Benefits Development & Planning Protocol: Understanding Benefits Package Development

Philippine Health Insurance Corporation

ASEAN Social Security Association
Insurance Coverage and Continuous Improvement
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Outline

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Legal Basis

National Health Insurance Act (RA 7875, as amended by RA 9241 and RA 10606)

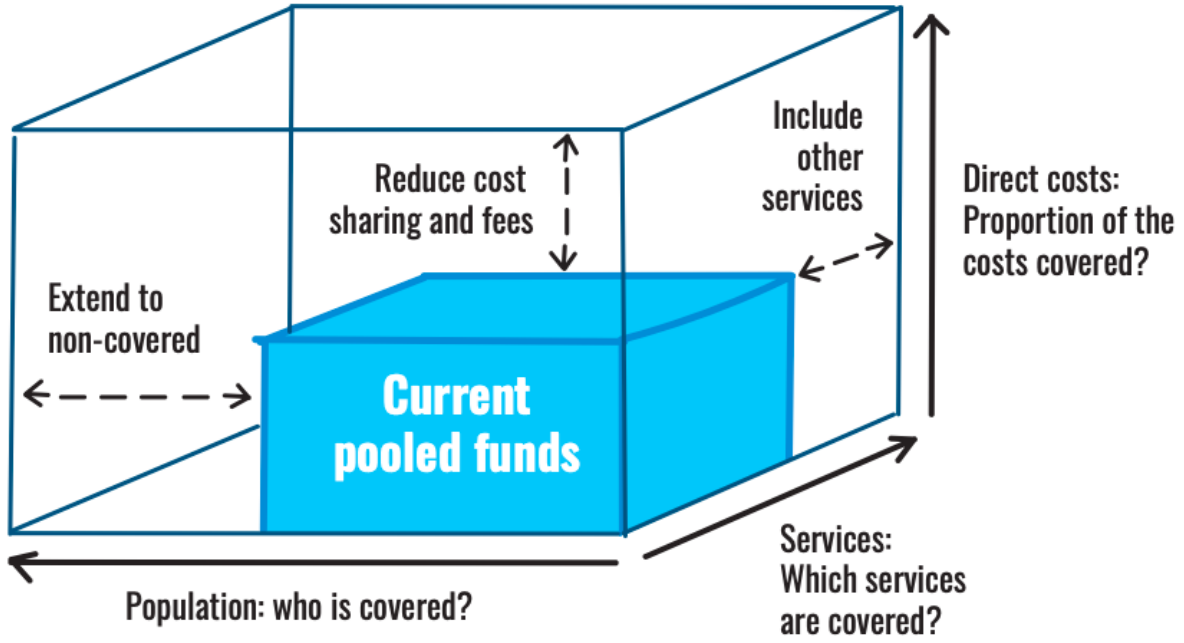
- National Health Insurance Program (NHIP) for All Filipinos and establish the Philippine Health Insurance Corporation (PhilHealth)
- NHIP to provide responsive benefits packages and improve its benefit packages to meet the **needs** of its members

Universal Health Care Law (RA 11223)

- PhilHealth to be the national strategic purchaser of individual-based health goods and services, ensuring equitable access to health services without causing financial hardship

Philippines Universal Health Care Law (RA 11223)

Whole of system, whole of government, and whole of society approach



All Filipinos are covered by social health insurance

PhilHealth is mandated to:

- Expand and improve benefits coverage
- Design an explicit health benefits package (HBP)
- Develop the benefit plan
- Benefits Development Planning Protocol (BDPP)
- Periodic review of HBP

What is a Health Benefits Package

Joint Learning Network, 2022

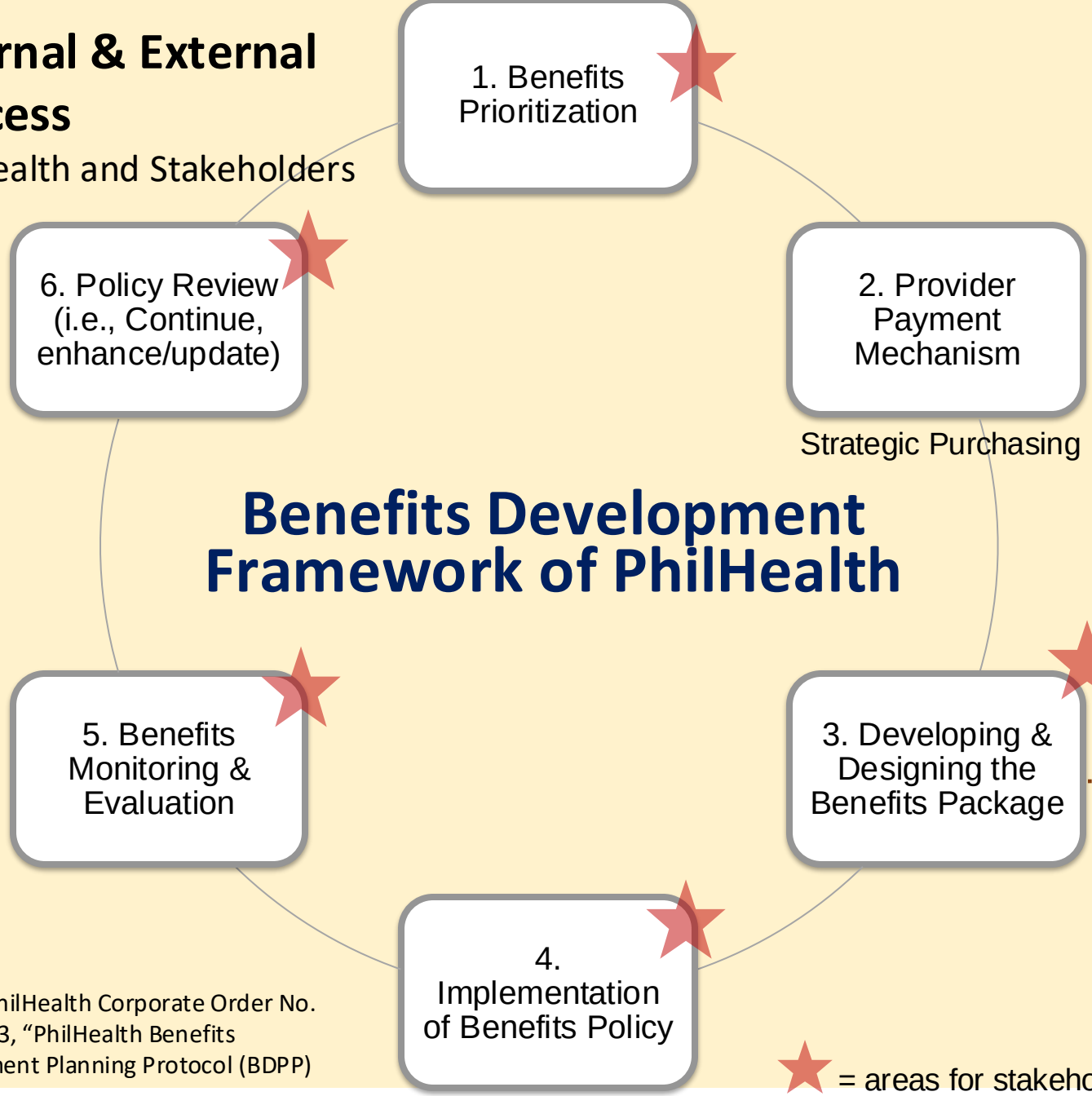
- "Defines the coverage of services, the proportion of the costs that are covered, and who can receive these services under Universal Health Coverage."
- "Up-to-date, delivered appropriately, and that available resources are used efficiently and wisely."

Objectives of the BPDD

1. Outline the process of identifying and designing PhilHealth Benefits Package;
2. Serve as a roadmap to outline the steps from identifying services to deciding which are to be included in the PhilHealth Benefits Package; and
3. Specify the processes, sources of information and relevant stakeholders to the benefits development process.

Internal & External Process

PhilHealth and Stakeholders



Benefits Development Framework of PhilHealth

Source: PhilHealth Corporate Order No. 2024-0003, "PhilHealth Benefits Development Planning Protocol (BDPP)

Internal Process

PhilHealth

Risk Management

Actuarial Projection

Budget Impact Analysis

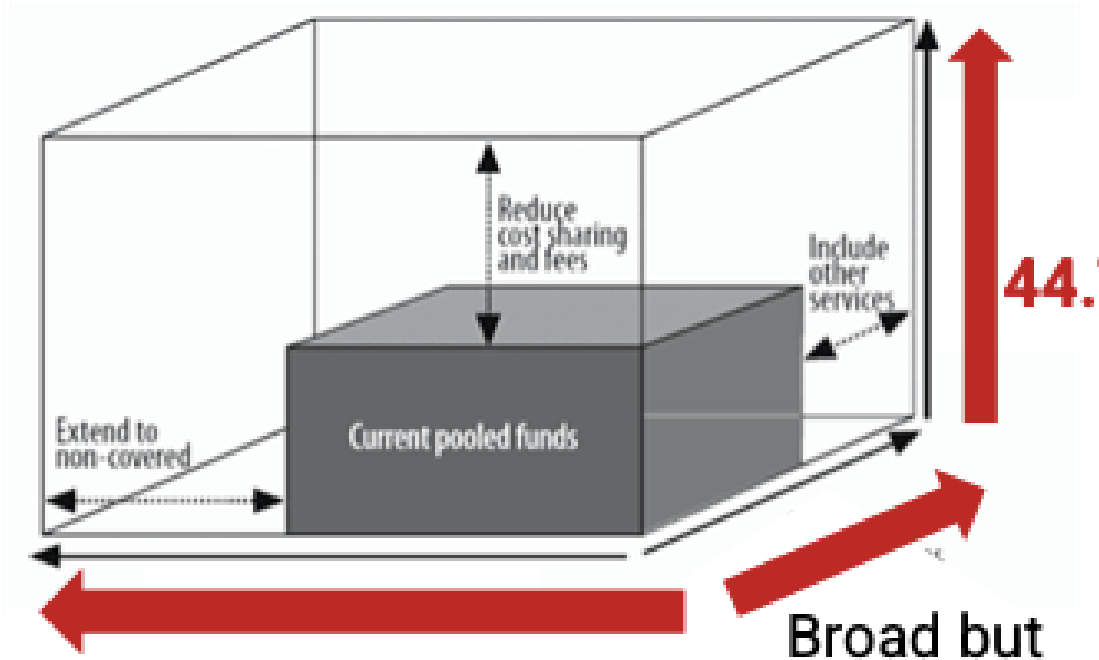
Budget Requirement

Approval:

- Executive Committee
- Benefits Committee
- Board of Directors

★ = areas for stakeholder collaborations

PhilHealth has **Expanded the Breadth** of the UHC Cube, but its **Height and Depth have not Grown Much**



44.7% **High out of pocket** spending

Broad but **fragmented service coverage**

100% **High** level of **population coverage**

Slide courtesy of Epimetrics, Inc.

BENEFITS PRIORITIZATION

The need for transparent and systematic method of prioritization

The need to address top conditions and tackle root cause

CRITERIA FOR BENEFITS PRIORITIZATION

According to need and not according to want

1. Epidemiologic Data or Burden of Disease – guides PhilHealth on how we should invest in health; guided by DALYs (what people are dying of and what people are getting sick of)
2. Financial Risk Protection with consideration on equity
3. Health Technology Assessment (HTA) Recommendation
4. Other considerations
   a) Sustainable Development Goals
   b) Philippine Development Plan 2023-2028
   c) National Objectives for Health 2023-2028
   d) Legislative Mandates (Ex. Mental Health Act, NICCA, Magna Carta for PWD, Rare Disease Act, etc.)
   e) Public Interest

PROVIDER PAYMENT MECHANISMS (PPM)

Legal Basis

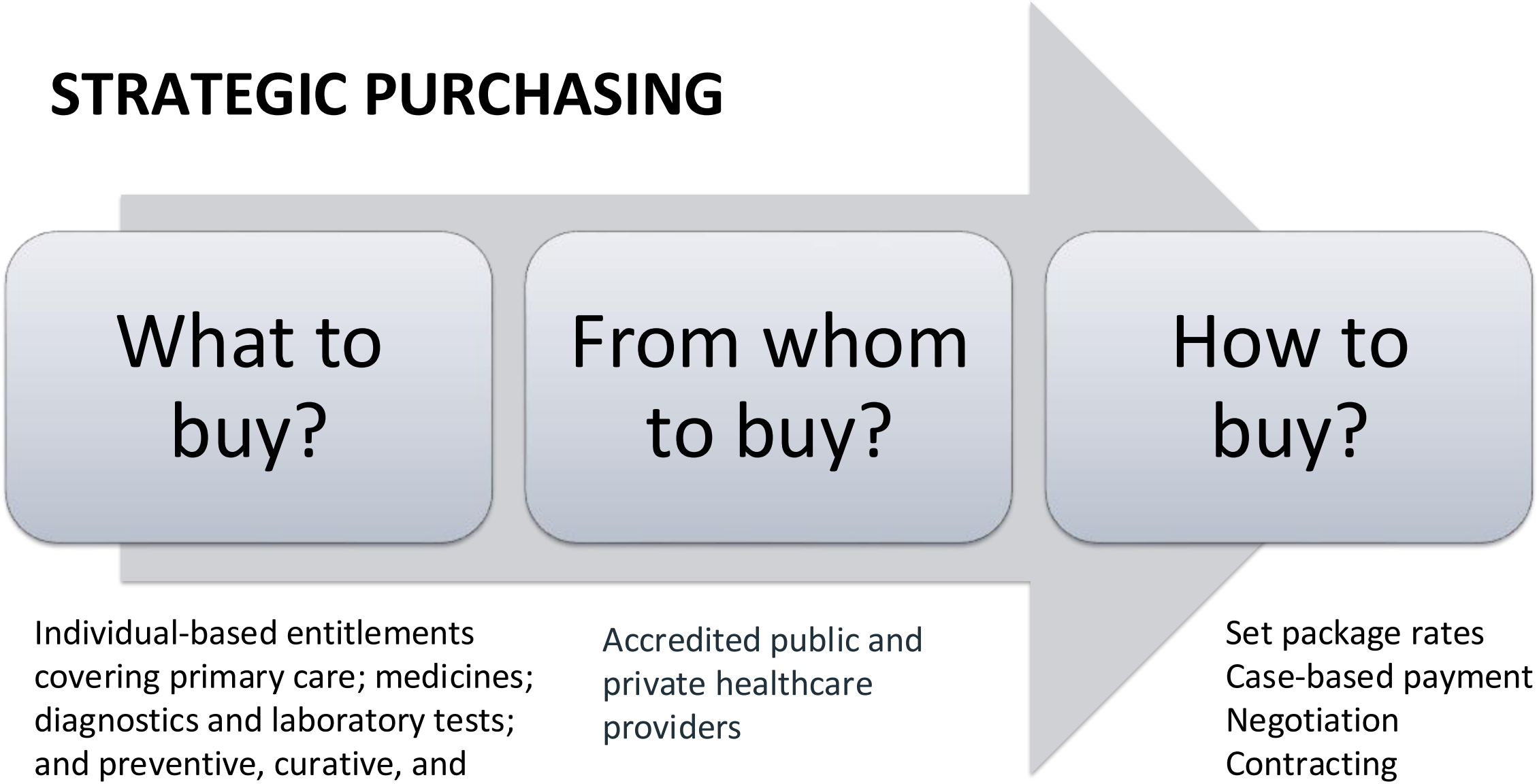
National Health Insurance Act
(RA No. 7875, as amended by RA Nos. 9241 and 10606)

1. Case-based payment
2. Capitation
3. Fee-for-Service
4. Global Budget
5. Other PPM determined and adopted by PhilHealth

Universal Health Care Act (RA No. 11223)

1. Diagnosis-Related Groups
2. Closed-end prospective payment (Global Budget)

STRATEGIC PURCHASING



Individual-based entitlements covering primary care; medicines; diagnostics and laboratory tests; and preventive, curative, and rehabilitative services

Accredited public and private healthcare providers

Set package rates
Case-based payment
Negotiation
Contracting

Developing & Designing the Benefits Package

Defining the index patient

Defining the clinical pathway

Conducting the HTA process

Bundling of services

Identifying inputs covered

Costing

Determining conditions for provider payment

- Risk Assessment
- Actuary
- Management and Board Approval

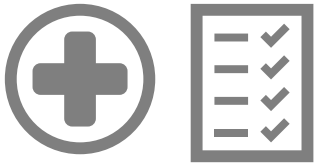
Index Patient

Index Patient

Individuals or **population groups** most likely to be affected by the condition/disease and need the benefit package

- Identify the **type or level of services and continuum of care** needs of patients affected by the disease
- Identify data elements needed to monitor services rendered/received by beneficiaries.
- Define the data element needed to build a registry of beneficiaries and medical profile or electronic medical record (EMR)

Clinical Practice Guidelines (CPG)



- “Gold standard” to bridge differences in patient care.
- PhilHealth uses CPGs disseminated by the Department of Health (DOH) or other international guidelines localized to the Philippine context as a reference for defining minimum standards of care.
- Expert panel consultation/validation of guideline recommendations in the Philippine setting

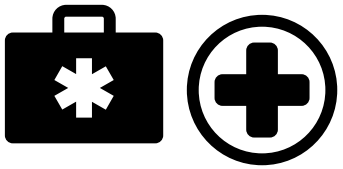
Health Technology Assessment

Legal Basis: UHC Act (RA No. 11223, Chapter VIII Governance & Accountability, Sec. 34 Health Technology Assessment

- Institutionalized as a fair & transparent priority-setting mechanism recommendatory to the DOH and PhilHealth for determining a range of services (drugs, medicines, pharmaceutical products, devices, procedures, other services)
- Investments in any health technology or development of any benefit packages based on the positive recommendation of the HTA Council

- HTA principles: ethical soundness, inclusiveness & preferential regard for the underserved, evidence-based & scientific defensibility, transparency & accountability, efficiency, enforceability & availability of remedies, due process

Minimum Standards (PhilHealth Coverage)

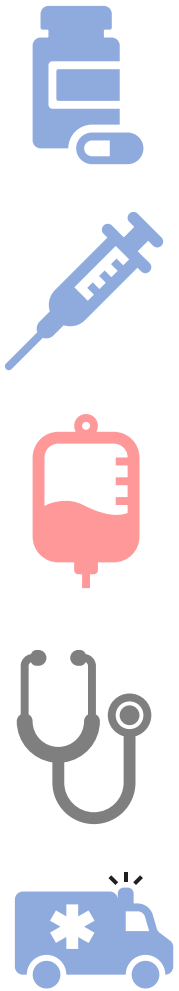


Legal Basis: UHC Act (RA No. 11223, Sec. 6 Service Coverage

- Every Filipino shall be granted immediate eligibility and access to preventive, promotive, curative, rehabilitative, and palliative care for medical, dental, mental, & emergency health services; services to be included shall be determined through HTA .

- Local CPG - reference of PhilHealth to determine minimum standards for coverage

Inputs



Drugs, medicines, commodities	Procedures, diagnostic & lab tests	Supplies/Devices
Accommodation (Room & Board)	Overhead (Utilities, staff time, etc.)	Infection Prevention & Control
	Professional fees	

General Principles Applied in Costing Health Services

1. Bottom-up costing
2. Adherence to the gold standard of care in defining cost elements/ defining quality of care based on CPGs
3. Use of actual hospital prices as unit costs (costing survey from public and private providers)

Full economic cost: All relevant cost items such as professional services, hospital facility services, diagnostics and laboratory tests, procedures, medicines, and supplies are accounted for. Indirect costs were also accounted for through the use of fees/charges as opposed to production costs.

PROVIDER PAYMENT MECHANISMS (PPM)

Provider Payment Mechanism is a top management decision.

Payment Mechanics

1. Closed-end prospective payment
2. Determine provider capabilities to deliver the benefit and requirements to be followed (Policy)
3. Consider provider performance as a payment condition
4. Provide enough incentive for providers to ensure quality and efficient provision of service and at the same time contain cost
5. Determine the risks involved in identified PPM and safeguards to mitigate these risks
6. Decide on the payment schedule and the interval between payments

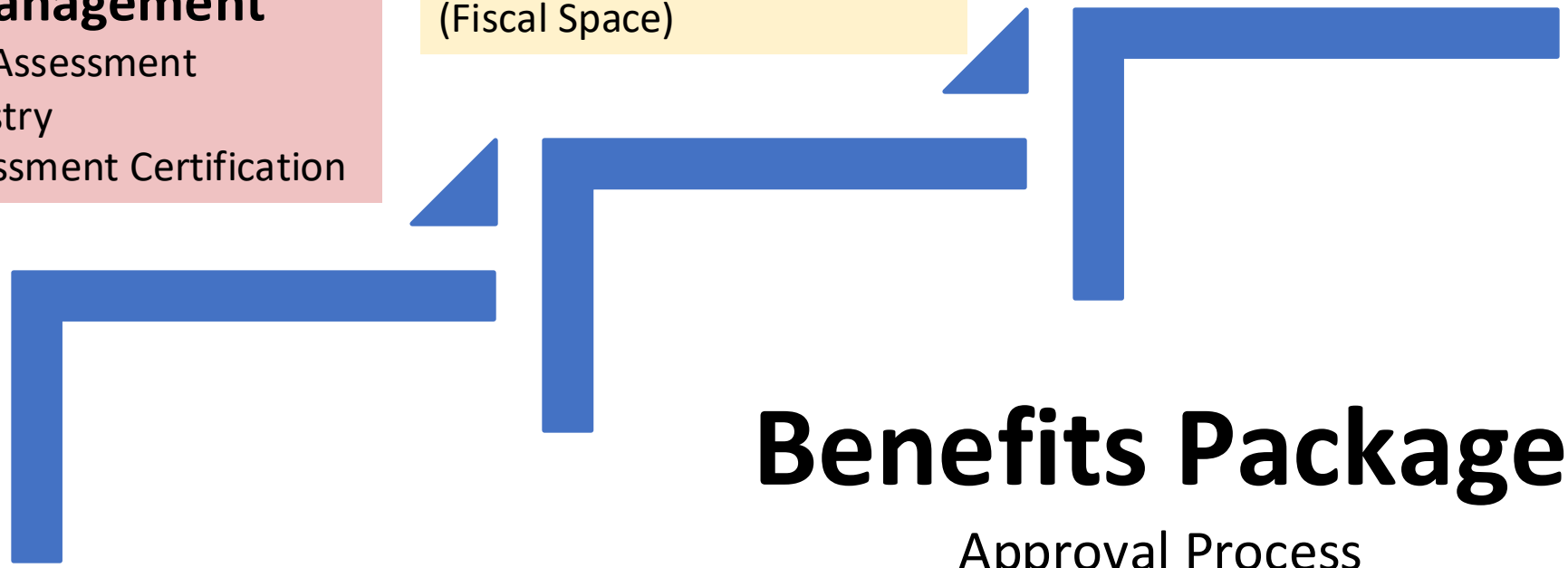
Approval of the Benefits Package

Internal Processes (PhilHealth)

Risk Management
Risk Self-Assessment
Risk Registry
Risk Assessment Certification

Actuarial Projection
Budget Impact Analysis
Budget Requirement
(Fiscal Space)

Approval by:
- Executive Committee
- Benefits Committee
- Board of Directors



Benefits Package

Approval Process

IMPLEMENTING & COMMUNICATING THE BENEFITS PACKAGE

Translating the benefit package to the language that the average person can understand

- Covered services
- Co-payment
- Where to access the benefits package (PhilHealth-accredited or contracted providers)
- How to provide feedback (PhilHealth Corporate Action Center)
- Client surveys (Gather data to analyze the extent & magnitude of informal payments, etc.)

- Major newspapers
- PhilHealth Website
- Social Media
- Corporate Advisories
- Orientations/Other Fora
- Events, Interviews, etc.

Monitoring Performance on Benefits Delivery

Objectives

- Identify new benefits and enhance existing benefit packages.
- Identify health services with high associated out-of-pocket expenditures.

Indicators (Sample)

- Utilization – no. of registered beneficiaries; no. of accredited or contracted providers
- Benefits availment
- Changes in the utilization of other PhilHealth benefits
- Confinement rates

Data Sources

- PhilHealth Database (Claims, Accreditation)
- Provider and Patient Surveys
- Philippine Statistics Authority
- Commissioned Studies

Critical Steps in Policy Review

Policy Review every 2 to 3 years OR earlier, as needed.

Review of Standards	Review of Package Rates	Stakeholder Engagements
• Utilization Review • Claims Data Analysis • Review of covered services (standards of care) • Review of claims processing rules • Review of provider performance • Feedback from PhilHealth beneficiaries and stakeholders • Review of accreditation standards	Costing of services defined in health benefits package	Consultation/Validation of standards and adjusted cost estimates with accredited HFs, specialty societies, patient groups, PhilHealth beneficiaries

Summary
Benefits Development & Planning Protocol

Protect the benefits development process against undue influence:

- Explicit prioritization criteria and transparent decision-making process
- Foster public satisfaction with PhilHealth coverage – universal access to essential health benefits package and reduce out-of-pocket
- Financial sustainability