

**Philippine Development Forum Working Group on
Millennium Development Goals (MDGs) and Social Progress**

Health Sector Reforms

A Progress Report

I. BACKGROUND

In the Philippine Development Forum (PDF) of 08 March 2005 the Joint Health Sector Sub Working Group prepared an issue paper entitled Shared Efforts and Reform for Better Health. This paper was the basis of the presentation made by then Secretary Manuel Dayrit at the PDF.

The paper enumerated the following issues that need to be addressed in order to sustain and expand whatever progress has been attained toward meeting the Millennium Development Goals (MDGs) within the context of a Health Sector Reform Agenda which at that time was in a stage where major strategies were being pilot-tested:

A. Improved Physical and Financial access to quality health and nutrition services for poverty reduction –

1. Specifically issues raised were in the areas of high maternal mortality resulting from the high unmet need for family planning services and maternal anemia; inadequate access to emergency obstetric care; under nutrition and micronutrient deficiency in the under five children resulting among others from decreasing breastfeeding rates; high TB prevalence; the potential threat of HIV/AIDS and inequitable access to health care
2. The recommendations included more equitable health care financing through Social Health Insurance, rationalizing public subsidies, additional resources through fee-for-services; improving public-private partnership; improving promotive and preventive health care and delivery of services for critical infectious diseases (TB, HIV/AIDS) and reproductive health; improving health workforce motivation and performance.

B. Realizing the Benefits of Decentralization

1. Specifically the issues were in the area of local health systems development; synchronization of NG-LGU initiatives; insufficient stakeholder consultation; disruptions/changes brought about by elections.
2. Recommendations included enhancing DOH leadership/stewardship; strengthening DOH technical support functions; clarification of NG-LGU roles and functions; performance-based resource allocation to LGUs; optimize role of PHIC as an LGU financier/partner.

C. Addressing Inefficiencies and Improving Public Finance Management

1. Specifically issues were in the area of the need for better management of scarce resources – rationalize distribution of hospital beds, improve drug procurement practices, improve regulation of goods and services.

2. Recommendations included increasing the scope of the reform to include health human resource, monitoring and evaluation and public finance management; develop a Sector Development Approach for Health as the approach in managing the resources for health sector reform; address regulations and pharmaceutical issues.

At the PDF the following additional recommendations were made:

- A. Establish a medium term financing framework to allow reform implementation and attainment of the MDG's.
- B. Mechanisms that will ensure LGU buy-in
- C. Expand convergence of the social sector agencies
- D. Improve use of PHIC benefit spending to increase availability and access to health care
- E. Develop better models for delivery of MCH and infectious disease control services
- F. Address the continued depletion of human resources for health
- G. Adopt an effective population program and pass an RH Law
- H. Conduct poverty mapping and use data to link local action with local responsibility
- I. Set annual MDG targets and link this to annual budget process and incentives for LGU performance

II. PROGRESS OF HEALTH SECTOR REFORM

The HIGHLIGHTS OF ACCOMPLISHMENTS of the Health Sector are as follows:

- A clear implementation strategy for health sector reform has been finalized and issued
- Financing mechanisms to ensure that the reforms are undertaken are being firmed up
- Investment Plans have been drafted and are being finalized; Governors of the 16 advance implementation provinces have signed pledges of commitment

With the above, full blown implementation is ready by 2006

- Public health reforms accomplishments at national levels include the finalization of the following program packages that sets the strategies to attain the MDGs
 - Women's Health Package
 - Child Health Package
 - TB DOTS Package
 - Disease free Zone initiatives

Implementation of the above packages are on-going in selected sites and expansion is expected in 2006

- Public health strategies have been strengthened leading to:
 - The country being Avian Flu free to date
 - Prevalence of HIV/AIDS continues to be low (however its emergence in the IDU is increasing and STI in commercial sex workers is likewise increasing)

- Social Health Insurance has been positioned to be the driver of health reforms and in this light upgrading of health facilities to meet PHIC accreditation standards is on-going in many sites and specifically in the ARMM 40% of facilities for 2005 have become PHIC accredited in 2005

The details of the progress of the health sector reforms under the current administration of Secretary Francisco Duque since the last PDF are described below:

A. Overall Framework for Health Sector Reform

In 2005, FOURmula ONE (F1) for Health, the implementation strategy for Health Sector Reforms has been formulated using the experiences and lessons from the HSRA pilot sites. It includes critical reform areas that will bring about highest impacts and are doable. F1 has the following goals: 1) better health outcomes; 2) more responsible health systems; 3) more equitable health care financing. It emphasizes that four sets of instruments must be effectively applied to influence the performance of a highly decentralized system and localize health care markets. Meeting national health targets and the MDGs must now be seen in the context of using financing, regulations, service delivery and good governance to influence the behavior of target beneficiaries, public and private health care providers and suppliers of other health goods and commodities. The objectives of the four instruments mentioned above are as follows: 1) Financing: secure better and sustained investments in health to improve health outcome especially of the poor; 2) Regulations: assure access to quality and affordable health products, devices, facilities and services especially those used by the poor; 3) Service Delivery: improve accessibility and availability of basic and essential health care for all especially for the poor; 4) Good Governance: improved health system performance at the national and local levels.

B. Financing Framework for F1

In 2005 up to the present the following initiatives are being undertaken to firm up the financing for F1

1. A medium term Health Sector Expenditure Framework is being formulated.
2. Budget restructuring is on-going with the aim of ensuring that resources within the direct control of the DOH are aligned and utilized in support of the effective exercise of the F1 policy instruments. This includes securing the National Government premium counterparts in the Philippine Health Insurance Corporation (PHIC) Budget. It is expected that the CY 2007 GAA will reflect the restructured DOH budget.

The expected gains from budget reforms include: a) reduced inefficiencies and inequities by revising the budget allocation; b) improved budget management using the new budget structure; c) enhanced performance by linking disbursements to clear benchmarks; d) secured funding for priority expenditures or investments.

3. PHIC Reimbursements to health facilities are being rationalized

4. Resource Mobilization and Management

In 2005 the Sector Wide Approach (SWAp) or the Sector Development Approach for Health (SDAH) has been operationalized as the instrument applied to ensure donor coordination and harmonization of efforts under the DOH leadership. So far, under the SDAH the following development partners have cooperated: EC, WB, WHO, ADB, KFW GTZ, USAID, JICA UNFPA. Discussion with other development partners such as UNICEF etc. are on-going to align efforts with F1.

C. Implementation of F1

1. In 2005, the management arrangement for F1 has been issued and the detailed program projects and activities (P/P/As) have been identified.
2. The Local F1 Investment Plans – advance implementation of the four pillars of health sector reforms will be implemented in 16 provinces from 2006 up to 2010. The plans will be funded by national government counterpart, by funds from donors and by local government counterpart. Roll out to the next 15 provinces will start in 2008 and roll out nationwide will take place in 2010.

For CY 2005

- F1 investment plans of the 16 provinces have been started and are being finalized
 - LGU buy-in: Governors of 16 provinces recently signed the Pledge of Commitments to F1 implementation
3. In 2005, formulation of the National F1 Investment Plans have started and these will contain the initiatives of the four instruments or pillars of F1

Good Governance -

- Under the SDAH, Donor coordination and harmonization of efforts are being pursued such that all new foreign assisted programs are aligned to F1 and the on-going programs are being aligned as well
- The Health Human Resource Master Plan is being refined to likewise be aligned to the F1 efforts
- The Monitoring and Evaluation framework of F1 is currently being formulated
- The comprehensive Health Information System plan has been finalized and implementation is on-going
- Strengthening of Finance Management is on-going
- The plans for further strengthening Procurement and Logistics Management for implementation starting this year is being finalized
- The plan to strengthen internal audit is being discussed

Service Delivery – while the investment plan is being finalized the following F1 activities have been undertaken in 2005:

- Disease Free Zones- provinces have committed full support in the elimination of specific infectious diseases that are endemic therein, by the application of effective public health strategies:
 - 13 provinces for malaria;
 - 5 provinces & 8 cities for leprosy
 - 10 provinces for schistosomiasis
 - 11 provinces for filariasis and;
 - 11 provinces for rabies

- Intensified Disease Prevention Programs
 - Vaccine Preventable Diseases – the “Reach Every Barangay Strategy” is implemented in areas where Fully Immunized Child (FIC) accomplishment is poor. Presently, 68% of the provinces and 40% of the municipalities have been covered.
 - The TB DOTS program has been updated to include effective delivery and financing mechanisms as well as public-private partnership schemes. Implementation is expanding such that the country is about to reach the global target for TB-CDR of 70% and Cure Rates of 85%.
 - Accelerating response to HIV/AIDS prevention, treatment care and support has been started through the 4th AIDS Medium Term Plan for 2005-2010.
 - The integrated Worm Control Plan for 2006-2010 has been finalized.

- Improving Child Health and Reproductive Health Outcomes
 - The Child Health Service Package, which includes delivery mechanisms at all levels of the health care delivery system, is implemented nationwide. In 2005, its breastfeeding component is being strengthened.
 - The Women’s Health Service Package which is a comprehensive, integrated package of core services (safe motherhood, family planning, HIV/AIDS, adolescent health) with clear health service delivery (including contraceptive self-reliance) and financing mechanism as well as public private partnership schemes has been finalized. It is expected that full blown implementation starting 2006 will contribute to the reduction of maternal mortality and improvement of the contraceptive prevalence rates.
 - The Food Fortification Program as a means of making fortified food products (with vitamin A, iron and iodine) address micronutrient deficiencies has been strengthened with the ongoing *Sangkap Pinoy* Seal Program and the implementation of the ASIN Law (nationwide use of salt fortified with iodine).

- The Promotion of Healthy Lifestyle have been intensified in 2005

- Critical upgrading of health facilities is being planned for implementation in 2007 for local hospitals in 16 provinces and is on-going in selected DOH retained hospitals.
- Disaster and epidemic management system is being strengthened
- Health Promotion

Regulations – while the investment plan is being finalized, the following activities have been undertaken in 2005:

- Harmonization and streamlining of systems and processes for licensing, accreditation and certification is on-going
- Certification and PHIC accreditation are in the final stages of harmonization for financing of quality health services
- Pursuit of cost recovery and income retention for the regulatory agencies are on-going
- Access of the poor to essential drugs are expanded to community- based retail drug outlets

III. ADDRESSING GAPS AND WEAKNESSES FOR THE PERIOD 2006

- On Nutrition, there is need for a comprehensive multisectoral strategy for child and mother. Need for immediate approval of the amendment of the IRR of EO 51
- Need to urgently address limited access to essential public health services including but not limited to family planning, tetanus toxoid immunization, and condom use for the prevention of HIV/AIDS and STI.
- Need for policy makers and LGU partners commitment toward full provision of HHR benefits provided by law (Magna Carta for Health Workers)
- Need to improve access to public health commodities including but not limited to contraceptives, micronutrient supplements and essential drugs by strengthening sourcing strategies, wholesaling and distribution strategies and retailing strategies
- Need to link the HSEF with the medium term expenditure framework of the rest of the social sector agencies
- Need to continually address HIV/AIDS – as ‘hidden but growing’ specifically because zero positivity has increased among IDUs and commercial sex workers
- Better partnerships with civil society and private sector in pursuit to the overall harmonization to ensure full blown implementation of health sector reforms in pursuit of the overall harmonization effort
- Gap of ₱2 B for field level surveillance for Avian and Human Influenza
- Need to strengthen health promotion strategy by
 - Sin Taxes IRR
 - Capacitate LGU to behavior change
- Get PHIC commitment to expanding benefit package for the poor and improving payment mechanism from PHIC
- Proposed support for 70/30 on granting to LGU
- Proposal to commit to the benchmark/measurements