



EpiMetrics, Inc.

The Guaranteed Health Benefits Package Study Series

Phase 4 : Facility-Based Intervention Costing for
the 48 Highest Burden Diseases in the Guaranteed Health
Benefits Package of the Department of Health and
Philippine Health Insurance Corporation

EXECUTIVE SUMMARY

Abstract

Achieving universal health care remains a relevant theme in the Philippines' health agenda. As PhilHealth continues to expand its coverage and scope of benefit packages, it needs a transparent and systematic method of prioritization that will optimize resource allocation for competing health needs. This four-phase study aims to provide our national policymakers with evidence-based information to guide the decision-making process of developing benefit packages in order to ensure financial risk protection, continuity, and quality of care for all Filipinos.

Phase I projects the Philippines' burden of disease profile from 2015-2035, based on the 2013 Global Burden of Disease (GBD) database, as well as the age and sex structure of the population. This data is fed into Phase II of the study, which aims to develop a formal priority setting process. Phase III narrowed down the cost-effective interventions along various life stages and levels of prevention for the 48 most burdensome diseases for possible inclusion in the GHBP.

Phase IV aimed to identify whether these potential interventions are feasible in the local context, in terms of resource items, unit costs, and their respective resource volumes. Results of the study provided an estimate cost of managing the 48 most burdensome diseases in the Philippines. More importantly, it suggests a methodology (top down or cost per bed day approach) that government administrators can adopt to guide and standardize planning and implementing future rate setting and payment mechanisms.

Executive Summary

A. Introduction

Achieving the goal of universal health coverage involves prioritizing health interventions to be covered, allocating funds properly to services that are most needed, and incentivizing providers to provide better quality of care. As such, a cost analysis is needed to help PhilHealth fulfill its mandate by becoming a strategic purchaser. In the continuum of research efforts to identify the most burdensome diseases, their cost-effective facility-based interventions, and corresponding resource requirements, this study aimed to identify the associated costs in treating these diseases.

B. Methods

Unit costs of various hospital services in a sample of public hospitals across all five major geographic zones in the country (National Capital Region, North Luzon, South Luzon, Visayas and Mindanao) were analyzed. A step-down cost accounting methodology was used to estimate the cost per bed day, prescription, imaging, laboratory, surgery and OPD visit. Major cost components include cost of personnel, drugs and medicines, medical supplies, equipment depreciation, and other overhead costs. These costs were then used to estimate the cost of treating or managing the top 48 burden of diseases in the Philippines.

C. Results and Discussion

Cost variations observed between departments were attributed to differences in level of output, condition management complexity, and length of stay of confinement. On the other hand, differences in median costs per bed day per department across hospital levels reflect geographical differences in costs, variations in procurement costs, and level of efficiency of hospital operations. It was also noticed that many of the hospitals are unable to provide the specific and granular numbers needed for a precise calculation of resource usage. In lieu of these, some assumptions were made in order to come up with numbers for the costs and allocations.

D. Conclusions and Recommendations

While the results are not meant to be generalized to all hospitals, the study was able to demonstrate a methodology for costing health services, which government administrators can adapt in order to have evidence-based information that can guide them in planning and implementing future rate setting and payment mechanism.

Given these, the study recommends that PhilHealth and the Department of Health explore the development of a consistent system of gathering costs from hospitals. This begins with the regulation, standardization, and harmonization of hospital records and information systems so that all pertinent data (e.g. clinical data on morbidity and mortality) will be included and made available for future research purposes. A universal cost accounting system, based off from efficient hospitals with best costing practices, can also be developed to minimize variance of the data. Lastly, cost items for coverage by purchasers and funders should be identified.

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