

# QIDS

## Quality Improvement Demonstration Study

A DOH-PhilHealth-UCSF-UPecon Partnership

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### **Underutilization of PhilHealth benefits for hospitalization**

Countries around the world often use social health insurance programs as a means to eliminate unmet health needs. However, this strategy is ineffective when health insurance is underutilized. We were interested in the problem of insurance underutilization in the Philippines and thus analyzed utilization of PhilHealth insurance between 1998 and 2007 using historical claims data on insurance benefit payments and premium contributions from PhilHealth and data from QIDS.

The QIDS data set has detailed patient information from exit interviews of children under 5 years conducted in seven waves in public hospital districts in the Visayas. These data were used to estimate underutilization of insurance benefits and identify predictors of underutilization.

First, financial records of PhilHealth indicated that insurance utilization rates were indeed low among the insured between 1998-2006. Utilization, approximated by the ratio of total benefit payments to the PhilHealth premium contributions, averaged only 76%, (i.e. underutilization of 24%). Among indigents, or non-paying members, the ratio of benefit payments to premium contributions was lower, for instance 36% in 2004.

Using the QIDS data provided more detail on underutilization. The average underutilization rate across all QIDS study sites in both assessment rounds, was about 15%. The most common reason cited in the patient exit surveys for not filing a claim was non-eligibility of members to file claims, for example due to delinquent premium payments.

Insurance underutilization, however, was less likely in the QIDS intervention sites than control sites. This initial finding supports the idea that increased awareness of PhilHealth among households and health care providers can reduce insurance underutilization. Further confirmation awaits more definitive study on the causal link between our interventions and insurance underutilization. One common element of the QIDS interventions, however, is information about the study and about PhilHealth benefits that is disseminated to various stakeholders. Policy Navigators, for example, are deployed in Intervention A sites, where insurance benefits are increased for hospitalization we see increased enrollment. In B sites, where high performing doctors are publicized as being effective and able to provide good quality of care, we also see increased enrollment. It seems that these actions generally improve patient awareness of insurance benefits.

Further analysis of QIDS data is revealing. Families where mothers are less educated are more likely to underutilize. Also, children with long lengths of stay are most likely to have utilized their PhilHealth coverage. Presumably, sicker children's need for more financial resources drive parents to pursue all sources of funds.

In the Philippines, it is particularly important to understand insurance underutilization because the burden of health care spending falls largest on households, and health outcomes tend to be worse when households lack the resources to complete treatment protocols. Our data on insurance underutilization helps qualify reports that over 70% of Filipinos have PhilHealth coverage. While there may be upward biases in PhilHealth coverage, due to inaccurate data on membership, underutilization decreases the effective PhilHealth coverage rate whatever is reported. Moreover, underutilization leads to resource leakage since communities are paying into PhilHealth, resulting in an undesirable redistribution of wealth from households back to the insurance program.

This suggests that any steps that improve benefit awareness can combat

underutilization. Targeting less educated mothers and beneficiaries with shorter lengths of stay is a straightforward place to start in awareness campaigns.

Admittedly, social insurance programs do not always have sufficient resources to mount effective social marketing campaigns and target special beneficiary groups. In QIDS Intervention B sites, we believe that the bonus scheme—although not primarily intended for improved awareness of PhilHealth benefits – is nevertheless an opportunity where health care providers are encouraging families to use their insurance. After all, the bonus payments can only materialize if patients actually file claims. Other research supports this notion: even with modest benefits, providers have an incentive to educate patients about insurance.

In sum, a significant amount of resources allocated for improving access to health care is potentially wasted through the underutilization of social insurance in the Philippines. While the exact reasons for this require further investigation, it seems that lack of awareness is one important obstacle. In the absence of well-targeted social marketing campaigns, expanding benefits alone may not be enough to cover the poor.

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.

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