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Category : Continuous Improvement

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Name of Project : **Benefits Development Planning Protocol**

Objective and Nature of Project

The Philippine Health Insurance Corporation (PhilHealth) has been developing benefits packages since its establishment in 1995. As PhilHealth continuous to improve its internal processes, it issued the Benefits Development Planning Protocol (BDPP) and institutionalized the framework for the crafting of the PhilHealth Benefit Plan under the National Health Insurance Program. This aims to ensure an objective, methodologically sound and transparent approach in the addition, revision and expansion of health benefits packages (HBPs) and protect the benefits development process against undue influence while ensuring financial sustainability and fostering public satisfaction.

Why it Should Be Recognized

The Philippines is among the many countries that strive to achieve Universal Health Coverage. In 2019, the Philippines enacted a Universal Health Care law with the aim of adopting a whole of system, whole of government and whole of society approach to ensure that all Filipinos are guaranteed equitable access to quality and affordable health care services and are protected from financial risk.

Pursuant to the law, PhilHealth is duty bound to further expand population and benefits coverage. Thus, it must design an explicit HBP, and at the same time, progressively improve existing benefits. In order to do this, PhilHealth developed the framework for the crafting of a benefit plan that is the basis of the HBP, as well as the BDPP that outlines the steps from identifying services and deciding which among them will be included in the HBP.

A study by the Joint Learning Network for Universal Health Coverage in 2022 revealed that HBP revisions are scarce and only few countries have an explicit process to periodically review the HBPs. The Philippines, along with two other countries, was identified as a rare example of a country that have built in legal provisions to the HBPs on a periodic basis.

The establishment of the BDPP, including explicit prioritization criteria and transparent decision-making process protects the benefits development process against undue influence that will redound to financial sustainability and foster public satisfaction on PhilHealth coverage.

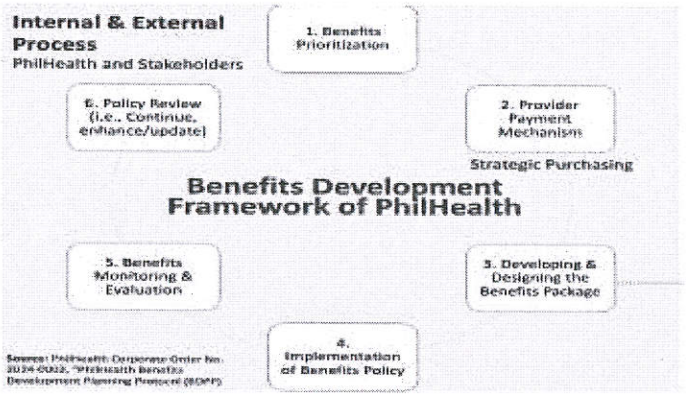

Figure 1. PhilHealth Benefits Development Framework

Summary of the Project

A. Background

The Philippine Health Insurance Corporation (PhilHealth) was established in 1995 to administer the national health insurance program. Since its establishment, PhilHealth has had wide experience in developing and enhancing benefit packages. The development of these packages was mostly based on perceived need by management or interest groups or organizations depending on their respective priorities with PhilHealth as a passive purchaser. Development process and rate setting, in the absence of standard procedure or methodology, were based on actuarially determined ceilings, claims profile on utilization and average value per claim (AVPC). The main goal was to provide the benefit packages within financial capability of the Corporation and less on financial risk protection for the member.

The passage of Republic Act No. 11223 or UHC law mandates PhilHealth to cover all Filipinos and develop comprehensive benefit packages. The law prescribed access to preventive, promotive, curative, rehabilitative, and palliative care for medical, dental, mental and emergency health services. PhilHealth is also directed to shift benefit payment from reimbursement to prospective payment mechanism based on Diagnosis Related Group.

Through the years, and given the requirements of the law, PhilHealth recognized the need to institutionalize the way it develops benefits packages. This methodological approach to benefit development and plans, aligned with its given mandate under UHC will allow PhilHealth's benefit development process to shift from passive purchasing toward strategic purchasing to ensure equity in distribution of resources, quality of care and efficiency in the delivery of health services for better health outcomes. Further,

A Benefit Development Plan Protocol (BDPP) will serve as a guide towards implementation of these directives.

B. The PhilHealth BDPP

The BDPP outlines the process of identifying and designing a PhilHealth benefit package; serve as a roadmap to outline the steps from identifying services to deciding which thereof are to be included in the PhilHealth benefits package; and specify the processes, sources of information and relevant stakeholders to the benefits development process.

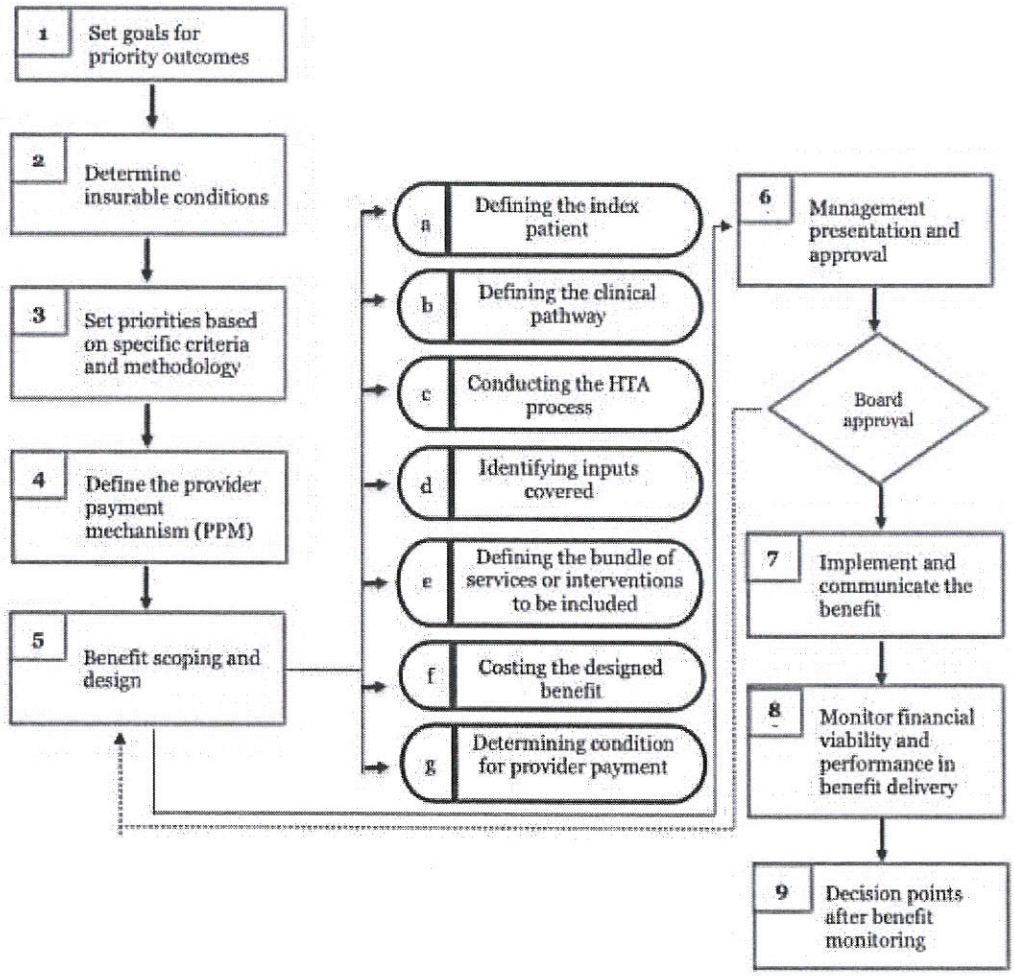

Figure 2. Benefit Development Planning Protocol

The benefits development process involves the following steps:

1. Setting Goals for Outcome Priorities

a. Set clear goal and general criteria for selecting outcome priorities and, subsequently, services and products within each priority.
b. Clearly state the intended impact or goal of the HBP, which can include improving health outcomes, reducing health inequities, and FRP.
c. Utilize well accepted references like the UHC Act, special and other health laws, the NOH, and the PDP as guide in the selection of outcome priorities and their subsequent service and product priorities.

2. Determining insurable conditions

a. Adopt the UHC Act provision that delineates the purchasing responsibilities between population- and individual-based health services, wherein PhilHealth is mandated to purchase the latter.
b. Differentiate insurable conditions for SHI from the "insurable risk" practiced by private health insurance companies.
c. Give high importance to equity and coverage for the vulnerable population in addition to budget impact when deciding on the conditions to be covered by the HBP.

3. Setting Priorities Based on Specific Criteria and Methodology

a. Operationalize the criteria and methods for the appraisal of a disease/condition-service pair against the decided goals.
b. Translate the general criteria into specific ones, which can be utilized in pre-agreed and technically rigorous appraisal methods so that each disease/condition-service pair is treated consistently from a methods perspective.

4. Defining the Provider Payment Mechanism (PPM)

The PPM for the benefits is determined and added to PhilHealth's service package subject to the bounds of the existing laws like the UHC Act.

5. Benefit Scoping and Design and Determination of Financial Feasibility

Following benefit design and cost estimation, it is crucial to assess the financial impact and sustainability of inclusion of the additional benefit to guide package approval and budgeting discussions. Ensuring the financial sustainability of the health insurance scheme will be a top priority as PhilHealth incrementally increases its benefit coverage. Proposed benefit packages shown to be infeasible for implementation must be revised accordingly to meet the financial constraints of the Corporation.

6. Management Presentation and Approval

Once the prototype benefits package is ready, it is subjected to risk management, actuarial evaluation and a three-tiered approval by the PhilHealth Executive Committee, the Benefits Committee of the PhilHealth Board of Directors, and the Board of Directors, respectively.

7. Implementing and Communicating the Benefit

A significant step in implementing benefits packages is to plan and develop effective communication strategies that will be implemented through various channels targeting intended members and health care providers. These strategies include the publication of PhilHealth circulars, advisories, news articles in major newspapers, art cards in PhilHealth website and FB page, knowledge products for target audience including patient groups, parents or carers, health care providers and other government agencies.

8. Monitoring Financial Viability and Performance in benefit delivery

In implementing a more robust BDP, monitoring and evaluation mechanisms must be followed to ensure that designed benefits are aligned with the set goals and are delivering the intended outcomes

9. Decision Points After Benefit Monitoring

A continuous process of reviewing, learning, and revising benefits based on the implementation and management of existing benefits is at the heart of the BDP. All findings from benefits monitoring, even if they do not trigger modification of an existing benefit, shall be forwarded to appropriate teams or office in PhilHealth that can address the issues to support the Corporation's thrust for financial risk protection. Technical recommendations on the decision options and resulting policy outcomes from the benefit review will be documented and communicated to the appropriate offices to address action items.