

QIDS

Quality Improvement Demonstration Study

A DOH-PhilHealth-UCSF-UPecon Partnership

Research Bulletin No.3

March 2006

PhilHealth Support in QIDS Sites

How much PhilHealth support do QIDS children get? Using QIDS baseline data for children under six years old with PhilHealth coverage, Table 1 shows that these children are charged an average of P1,800 for a confinement at a government district hospital. Roughly 70 percent of this total hospital bill is footed by PhilHealth while the rest is paid for by the patients' parents or guardians from out of their pockets. This average PhilHealth support for hospital charges varies from a low of 57 percent in Cebu and Leyte to a high of 85 percent in Capiz.

Interestingly, we find an inverted U-shaped relationship between hospital charges and support rates (see Figure 1). PhilHealth support rate initially increases with hospital charges, but for sufficiently high hospital charges, this relationship is reversed. Roughly speaking, one should expect support rates in QIDS hospitals to consistently decline with hospital charges since PhilHealth benefits are more or less uniform for the same illnesses, type of case, and type of hospital. This could mean that PhilHealth covered patients in hospitals that charge low prices are also those that are unable to maximize their PhilHealth claims. Possible reasons include patient's and hospital staff's inability to fill claim forms properly.

Table 2 shows the magnitude of purchases made outside the hospital (say, for drugs and diagnostic procedures) relative to total direct spending for a child's confinement. On the average, outside purchases account for almost 30 percent of direct expenditures. In provinces such as Leyte and Capiz, outside purchases reach as

high as 40 percent of total direct medical spending. Moreover, when these outside purchases are included in the computation of PhilHealth support rate, we find that this declines from 70 percent to about 50 percent. Outside purchases thus erode PhilHealth support significantly. Such erosion could be mitigated by informing patients that PhilHealth claims can be made for selected outside purchases and by ensuring the hospital is well-stocked especially with drugs and other basic medical supplies.

The Access Intervention of QIDS involves the expansion of insurance benefits for children under six. Thus, in QIDS hospitals with this intervention, it is expected that PhilHealth support rates will increase since benefit ceilings for ordinary cases are relaxed to match that of intensive cases. Figure 1 shows a comparison of support rates across QIDS hospitals by type of intervention (Access, Bonus, and Current) and by survey round (Panel 1 or baseline, Panel 2 or First Quarter Survey, and Panel 3 or Second Quarter Survey). Panel 1 shows that at the start of the policy experiment, support rates are similar across interventions. Panel 2 data, which were collected about four months after the interventions were launched, show an initial spike in support rates for Access hospitals. Looking at Panel 3, however, initial gains in Access hospitals are dissipated, possibly as a result of implementation difficulties. Thus, while expanding benefits potentially increases insurance support rates, this potential can be maximized with proper implementation, for example, by providing constant feedback to those directly involved with implementation.

Table 1. Average Hospital Bill and PhilHealth Support Rates

PROVINCE	Number of PHIC-Covered Children	Average Total Hospital Bill	% of Total Bill that is Out-of-Pocket	% of Total Bill that is covered by PHIC
Bohol	124	1,684	19.86	79.59
Camiguin	33	4,526	30.06	66.19
Capiz	82	1,721	15.05	84.95
Cebu	81	1,639	42.31	56.94
Eastern Samar	74	1,437	23.39	72.44
Iloilo	91	2,789	18.56	78.99
Leyte	157	1,246	36.14	57.32
Negros Occidental	96	1,858	10.48	80.76
Negros Oriental	116	1,945	29.24	69.60
Siquijor	52	1,761	33.03	62.24
Biliran	31	1,299	25.14	62.31
ALL	937	1,839	25.71	70.59

Figure 1. Average Hospital Bill and PhilHealth Support Rate

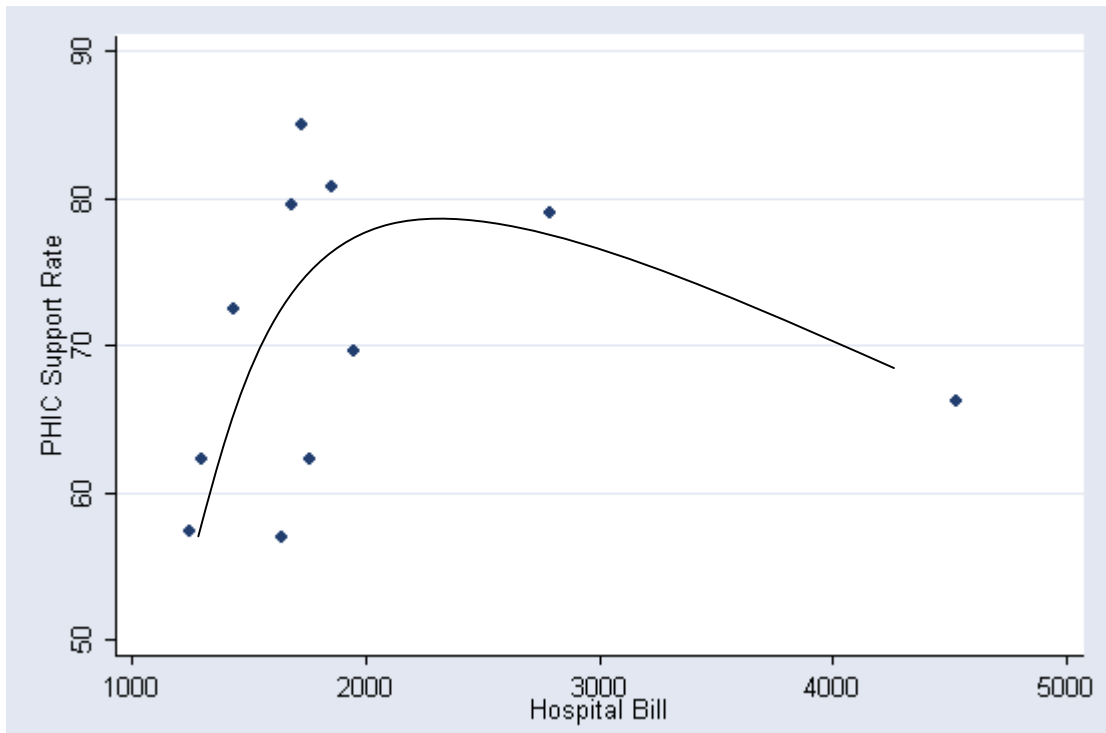
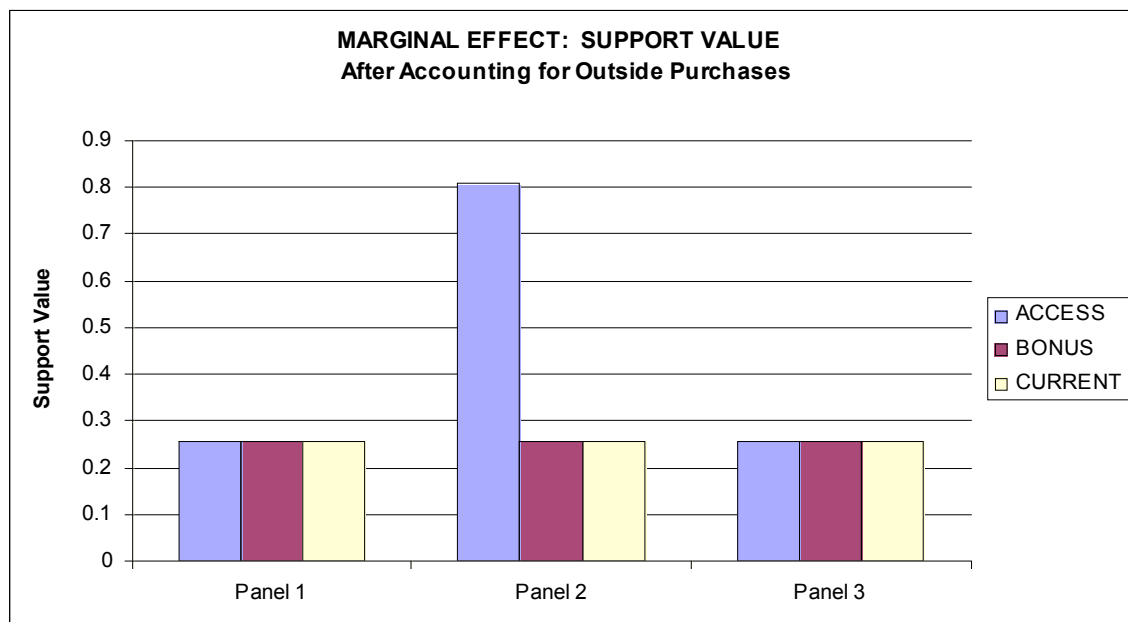


Table 2. Average Total Bill (Including Purchases Outside Hospital)

	Number of PHIC-Covered Children	AVERAGE TOTAL BILL	% BILLED BY HOSPITAL	% OUTSIDE PURCHASES
Bohol	124	2,314.09	72.72	27.28
Camiguin	33	5,889.76	77.50	22.50
Capiz	82	2,622.23	60.58	39.42
Cebu	81	2,158.25	74.27	25.73
Eastern Samar	74	1,884.68	77.13	22.87
Iloilo	91	3,416.38	84.93	15.07
Leyte	157	1,972.05	57.61	42.39
Negros Occidental	96	2,280.96	81.36	18.64
Negros Oriental	116	2,553.02	76.42	23.58
Siquijor	52	2,670.07	66.80	33.20
Biliran	31	2,104.03	66.12	33.88
ALL	937	2,508.34	71.68	28.32

Figure 2. Support Value After Accounting for Outside Purchases



The Quality Improvement Demonstration Study (QIDS), which is jointly being undertaken by the Department of Health (DOH), Philippine Health Insurance Corporation (PhilHealth), University of California San Francisco (UCSF), and the UPecon Foundation, attempts to evaluate policy interventions implemented under the DOH Health Sector Reform Agenda. QIDS is funded by the US National Institutes for Health and PhilHealth.

Specifically, QIDS evaluates the impacts of three policy interventions of interest to PHIC: expanding access to PhilHealth benefits for the most vulnerable populations; targeting bonuses for high quality care that leads to better health outcomes; and the current benefit program. In the QIDS project, these three interventions were randomly assigned to 30 district hospitals in the Visayas. To determine which intervention results in the greatest health benefits, QIDS is carrying out evaluations at baseline, every quarter and at the end-of-project. There are surveys of hospitals, physicians, exiting patients, patient follow home and random households.

The members of the editorial team are: John W. Peabody (UCSF), Orville Solon (UPecon), Elizabeth Butrick (UCSF), Stella Quimbo (UPecon), Jhiedon Florentino (UPecon), Marife Bacate (UPecon), and Mitch Abdon (UPecon).