

## Chapter 22

# The Philippine Health Care Delivery System and Health Expenditure

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### ABSTRACT

*Health is recognized by the Philippine constitution as a basic human right. The Philippines, compared to most Asian countries, produces more and better human resources for health. However, the Philippines are challenged by attracting and retaining staff in the under-served areas of the country. Philippine allotted 4.2-4.4% of its GDP to health from 2009 to 2011. Furthermore, considerable inequities in health care access and outcomes between Socio-economic groups remain. The Phil Health's limited breadth and depth of coverage has resulted in high levels of out of pocket payments. The implementation of the reforms in financing, service delivery and regulation which are aimed to tackle the inefficiencies and inequalities in the health system has been challenged by the decentralized environment and the presence of private sector, often creating fragmentation and variation in the quality of health services across the country.*

### INTRODUCTION

The Philippines is the second largest archipelago on earth with 7,107 islands. It is positioned on the western edge of the Pacific Ocean on the South-eastern rim of Asia (PHSDP, 2012). It is a member of the Association of South-East Asian Nations or ASEAN. The country is made up of three major geographical regions namely: Luzon, Visayas and Mindanao. It has a total of 80 provinces, 138 cities and 1,496 municipalities. In 2010, the population of the Philippines was 92.3 million, with a growth rate of

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1.9% per year. Half of the population lives in the urban areas and of that, 44% live in slums (PHSDP, 2012). Christians make up the majority of the population and there is a Muslim minority concentrated in the southern part of the country. Additionally, the country is a home of 180 ethnic groups. Malays make up the majority and there are tribes of indigenous peoples in mountainous areas throughout the country (PHSDP, 2012).

Economically, the Philippines is considered as a developing country and is a lower middle-income economy in the South East Asia. Per capita Gross Domestic Product (GDP) is 2,918.13 US Dollars in the third quarter of 2013. The GDP growth rate is 7.025 in the same year. The annual per capital poverty threshold is P9,385 in 2012, slightly higher than that in 2009 which was P8,448. Average annual family income reached P206,000 in 2012, it is also higher than that of P173,000 in the year 2006. Unemployment rate in 2013 is 7.3% with a 0.3% increase from the 7.0% in 2012. Underemployment rate has decreased from 22.8% in 2012 to 19.2% in 2013 (NSCB, 2013).

The Philippines has had seven constitutions since 1897. In effect now, the one ratified by referendum in 1987, established a republican government patterned after that of the United States with a strong executive branch, a bicameral legislature, and an independent judiciary under a supreme court. It has had seven constitutions since 1897. In effect now, the one ratified by referendum in 1987, established a republican government patterned after that of the United States with a strong executive branch, a bicameral legislature, and an independent judiciary under a supreme court (PHSR, 2011).

Health service delivery is based on a Western biomedical model of health initially introduced during the Spanish colonial era and strengthened during American colonization. This Western system is superimposed on a pre-existing alternative model of health care based on a mix of folk and herbal medicines, religious beliefs, and traditional practices that has persisted throughout the country. Indicators of health status have steadily improved since the 1970s. The analysis of the country's demographic and health aspects show that it is going through a demographic and epidemiological transition, characterized by a decrease in fertility, increase in life expectancy and a substantial change in risk factors (PHSR, 2011). However, there is a high inequality in many health outcomes between socio-economic classes and disparities between geographical regions. The top five causes of death include heart and cerebrovascular diseases, malignant neoplasm, pneumonia, and tuberculosis. The top five causes of morbidity include acute respiratory infection, ALRTI and pneumonia, bronchitis, hypertension and acute watery diarrhoea (PHSDP, 2012).

## **THE PHILIPPINE HEALTH CARE DELIVERY SYSTEM**

The Philippine health system has undergone changes and trends to meet the timely demand for it. In fact, there have been many legislative actions undertaken by the government to form the regulatory framework for the health system and public health in the country. Example of these are the Local Government code of 1991, National Health Insurance Act of 1995, Organ Donation Act (1991), Hospital Licensure Act, Pharmacy Act, Dangerous Drugs Act and many others.

### **Organization of the Health Care System**

The Philippines provides recognition of health as a basic human right. Protection and promotion of the right to health of the people and instilling health consciousness among them have been guaranteed in the

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