

## Standardizing Copayments in Government Health Facilities

### BACKGROUND

According to the National Health Accounts, 54% of total health expenditure is paid for by out-of-pocket payments by Filipinos. Patients are unable to foresee and prepare their budget for treatment, while some defer treatment due to financial hardship.

On the other hand, medical professional fee charges pose a similar problem of unpredictability and financial burden. Currently, Professional fees are arbitrary - it depends on the attending physician's perception of their expertise and years of practice, and also depends on hospital and room rates.

In the recently enacted Universal Health Care Act, it is stipulated that accommodation with amenities shall have fixed co-payments. This is to ensure that healthcare cost is predictable and that patients are protected from financial risk. Furthermore, the UHC Act mentions that the DOH and PhilHealth should regulate copayments in public health facilities. With this momentous milestone, the government possesses the leverage to standardize cost of care and prevent inflation by providers.

### CURRENT ISSUES TO BE ADDRESSED

- Hospital charges for health services beyond the Case Rates of PhilHealth are unpredictable and are mostly paid through out-of-pocket payments by the patients.
- There is no regulatory body that standardizes what physicians should charge. While some institutions have current initiatives on self-regulating professional fees (i.e. National Kidney and Transplant Institute and the Philippine Heart Center), there is no existing mechanism to standardize professional fees.
- There is currently no policy or mechanism that standardizes and limits copayments in government facilities.

### RECOMMENDATIONS

There is a need to develop a policy that standardizes copayments in government facilities. This policy should set the policy framework and strategies; identify unit/s accountable for this standardization; set the frequency of updating of standard fees; and establish monitoring and enforcement mechanisms for adherence to these fees.

1. Copayments are comprised of the health service fee and professional fee. For standardization of health service fees, PhilHealth is developing a **national health service costing framework**. For standardization of professional fees, DOH should set **national fee schedules** that sets the ceiling for fees.
2. A specific unit to develop the National Fee Schedule should be established under the DOH Health Regulation Team or the Health Facilities and Services Regulatory Bureau.
3. The national fee schedule should be updated every five years. In instances where medical societies deem it necessary, they can request for the updating of the national fee schedule under the discretion and final approval of the Secretary of Health.
4. Adherence to the National Fee Schedule should be monitored through a PhilHealth Exit Survey or PhilHealth Cares. In addition, patients can also use PhilHealth iCares to file complaints on doctors who charge professional fees above the ceiling.
5. HFSRB should act as the enforcer and disciplining authority of this initiative for public hospitals. Adherence to the National Fee Schedule should be included in licensing requirements. Violations will be subject to fines or non-renewal of hospital licenses. For private hospitals, PhilHealth should be the enforcer and disciplining authority. Adherence to the National Fee Schedule shall be included in PhilHealth contracting terms. Violations will be subject to financial disincentives or revocation of contracts.

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