Policy Simulation of the Aquino Health Agenda in Expanding Access to Health Care Services in Selected Regions in the Philippines

By Rachel Lynn Y. Belandres
Health → Human Development
Access to Health Care Services → Essential
However, not everyone, especially the poor, can have access to health care services.

- Financial Problems
- Physical Problems of Health Facilities
- Low Accessibility to Health Facilities
Philippines

Aquino Health Agenda
3 Strategic Thrusts of the Aquino Health Agenda

First
- Upgrading of health facilities through the Health Facilities Enhancement Program (HFEP)

Second
- Expansion of health insurance coverage through the National Health Insurance Program (NHIP)

Third
- Attainment of the health-related Millenium Development Goals (MDGs) in 2015
Aquino Health Agenda

Policy Goal of Expanding Access to Health Care Services

Regions in the Philippines
Statement of the Problem

First Specific Question

First Policy

Second Policy

Policy Goal of Expanding Access to Health Care Services

Distribution of benefits or government spending across income groups – EQUITY or Pro-poorness
Statement of the Problem

Second Specific Question

First Policy

Second Policy

Policy Goal of Expanding Access to Health Care Services

Cost Effectiveness – EFFICIENCY or Attaining greater outcomes with the least cost
Scope and Limitations

Analyzed only three out of sixteen regions in the Philippines

ARMM
Eastern Visayas
Bicol Region

CRITERIA: Number of Beneficiaries of the Aquino Health Agenda (NHTS-PR Families of DSWD) and Poverty Incidence
Scope and Limitations

Simulated in terms of their distribution of benefits across income deciles (equity) and in terms of their cost effectiveness (efficiency)
**Conceptual Framework of the Study**

**Government Spending on the Aquino Health Agenda**

- **Policy Option 1: Upgrading Health Facilities**
  - Pro-Poor
  - Cost Effective
  - Expansion of Access to Health Care Services
  - Attainment of Health-Related MDGs in 2015

- **Policy Option 2: Expanding Health Insurance Coverage**
  - Pro-Poor
  - Cost Effective
  - Expansion of Access to Health Care Services
  - Attainment of Health-Related MDGs in 2015

**Higher Economic Growth in the Long Run and Economic Development**
Policy Goal

General: Expanding Access to Health Care Services in the Selected Regions in the Philippines

• Reason: Universal Health Coverage is impossible to achieve within a span of six years.

Specific: Increasing Number of Live Births Attended By Skilled Health Personnel

• Reason: MDG 5: Improving Maternal Health → low probability to be achieved in 2015
• Reason: Equipment under HFEP are related to improving maternal health
Policy Options

Policy Goal

Policy Option 1: Upgrading of Health Facilities

Policy Option 2: Expansion of Health Insurance Coverage
Statement of the Problem

First Specific Question

First Policy

Second Policy

Policy Goal of Expanding Access to Health Care Services

Distribution of benefits or government spending across income groups - EQUITY
Benefit Incidence Analysis Results

HFEP and NHIP budgets

NHIP budget > HFEP budget

<table>
<thead>
<tr>
<th>Region</th>
<th>HFEP Budget (in pesos)</th>
<th>NHIP budget (in pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>23,069,935.18</td>
<td>663,279,792.7</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>75,036,576.56</td>
<td>598,573,340.9</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>57,811,140.17</td>
<td>626,514,810.9</td>
</tr>
</tbody>
</table>
## Benefit Incidence Analysis Results

### Distribution of Total Health Subsidy – Poorest Group

<table>
<thead>
<tr>
<th>Regions</th>
<th>Without Policy Intervention</th>
<th>With HFEP Policy</th>
<th>With NHIP Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Share in Total Health Subsidy</td>
<td>% Share in Total Health Subsidy</td>
<td>% Share in Total Health Subsidy</td>
</tr>
<tr>
<td>ARMM</td>
<td>23.4571%</td>
<td>23.4571%</td>
<td>47.5464%</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>21.4767%</td>
<td>21.4767%</td>
<td>40.0796%</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>19.8909%</td>
<td>19.8909%</td>
<td>34.5133%</td>
</tr>
</tbody>
</table>
Benefit Incidence Analysis Results

Distribution of Total Health Subsidy

ARMM, Eastern Visayas and Bicol Region – the poorest group benefits from government spending on health with or without policy intervention.

NHIP - increased the percentage share of the poorest group in the total government spending on health.

HFEP – shares of the poorest group remained the same.

In terms of distribution of total health subsidy, NHIP is more pro-poor.
### Benefit Incidence Analysis Results

Analysis of the Suits Index – common summary measure of benefit incidence or distribution of government spending

<table>
<thead>
<tr>
<th>Suits Index</th>
<th>Interpretation of Government Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative ( - )</td>
<td>Pro-poor; Majority of the benefits go to the poor</td>
</tr>
<tr>
<td>Positive ( + )</td>
<td>Poorly Targeted; Majority of the benefits do not go to the poorest group</td>
</tr>
<tr>
<td>Greater than the Gini Coefficient (common summary measure of distribution of income)</td>
<td>The poorest group gets a smaller share of the benefits from government spending than they do of income</td>
</tr>
<tr>
<td>Less than the Gini Coefficient</td>
<td>The poorest group gets a bigger share of the benefits from government spending than they do of income</td>
</tr>
</tbody>
</table>
### Benefit Incidence Analysis Results

#### Analysis of the Suits Index – Total Health Subsidy

<table>
<thead>
<tr>
<th>Region</th>
<th>Suits Index (Without Policy Intervention)</th>
<th>Suits Index (HFEP)</th>
<th>Suits Index (NHIP)</th>
<th>Gini Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>-0.445013</td>
<td>-0.445013</td>
<td>-0.740006</td>
<td>0.294824</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>-0.335455</td>
<td>-0.335455</td>
<td>-0.592664</td>
<td>0.484084</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>-0.285559</td>
<td>-0.285559</td>
<td>-0.511455</td>
<td>0.416391</td>
</tr>
</tbody>
</table>
With either HFEP and NHIP, government spending on health in ARMM, Eastern Visayas and Bicol Region are pro-poor.

With either HFEP and NHIP, the poor in the said regions have a higher percentage share in total health subsidy than in total income.

However, the suits indices with NHIP are more negative than those of with NHIP.

Thus, NHIP is more pro-poor than HFEP in the said regions.
Benefit Incidence Analysis Results

Subsidy Rate

measures how much of the total expenditure of a group are covered by the government spending on health for the group
## Benefit Incidence Analysis Results

### Subsidy Rates (First Decile) – Government Hospitals

<table>
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<tr>
<th>Regions</th>
<th>Without Policy Intervention</th>
<th>With HFEP Policy</th>
<th>With NHIP Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>0.3001%</td>
<td>0.3334%</td>
<td><strong>3.3342%</strong></td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>1.2082%</td>
<td>1.3559%</td>
<td><strong>4.9004%</strong></td>
</tr>
<tr>
<td>Bicol Region</td>
<td>1.4267%</td>
<td>1.5378%</td>
<td><strong>4.3656%</strong></td>
</tr>
</tbody>
</table>
## Benefit Incidence Analysis Results

Subsidy Rates (First Decile) – Rural Health Units

<table>
<thead>
<tr>
<th>Regions</th>
<th>Without Policy Intervention</th>
<th>With HFEP Policy</th>
<th>With NHIP Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>0.5772%</td>
<td>0.6379%</td>
<td>6.4122%</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>1.7001%</td>
<td>1.9736%</td>
<td>6.8956%</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>1.2718%</td>
<td>1.3724%</td>
<td>3.8914%</td>
</tr>
</tbody>
</table>
## Benefit Incidence Analysis Results

### Subsidy Rates (First Decile) – Barangay Health Stations

<table>
<thead>
<tr>
<th>Regions</th>
<th>Without Policy Intervention</th>
<th>With HFEP Policy</th>
<th>With NHIP Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>0.3528%</td>
<td>0.4585%</td>
<td>3.9195%</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>0.7776%</td>
<td>0.9170%</td>
<td>3.1538%</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>0.9581%</td>
<td>0.9993%</td>
<td>2.9315%</td>
</tr>
</tbody>
</table>
Benefit Incidence Analysis Results

Subsidy Rates

HFEP ≤ NHIP
# Benefit Incidence Analysis Results

## Summary of BIA Results

**NHIP – more pro-poor than HFEP**

<table>
<thead>
<tr>
<th>Policy Options</th>
<th>Budgets</th>
<th>Distribution of Total Subsidy</th>
<th>Suits Index</th>
<th>Subsidy Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFEP</td>
<td>NHIP&gt;HFEP</td>
<td>No Change</td>
<td>No Change</td>
<td>Increased</td>
</tr>
<tr>
<td>NHIP</td>
<td></td>
<td>Increased Share of the Poorest Group</td>
<td>More Negative</td>
<td>Increased, greater than that of HFEP</td>
</tr>
</tbody>
</table>
Statement of the Problem

Second Specific Question

First Policy

Second Policy

Policy Goal of Expanding Access to Health Care Services

Cost Effectiveness - EFFICIENCY
## Cost Effectiveness Analysis Results

### Summary of CEA Results

<table>
<thead>
<tr>
<th>Provinces</th>
<th>HFEP CE Ratio</th>
<th>NHIP CE Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM</td>
<td>340,638.570</td>
<td>452,281.812</td>
</tr>
<tr>
<td>Eastern Visayas</td>
<td>67,923.95</td>
<td>32,903.82</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>20,056.66</td>
<td>24,979.86</td>
</tr>
</tbody>
</table>
Conclusions

Expected at the national level that expanding health insurance coverage will be more pro-poor and cost effective.

Pro-poorness: Regional Level reflects that of the National Level.

Cost Effectiveness: Results vary at the regional level. Some regions do not reflect what is expected at the national level.
Conclusions

The government should concentrate on expanding health insurance coverage under NHIP in all selected regions in the Philippines - EQUITY

The method of implementation of NHIP might differ among the selected regions in the Philippines, since NHIP might be more pro-poor in some regions compared to the other regions.
Conclusions

The government should focus on expanding health insurance coverage under NHIP in Eastern Visayas – EFFICIENCY

The government should focus on upgrading health facilities in ARMM and Bicol Region – EFFICIENCY
Conclusions

Highly recommended that both policy options should still be implemented – BOTH POLICY OPTIONS ARE COMPLEMENTARY

Upgrading health facilities is beneficial in addressing the problem of low accessibility to health facilities of the people, especially of the poor and the physical problems of health facilities.

Expanding health insurance coverage is essential in addressing the financial problems of the poor in accessing health care services.
Recommendations

Government

Focus on upgrading health facilities in ARMM and Bicol Region - to achieve cost efficiency only in obtaining the policy goal.

Concentrate on expanding health insurance coverage ARMM and Bicol Region, if their objective is to attain equity only.

Focus on expanding health insurance coverage in Eastern Visayas to achieve both cost efficiency and equity.
Recommendations

Government

Take into consideration the circumstances of the different regions in the Philippines in implementing health policies, so that they can determine what policy they should focus on a certain region.

ARMM and Eastern Visayas - should make sure that the poor will receive health insurance, so that the poor can afford to pay for complex services in government hospitals. – since the first decile does not have the highest percentage share in government hospital subsidy without NHIP
Recommendations

Government

Bicol Region - both HFEP and NHIP should still be implemented to fasten the attainment of the said goal.

To really increase the probability of attaining the policy goal, the government should implement both policy options of upgrading health facilities and of expanding health insurance coverage to all regions in the Philippines.

There should be an alignment in the implementation of the two mentioned policies by focusing on sites, where majority of the poor are, like the Conditional Cash Transfer (CCT) sites as determined by the Department of Social Welfare and Development (DSWD).
Recommendations

Members of the Health Sector

Should provide inputs to the government on what are the problems in the health sector and the possible solutions in addressing these problems, so that health policies can be directed in attaining the real policy goals in the sector.
Recommendations

Academe and Economists

Should check through research, if the government is really keen on achieving their policy goals in the health sector in different aspects.
Thank you.