment free of taxes.

"Higher returns on contributions likely prompted Filipinos to save more in their PERA accounts. Financial savvy customers would take advantage of better returns on their idle money," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

Ms. Velasquez said job market improvements may have encouraged Filipinos to save more.

"As workers see better employment prospects, they have more opportunity to save more," she said.

The Philippines' unemployment rate eased to a three-year low of 5.4% in 2022, equivalent to 2.67 jobless Filipinos. In 2021, the unemployment rate stood at 7.8%, equivalent to 3.71 million.

Ms. Velasquez said an increase in the deployment of overseas Filipino workers (OFWs) last year may have also lifted contributions to PERA.

In September 2020, the central bank launched the digital platform for PERA to make it more accessible to contributors.

"As an online marketplace, the digital PERA facilitates greater convenience and efficiency by enabling Filipinos to open PERA accounts, choose among different accredited PERA products, and settle PERA transactions electronically using their mobile phones or other digital devices," the BSP said. — **Keisha B. Ta-asan**