



# Philippines UHC Act: a new dawn for health care

**It is a time for celebration in the Philippines. President Rodrigo Duterte has signed a Universal Health Care (UHC) Bill into law (Republic Act No. 11223) that automatically enrolls all Filipino citizens in the National Health Insurance Program and prescribes complementary reforms in the health system. This gives citizens access to the full continuum of health services they need, while protecting them from enduring financial hardship as a result.**



Witnessing the ceremony were H.E. Rodrigo Roa Duterte, President of the Philippines (seated, center) and (seated, left to right) Hon Karlo Alexei Nograles, Cabinet Secretary; Hon Gloria Macapagal-Arroyo, Speaker of the House of Representatives; Hon Vicente Sotto III, Senate President; Hon Salvador Medialdea, Executive Secretary. Also present were Hon Angelina Tan, Chair of the House Committee on Health (second row, sixth from the right) and officials and staff of the Department of Health, Philippine Health Insurance Corporation, and WHO. Photo: PCOO-PP.

By automatically enrolling our citizens into the National Health Insurance Program and expanding PhilHealth coverage to include free medical consultations and laboratory tests, the Universal Health Care Law that I signed today will guarantee equitable access to quality and affordable health care services for all Filipinos.

President Rodrigo Duterte, 20 February 2019

### UHC is a political choice

In the Philippines, like elsewhere, universal health coverage is foremost a political choice. The UHC Act embodies this choice, and was carried by a broad coalition of parliamentarians across the political spectrum.

This is how the Senators talked about UHC. The first two quotes demonstrate why UHC is necessary to meet the challenges that citizens face when in need of health care.

“ During our visits to hospitals in different provinces, my own eyes have seen the deplorable state of our countrymen – in hot and cramped wards, enduring the lack of government support. It is sad that our fellow citizens who, rather than be healed, are worried about being infected with the illness of another patient.” Senator Ejercito, Chair of the Health Committee

“ The majority of Filipinos only consult a doctor when their illnesses are already at their worst because of the lack of government support to the health department.

According to our Department of Health, up to 54% of the country's health care spending in 2016 came from out-of-pocket expenses. That means Filipino families still account for the lion's share, they still carry the biggest burden when their loved ones seek treatment for whatever sickness they have. That weight should not be theirs to carry alone. In fact, they should not have to carry that weight at all.” Senator Angara, Chair of the Ways and Means Committee:

And here is what the Government hopes will change as a result of the Act.

“ We believe Filipino families must be afforded a safety net in times of dire need and this is why I am proud to cosponsor the Universal Health Care Bill. One of the main provisions in the bill is every Filipino's automatic inclusion into the National Health Insurance Program.

Through this provision, we seek to protect people from the financial burden of paying out of their own pockets. It reduces the risk of people being pushed into poverty because it will help cushion the impact of having to use the family's savings or of borrowing money to pay for health care services.” Senator Binay, Co-author of the Bill

“ Senate Bill No 1896 will pave the way for all Filipinos' inclusion in our National Health Insurance Program, either as direct or indirect contributory members.

This means that all Filipinos can use the promotive, preventive, curative, rehabilitative and palliative health services they need, of sufficient quality to be effective, while also ensuring that the use of these services does not expose them to financial hardship.

Our goal is to achieve full 100 percent coverage in the most expedient way possible, expand our health benefit package, and bring more doctors to remote communities.” Senator Villanueva, Co-author of the Bill



Conferees of the House of Representatives and the Senate of the Philippines headed by Hon Angelina Tan and Hon Joseph Victor Ejercito, respectively (seated, second and third from left) give the “thumbs up” sign together with officials and staff of the Department of Health, Philippine Health Insurance Corporation, Senate, House, and WHO on 27 November 2018 after reconciling House Bill 5784 and Senate Bill 1896, the precursors of the Universal Health Care Act.

From left to right: Hon Ralph Recto, Senate President Pro-tempore; Hon Francisco Duque III, Secretary of Health; Dr Roy Ferrer, acting President and CEO of the Philippine Health Insurance Corporation (PhilHealth); and Hon Joseph Victor Ejercito, Principal Sponsor of the UHC Act in the Senate (listen to projections of financial impact of the draft UHC bill from Ms Nerissa Santiago, acting Senior Vice President for Actuarial Services of PhilHealth (center)).



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### Why now?

Parliamentarians and health stakeholders have made concerted efforts to pass a UHC bill for the past two years, but in reality, the Philippines has experienced a 50-year process of health reform, under different names. The UHC Act is the culmination of decades of progress, and two years of dedicated political and technical work.

It is the first UHC Act of its type in the Western Pacific region; this is particularly remarkable considering the strong presence of the private sector in the Filipino health system existing in parallel with a fragmented and devolved government health service. The Act prescribes system reforms in accordance with the multiple financing and service delivery mechanisms at work in the Philippines.

### Developing and refining the bill

WHO's global drive for UHC came at an opportune time to advocate and inform the consultation and drafting process of the Bill in the Senate during the second half of 2017. By that time the Bill had already passed the House of Representatives. In order to get it passed through the upper house, the Bill needed technical refinement to ensure that it was comprehensive, practical and feasible, and would eventually achieve universal health coverage.

WHO Philippines, in close liaison with the WHO Regional Office for the Western Pacific, gently steered the process in the areas of people-centred integrated service delivery and health financing, drawing on experiences from other countries and regions with positive UHC experiences. This included the UK's National Health Service model, China's model of devolved health service provision and PAHO's expertise in service delivery networks in US-influenced health systems.

From February 2018, WHO contributed to a series of public hearings involving a wide range of stakeholders, including citizens and civil society organizations. Four public hearings took place across the country in Cebu, Davao, Legazpi, and Lingayen. WHO participated throughout in the sometimes heated and political debates as a neutral advisor by providing a dose of practical realism to the proceedings. This helped Parliamentarians focus on meaningful and sustainable solutions.

In July and August 2018, the Senate started convening technical working groups to discuss the content of the bill. Senators and other invited stakeholders, such as the private sector, civil society and WHO, read through the entire bill line-by-line and offered feedback from a diverse range of perspectives. WHO country, regional and headquarters

representatives shared detailed knowledge about the coordination of service delivery, financial flows and health systems governance, acting as a gentle guide in the background. WHO also produced a formal position paper which proved instrumental in guiding the Bill's redrafting process.

In October 2018, the bicameral hearings took place to hammer out the final version of the Bill. Here, conferees from the Senate and the House of Representatives sat together and discussed the bill, including some of the controversial points such as financing and local government autonomy. Flurries of emails and on-the-spot telephone conversations to key stakeholders in the provinces added a touch of drama but were essential to gain approval for implementation; without the support of local government stakeholders, the Bill could not be put into practice.

WHO's role throughout was to be the steady voice which, stepping back from the political deliberations, provided objective technical information on which policy decisions should be based. One example of this was the issue of local government autonomy. Since 1991, devolution and management gaps have been stated as a reason for fragmented health services. The UHC Act contains provisions that

consolidate local health systems and provide for a shared bank account. This was initially controversial, as local government units were skeptical about its potential effectiveness. WHO was able to share the experience of China, with its similar scale and devolved systems, to demonstrate that it was indeed possible and desirable to implement these reforms. This support was instrumental to the Government, in order to pass such provisions.

The role of communication to wider audiences and the Senate also played a major role. Many stakeholders, including the general public, followed WHO's social media accounts and asked critical questions. When some stakeholders expressed negativity about the whole process, WHO was able to provide reassurance by providing examples of particular meetings and moments of real progress. In addition, the focus of World Health Day in 2018 was UHC, and although it took place in April, the theme carried weight throughout the entire year and powerfully supported the discussions preceding the passing of the Bill.

We believe Filipino families must be afforded a safety net in times of dire need and this is why I am proud to cosponsor the Universal Health Care Bill. One of the main provisions in the bill is every Filipino's automatic inclusion into the National Health Insurance Program.

Senator Binay, Co-author of the Bill

“ Senator Recto

We may give every Filipino a PhilHealth card, but it is useless if there is no facility they can present that card to for treatment.

We may erect hospitals with gleaming glass and steel, but if there are no doctors and other health professionals who will staff and run them, then what we have built are white elephants.

We have many modern curative facilities, but when the sick are continuously dumped on them because we have neglected the promotive and the preventative aspects of medicine, then we have failed to address the roots.

We may have a cadre of health professionals scattered nationwide, but if drugs are expensive, then the road to wellness is blocked.

We may have a built a network of hospitals but if they are not constantly infused with funds, then they cannot function fully due to budgetary anaemia.

What is my point? The challenges are interrelated, linked together in one body politic. So the cure must not be compartmentalized, but comprehensive. So, as I have said, this bill is a tapestry of solutions, composed of many threads.

### Implementing the Act

Senator Recto's speech at the Senate speaks volumes about the need to take UHC as a systematic approach. Here, the challenges of implementation are evident.



Conferees of the House of Representatives and the Senate of the Philippines headed by Hon Joseph Victor Ejercito (foreground) and Hon Angelina Tan (background, seated) conducted public hearings to reconcile House Bill 5784 and Senate Bill 1896, the precursors of the Universal Health Care Act.

From a technical perspective, the major reforms of the Act will consolidate existing yet fragmented financial flows, increase the fiscal space for benefit delivery, improve the governance and performance of devolved local health systems and institutionalize support mechanisms such as health technology assessment and health promotion. In the first half of 2019, the Department of Health and the Philippine Health Insurance Corporation will produce the operational guidelines on how to carry out the provisions of the Act; and WHO will contribute what it can, where appropriate.

From the population's perspective, when implemented effectively, the Act will mean all Filipinos get the health care they need, when they need it, without suffering financial hardship as a result. Although there is much work to be done to implement the UHC Act, it takes a critical step towards achieving health for all in the Philippines. It is a new dawn for health care and real progress towards achieving UHC.

Our goal is to achieve full 100 percent coverage in the most expedient way possible, expand our health benefit package, and bring more doctors to remote communities.

Senator Villanueva,  
Co-author of the Bill



## THE PHILIPPINES

### FACT

The Philippines has just signed a Universal Health Care Bill into law that automatically enrolls all Filipino citizens in the National Health Insurance Program and prescribes complementary reforms in the health system.

### WHY IT MATTERS

In 2016, 54% of health care spending in the Philippines was attributable to people paying out-of-pocket. This needs to change. Like elsewhere, universal health coverage is foremost a political choice. When implemented effectively, the Act will mean all Filipinos get the health care they need, when they need it, without suffering financial hardship as a result.

### EXPECTED RESULTS

A drastic reduction in out-of-pocket payments and catastrophic expenditures through which people become impoverished as a result of paying for health care.

### IN PRACTICE

The UHC Act was carried by a broad coalition of parliamentarians across the political spectrum. WHO advocated and informed the consultation and drafting process of the Bill in the Senate during the second half of 2017, gently steering the process in the areas of people-centred integrated service delivery and health financing.

