# Pulling the plug | Inquirer Opinion

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The announcement last week that private hospitals will no longer accept guarantee letters, given their over P500-million receivables from government, sounds much like pulling the plug for ailing Filipinos.

Barely able to make ends meet on their minimum wage, most Filipinos often fall back on guarantee letters from politicians, public officials, charity groups, and nongovernment organizations to meet the P500 cost of doctor’s consultations and confinement in private hospitals that charge from P2,500 to P3,000 a day.

The long wait and snaking queues in government hospitals are hardly an option for those in need of urgent medical attention.

While the Department of Health (DOH) has said it has enough funds to cover its deficiency to private hospitals, its sketchy record on the health emergency allowance (HEA) of COVID-19 frontliners has put its credibility on the line.

The explanation that most private hospitals lack certain documents that would facilitate payment of their receivables sounds uncannily like the agency’s well-worn excuse for the years-long delay in releasing the HEA.

The Private Hospitals Association of the Philippines Inc. (Phapi), which earlier reported that some of its members had stopped accepting guarantee letters due to the slow processing of payments, blamed the delay on election-related disruptions and shortage of government personnel processing the reimbursements. The high volume of incoming guarantee letters has added to the load, Phapi president Dr. Jose Rene de Grano said.

## Sickening blow

The guarantee letter, which ensures payment for medical services provided a beneficiary, is a form of aid for patients in private facilities under the DOH’s Medical Assistance for Indigent and Financially Incapacitated Patients program. Based on its 2025 budget, the DOH has P41.16 billion allocated for the social program that helps needy patients seeking treatment outside the coverage of the Philippine Health Insurance Corp. or PhilHealth.

Citing this, Palace Press Officer Undersecretary Claire Castro said the problem “only applies to the 39 hospitals where the DOH still requires additional documents in order for them to be paid.”

Holding off acceptance of guarantee letters in private hospitals is a sickening blow to Filipinos whose out-of-pocket payment for health services already comprise a major share of the country’s total health spending in 2023, according to the Philippine Statistics Authority (PSA).

Households bear a 44.4 percent share of total current health expenditure, followed by government schemes at 42.6 percent, and voluntary health care or private health insurance at 13 percent, the PSA noted. In 2023, the average health expenditure per Filipino was P11,083, an 8.3 percent increase from P10,238 in 2022, according to the PSA.

## Health financing experiences

It added that despite an increase of 17 percent in the country’s total health expenditure—from P 1.23 trillion in 2022 to P1.44 trillion in 2023—our THE shows only a 5.9 percent share of gross domestic product in 2023.

A study by Ateneo de Manila University development studies program research associate Vincen Gregory Yu said that health financing experiences among ordinary Filipinos can be summed up in 4 “Ps”—pagtitiis, pangungutang, pagmamakaawa, and PhilHealth. This refers to enduring symptoms and resorting to self-medication or alternative cures; borrowing money; soliciting donations from state and private institutions, and turning to PhilHealth which, despite its chest-puffing claims of increased benefits, best serves patients already hospitalized.

The drastic move by private hospitals in a bid to survive and continue operations should compel government to be more responsible in managing and fulfilling its financial obligations with the least delay.

## Indispensable partners

A bigger slice for health in the national budget is also warranted, given the country’s increasing population, and the plight and flight of nurses and medical workers to better climes abroad. A more attractive compensation package to make them stay especially in rural health centers and remote health facilities bears serious consideration as well.

Streamlining the process and trimming documentary requirements needed to pay off receivables to private hospitals should be a priority, since public hospitals can barely cope with the number of patients needing urgent medical care. What better way to value indispensable partners than with prompt and complete payment of what’s due them?

PhilHealth too should look into reforming its budget to include outpatient services, if only to encourage health maintenance practices among Filipinos, before their condition slides into life-threatening ailments that ultimately stresses out the country’s limited health system. Why transfer billions of PhilHealth funds to the national treasury when government apparently needs to pay off pressing financial obligations to save lives?