

Headline: Health for everyone

Byline: Peter Wallace

Published Date: 12:28 AM March 10, 2016

Section: opinion

Word Count: 5946

Content:

The next debate of the presidentiables is on March 20 in Cebu. Four issues are to be covered: health, education, fighting corruption, and disaster preparedness/climate change. Before then I'm covering two: health and education, given their importance (top two in a Pulse Asia survey) to Filipinos. Every presidentiable has promised to provide universal healthcare to everyone. That's easy to say, but where are the details, what specifically will they do? How will it be paid for? This they haven't told us.

Paying for health did receive a major boost after President Aquino successfully pushed for the adjustment and increase in taxes on cigarettes and alcohol—the so-called “sin taxes.” The health budget went from P25 billion in 2010 to P87 billion last year, P34 billion of that coming from sin taxes.

This has allowed the government to widen PhilHealth coverage to 90 percent of the populace. But the coverage is almost entirely focused on costs incurred when someone is hospitalized, while the vast majority of illnesses can and should be managed before the need for hospital confinement. As a result, most of the time, Filipinos have to cover the cost of their treatment out of their own pocket. Too often, serious illnesses bankrupt families. Thus, wider, deeper coverage is an area where real attention is needed.

Even in countries with very broad coverage, there is continuing debate on who gets covered for what and for how much. This is a question that presidential candidates must answer. Government focus should be on providing free medical service to all those who can't afford it, and lesser payment for those who can. That provides the choice between public hospitals vs. private ones, generic drugs vs. branded ones, public health clinics vs. private ones, and government doctors and medical workers vs. private ones. In other words: choice. I like Grace Poe's idea of PhilHealth vouchers that can be used anywhere for primary healthcare and outpatient services.

The Cheaper Medicines Act introduced by Mar Roxas in 2008 was one of those populist decisions we don't need. Yes, we all need cheap pills, but we also need cures for more diseases.

Developing an innovative cure requires \$1-4 billion and 10-12 years of research and development (R&D;). Someone has to pay this—how many of us are hoping for a new treatment for cancer or heart failure? That needs the pharma companies, and they need to recoup the cost that is done through intellectual property protection generally for 20 years from the start of research.

After the end of that period, any generic company can produce the same drug without incurring the cost of R&D; and, hence, can offer a cheaper alternative. And with some 99 percent of drugs in the World Health Organization's essential drug list being available as generics, why was the price of branded original drugs forced down? It made no sense, and still doesn't. I'd happily pay full price to help pay for research, while those who can't have a safe and effective alternative. It's a system that works, so why mess with it?

What I'd give more attention to is preventing illness and catching it early on when cure is simpler and cheaper. Strengthening primary healthcare and outpatient systems will help do this. It will also take pressure off overworked doctors and hospitals dealing with illnesses that aren't serious. Tied to this is the need for more clinics and an upgrading of those facilities with more space, better

equipment and services—and a greater, closer involvement of local government units who at any rate are mandated to provide this support. That greater involvement is absent in many local communities; the sense of priority is lacking. You should see the grandiose design of some city halls versus the derelict condition of the local hospital.

In 2013, total spending on health was about 4.4 percent; this is below the minimum 5 percent that the WHO recommends. Worse, of that 4.4 percent, only 0.44 percent was spent by the government. That means people are spending their own money for most of health spending.

Spending more is not of course the only thing that needs to be done. Better use of the money is as important. PhilHealth needs to expand its coverage of services, including the provision of medicines for primary healthcare and more cover for serious illnesses. At present, only 6.5 percent of PhilHealth benefit payments go to primary care, while the majority goes to in-hospital services and other benefits.

There's a thing called the Philippine National Formulary that lists all drugs that physicians in public facilities can use. If a drug is not listed, then a patient seeking treatment in a public hospital cannot be prescribed with it. A patient can purchase a drug not listed but must pay for it. The list must be regularly updated and become dynamic so that new life-saving drugs are available soon after approval of the Food and Drug Administration. And it's important that drugs are available promptly through an effective supply chain management system.

The private sector should be a partner in all of this—not two separate systems but a holistic one that works seamlessly. The successful public-private partnership concept can be applied here. The private sector can build or rehabilitate hospitals, even health clinics, and maintain them. And let's keep the doctors and nurses at home where they are truly needed. And that means paying them well.

But in the end, as Rodrigo Duterte has said, leading a healthy lifestyle (I'm not the greatest example) should be the aim of everyone, and a major focus of the government's efforts. To look after people's health before they get sick should be a primary part of any health program.

Subscribe to our daily newsletter

By providing an email address. I agree to the Terms of Use and acknowledge that I have read the Privacy Policy.

E-mail: ; Read my previous columns: www.wallacebusinessforum.com.