

STRATEGIES IN PROVIDING FINANCIAL PROTECTION TO THE INFORMAL SECTOR

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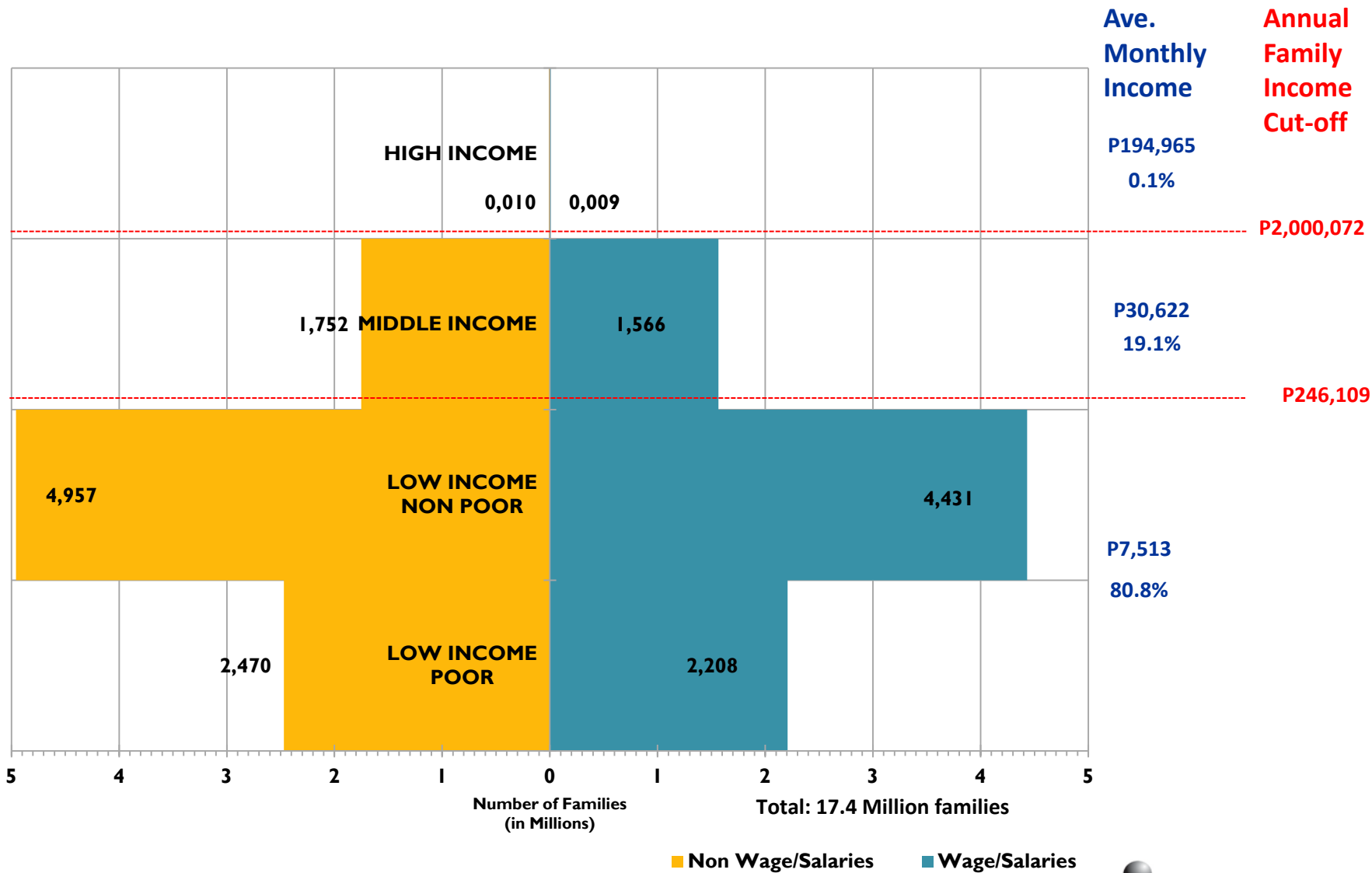
National Health Insurance Program

A compulsory health insurance program of government as established under Republic Act 7875 which shall provide universal health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all Filipinos.

Mandate

***“Universal health care for all within
three years.”***

***- President Benigno Simeon Aquino
Inaugural speech, June 2010***



Source: NSCB (FIES 2006)



Programs :



Employed Sector

Covers all employed in both government and private sectors

Overseas Filipino Workers

PhilHealth took Medicare functions from OWWA effective March 1, 2005



Lifetime

Covers all retirees and pensioners 60 years old and above and with at least 120 monthly contributions

Sponsored Program

The premium of the poor is subsidized by the national and local government or by a sponsor

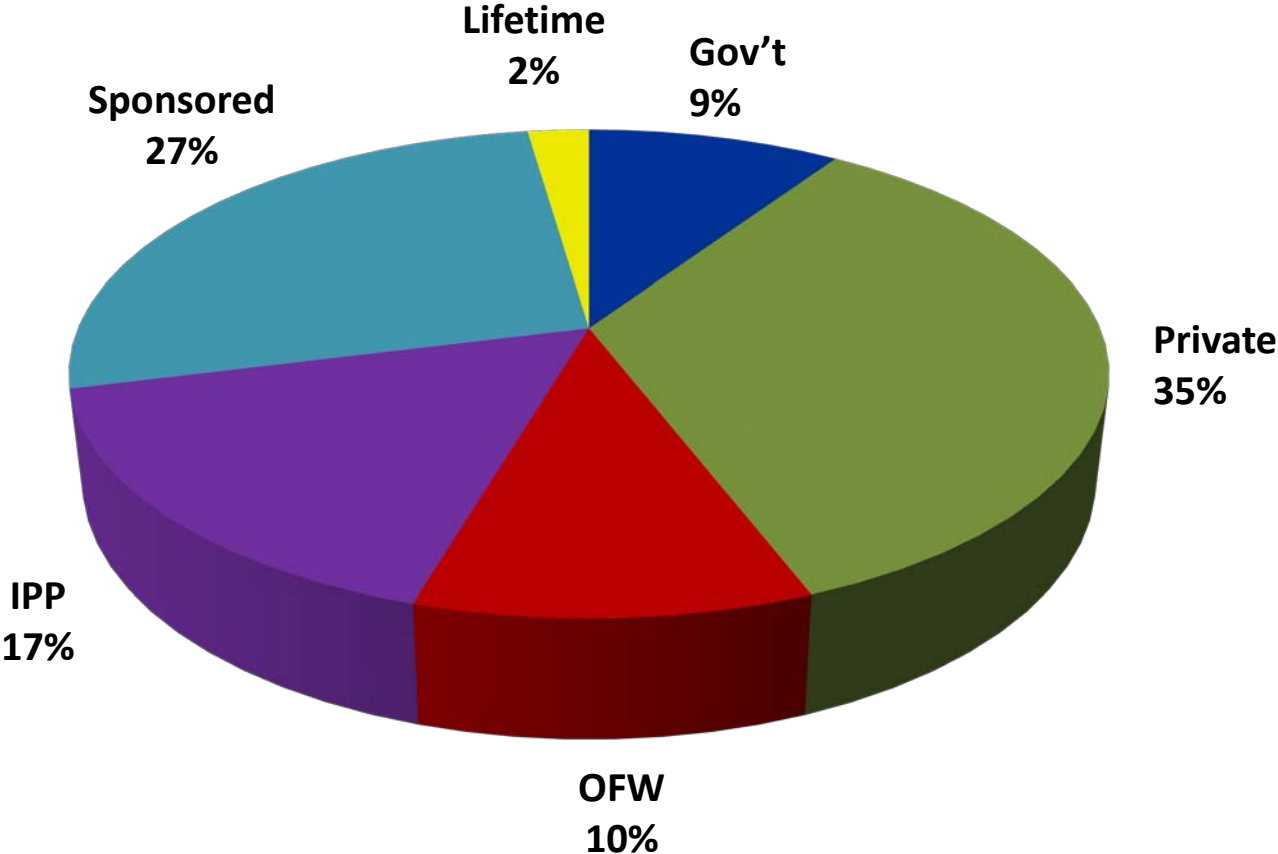


Individually Paying

Covers all self-employed and the informal economy workers

Registered Members

As of December 2009

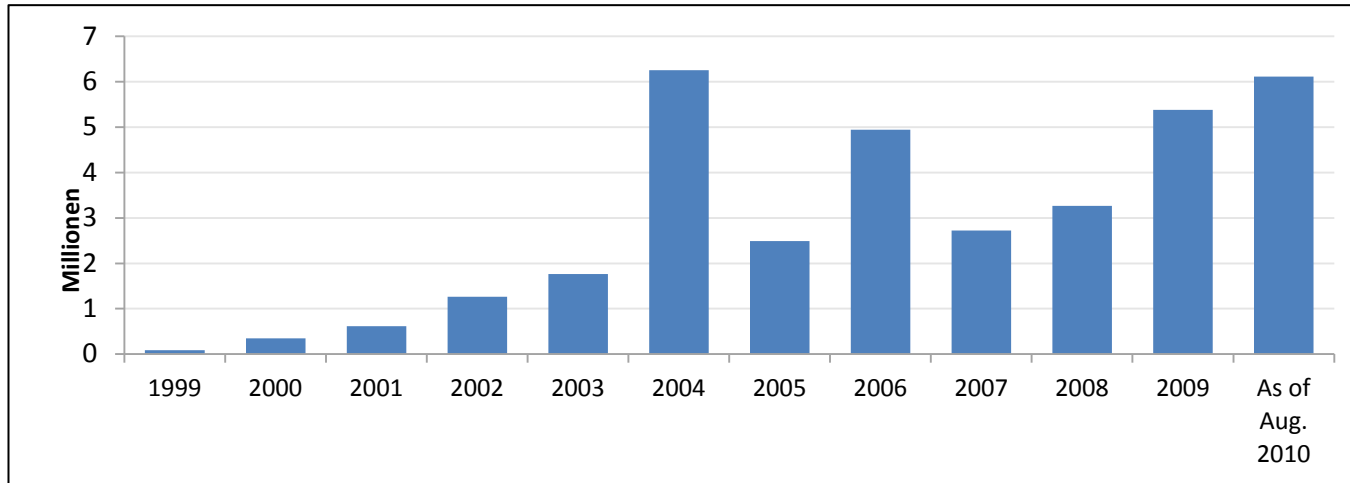


20.18 M

Sponsored Program

- P1,200 Premium contribution per family subsidized by the local and the national government based on the income class of the local government unit (LGU)
- Identification is through the Local Social Welfare Officer
- Benefits: Hospitalization in PhilHealth accredited facilities
Out-Patient Benefit (OPB) Package in accredited rural health units/health centers in the LGU
- LGUs are provided capitation funds to ensure delivery of OPB to Sponsored Program members
- Sponsored members are oriented on the benefit package, how and where to avail the benefits

Membership



- Enrollment of poor families by the LGUs increased from 0.087 in 1999 to 6.1M in August 2010

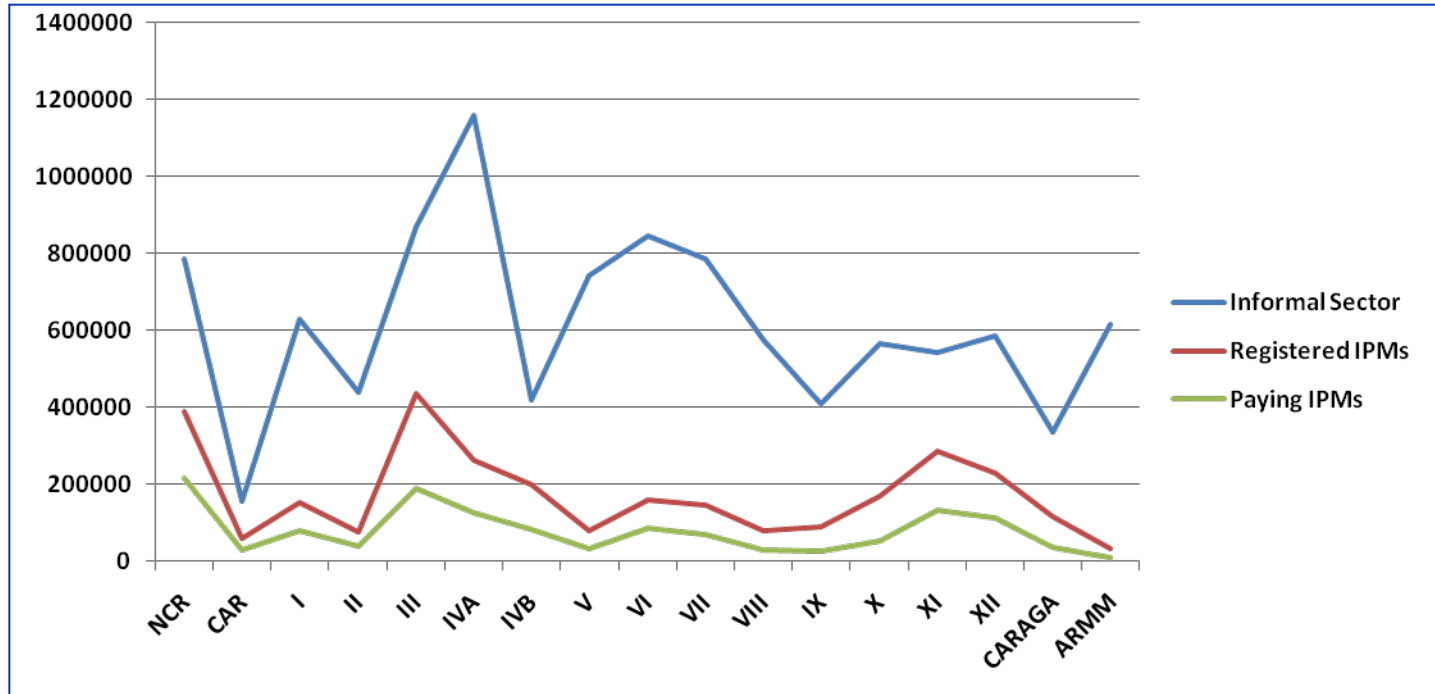
Challenges

- Identification of the poor families
- sustainability of poor families enrolled under SP by the LGUs
- availability of funds from the Local and National Government

Individually Paying Program

- P1,200 Premium contribution per member (also covers qualified dependents)
- Benefits: Hospitalization and regular outpatient services in PhilHealth accredited facilities
- Members are provided with brochures/flyers on the benefit packages, how and where to avail the benefits

Challenges

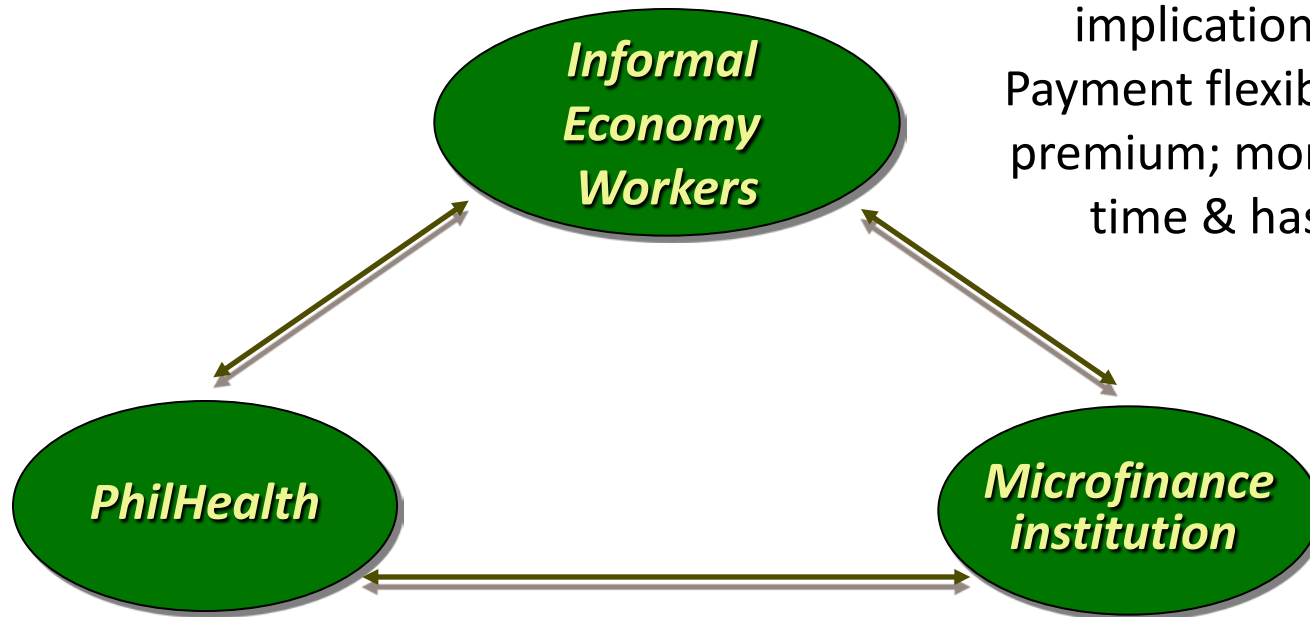


- 28% of the 10.45 M Informal Economy Workers are registered
- Only 45% of registered are paying
- IPP is currently marketed as voluntary



- Premium Php 1,200 per annum for family; generally acceptable but due to seasonality of income, people want to pay weekly/monthly given uncertain income.
- Competing with the Sponsored Program (SP)
- Availability of accredited and accessible health care facilities/providers
- Availability of accessible payment facilities to the informal economy workers
- Appreciation/acceptability of social health insurance by the sector

KaSAPI – Triple Win



Protection for financial implications of illness; Payment flexibility; lower premium; more benefits; time & hassle savings

Increased, sustained coverage; improved financial stability of the program for informal sector workers

Fulfill social mission; additional membership; reduced portfolio at risk



KaSAPI Program

Objectives:

- Provide Informal Sector access to quality health care
- Increase enrollment and sustain membership
- Implement an alternative premium payment scheme
- Identify and develop innovative approaches of marketing SHI
- Strengthen collaboration with OGs
- Strengthen solidarity and risk sharing



Mechanics

- Focuses on group enrollment scheme. Members enroll to NHIP through partner-organizations
- Access to social health insurance as a product of OGs to its members
- Assessment of OGs and Signing of an Agreement
- Partnership with organized group with minimum group size of 1,000
- Provides incentives to partner-OGs through premium discounts based on group size, actual number of enrollees of at least 70% of group size and mode of payment
- Facilitate the weekly premium payment through OG's scheme

Technical Assistance provided to OGs

- Capability building of OGs on social health insurance and the systems and procedures of the program
- Development of training modules
- Provision of an IT system

Table 1: KaSAPI Membership, Collection and Benefit Payment, 2006 – 2009.

Year	Membership	Collection US\$	Incurred Claims			Utilization Rate	
			Number	Amount US\$	AVPC	No. of Claims vs Membership	Amt. of Claim vs Collection
2006	1,862	27,615	23	1,881	81.78	1.24%	6.81%
2007	9,148	128,156	602	77,362	128.51	6.58%	60.37%
2008	21,699	425,734	1,374	177,492	129.18	6.33%	41.69%
2009	27,853	484,371	2,389	318,605	133.36	8.58%	65.78%

Source: Health Informatics Section and MCD

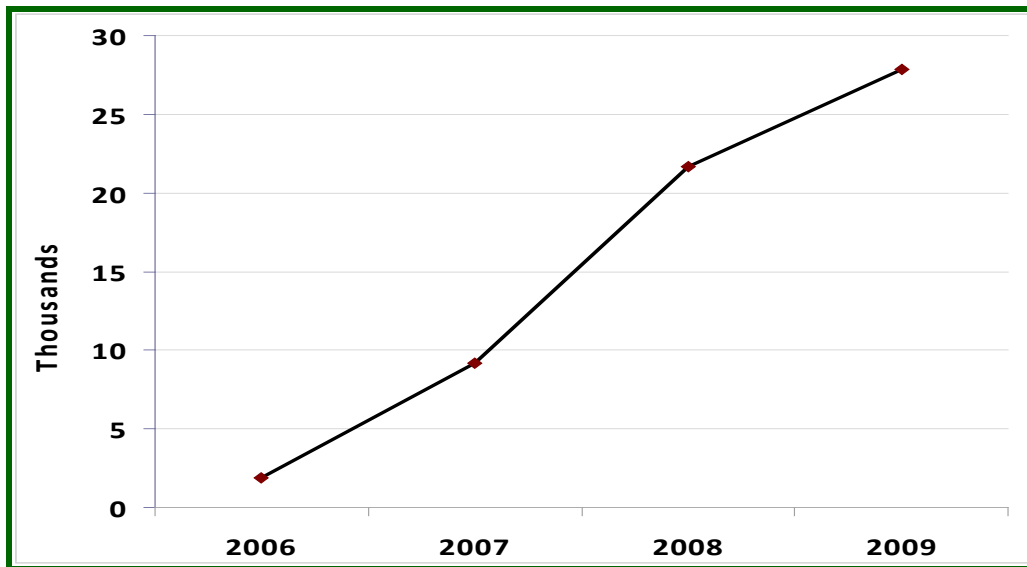
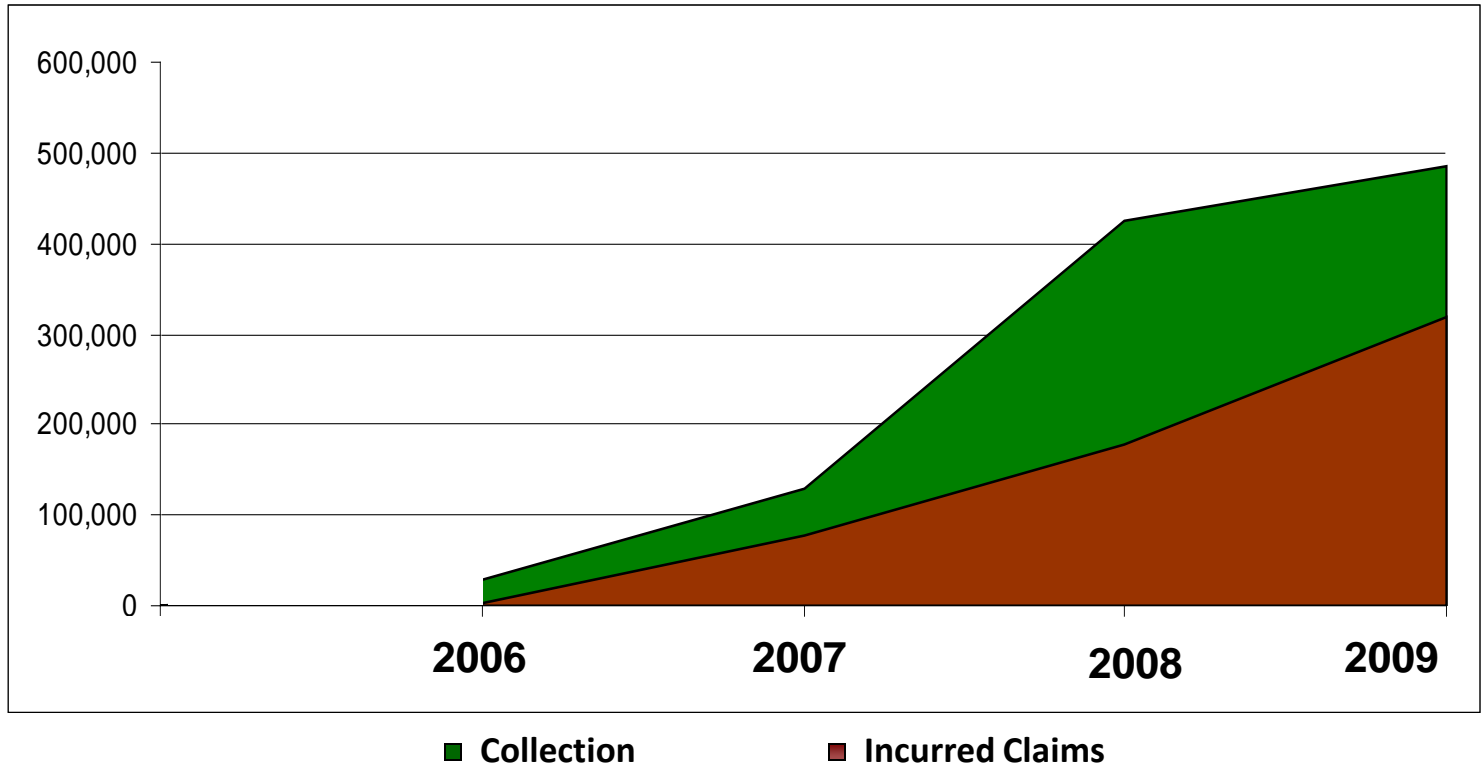


Figure 1: KaSAPI Membership, 2006 to 2009.

Figure 2: Amount of Collection vs. amount of Incurred Claims from 2006 to 2009.



Source: MCD and Health Informatics Section

KaSAPI Challenges

- Sustainability of membership
 - ✓ Although enrollment through KaSAPI is increasing, some partner-OGs have a drop out rate of 30-50%
- Competes with Sponsored Program
- Effective monitoring system
- Lack of an effective information education and communication (IEC) campaign

PLANS

➤ **For the Coverage of the Low Income Poor**

- Adopt the National Household Targeting System (NHTS) as the tool for the identification of Poor Families for enrollment under the Sponsored Program
- Premium contributions of Families in the NHTS list shall be fully subsidized by the National Government
- Development of the partial subsidy scheme for low income non-poor households (LGU/Sponsor-Member)

➤ **For the coverage of the Low Income Non-Poor**

1. Expand implementation of the KaSAPI Program

- Full implementation of the e-Group System to partner-organizations
- Pro-active negotiations with other organizations
- Inclusion of smaller organizations
- Enhancement of the training modules
- Include an efficient monitoring into the existing system of the Program

2. Improvement/enhancement of benefits and benefit delivery

- Shifting to a new provider payment mechanism
- Achieve 70% Support Value
- PhilHealth Benchbook as accreditation standard

3. Accreditation of more collecting agents
Current accredited collecting agents:
Banks : 44
Non-Banks : 11
4. Implementation of innovative and affordable means to facilitate premium payment
5. Conduct of an aggressive Information Education and Communication (IEC) Campaign to increase level of understanding and appreciation of members and stakeholders on social health insurance and the National Health Insurance Program (NHIP)

**Thank you and
Good day**