SPMC JHCS

POLICY NOTES

Adequacy of PhilHealth case rate coverage for pneumonia among children under 5 years old admitted in a government hospital: policy notes

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Philhealth case rate coverage for pediatric community acquired pneumonia

EVIDENCE to POLICY

	FINDINGS FROM MAIN EVIDENCE*	POLICY RECOMMENDATIONS
1	Only 69.1% of patients had adequate PhilHealth coverage. The average total expenses [hospital bill + out-of-pocket expenses] was PHP 16,468 for patients with moderate-risk pneumonia and PHP 15,662 for patients with high-risk pneumonia	Increase moderate-risk pneumonia case rate Regularly review the accuracy of case rates
2	Of the 68 patients, 24 [35.29%] incurred out-of-pocket expenses for antibiotics not available in the hospital pharmacy	Ensure adequate supply of essential antibiotics for pneumonia at the hospital pharmacy through timely bidding, purchase, and/or consignment
	During hospitalization, 35.3% of patients had missed doses of antibiotics	Provide real-time information on availability of antibiotics in the pharmacy to prescribing doctors
	Only 66.2% of patients with discharge medications had been provided with complete medication supplies	Provide the remainder of the full antibiotic course to patients upon discharge from admission
3	Patients whose PhilHealth coverage was inadequate had multiple types of antibiotics prescribed and longer hospital stays	Create and implement clinical pathways to standardize and rationalize antibiotic use, and to reduce the length of hospital stay
4	Of the 34 patients covered by the PhilHealth Sponsored Program, 11 [32.35%] had hospital charges in excess of the case rates	Enforce strict compliance to the no-balance-billing [NBB] policy · Incorporate NBB policy compliance in the individual performance commit- ment and review of prescribing doctors · Continuously monitor and incentivize NBB policy compliance of hospitals

*Concha MEA, Bauyot M, Tay JS. Adequacy of PhilHealth case rate coverage for pneumonia among children under 5 years old admitted in a government hospital [unpublished]. Davao: Southern Philippines Medical Center; 2016.

BACKGROUND

Thirty-seven Filipino children die of pneumonia daily, and 90% of those who die are under 5 years old.[1] More than 50% of childhood pneumonia is readily treatable with antibiotics; however, only 31% of children with pneumonia receive the antibiotics they need.[2] From 2016 to 2018, pneumonia and acute lower respiratory tract infection (ALRTI) comprised the 3rd leading cause of morbidity in the Philippines across all age groups. In 2018, there were 213,611 reported cases of pneumonia and ALRTI among Filipino children <5 years old.[3]

In 2011, the Philippine Health Insurance Corporation (PhilHealth) created case rate packages for selected medical procedures and medical conditions, including pneumonia. A

case rate is a fixed amount that PhilHealth pays to a health care provider for the diagnostic and therapeutic care of a patient with a particular disease or condition. The case rates for moderate-risk and high-risk pneumonia are PHP 15,000 and PHP 32,000, respectively.[4] PhilHealth also introduced a no-balance-billing (NBB) policy, applicable to all PhilHealth Sponsored Program members and/or their dependents when they seek health care in a government hospital for diseases or conditions included in the case rate packages. The policy provides that government hospitals shall not charge other fees or expenses beyond the case rate to patients covered by the policy.[4] Given the high incidence of pediatric community-acquired pneumonia (PCAP), policies that support current efforts in attaining adequate financial protection of patients—or their families—would certainly improve health outcomes related to the disease. The aim of this article is to recommend health policies based on the results of a study on health insurance coverage of patients with PCAP.

MAIN EVIDENCE

The study of Concha, Bauyot and Tay in 2016[5] was done to evaluate the adequacy of the PhilHealth case rate coverage for moderate- and high-risk pneumonia among children under 5 years old admitted in Southern Philippines Medical Center (SPMC), a tertiary government hospital in Davao City, Philippines. A total of 68 patients (34 covered by regular PhilHealth insurance and 34 covered by PhilHealth Sponsored Program insurance) admitted in SPMC for pediatric community-acquired pneumonia were included in the study. PhilHealth case rate coverage was considered adequate when it was able to cover all diagnostic and therapeutic expenses involved in a patient's care, without the need for the patient (or family) to incur out-of-pocket (OOP) expenses. The study involved a review of the patients' medical charts, billing statements, and receipts for purchase of medicines not available in the hospital pharmacy. The findings from the study and the corresponding policy recommendations are outlined in the evidence-to-policy diagram. The study outcomes included: adequacy of case rates, availability of antibiotics in the hospital pharmacy, factors related to inadequate case rate coverage, provision of medicines upon patient discharge, and compliance to the NBB policy.

RELATED EVIDENCE

The financial protection of patients during illness is hinged on a reliable health care financing scheme, such as a health insurance, and on the compliance of stakeholders to the policies within the scheme. In turn, the adequacy of coverage of health insurance, such as the PhilHealth case rates for pneumonia, relies on several health care elements that are in place. Case rates must be reviewed regularly to maximize cost savings and reduce the risk of insufficient provision of services.[6] Health care providers can be required to regularly generate costing information, which can be submitted to the insurer for actuarial costing.[7] In the implementation of a case rate package, wherein a fixed amount is paid to the health care provider, all expenses related to the diagnostic and therapeutic management of the patient should be borne by the provider, and there should be no additional cost to the patient.[8] To prevent out-of-pocket expenditure by the patient, therefore, the provider should have adequate budget allocations for diagnostic and therapeutic supplies, and mechanisms to monitor and replenish the supplies should be incorporated in appropriate process flows within the facility.[6,9]

The use of a clinical pathway as a management tool for the health care of pediatric patients with community-acquired pneumonia in a pediatric emergency department has been found to lessen the practice of prescribing broad-spectrum antibiotics and combination therapy and to reduce the duration of treatment and hospital length of stay.[10] The creation and implementation of an evidence-based clinical pathway for a very common condition like pneumonia can standardize and rationalize antibiotic use and make the diagnostic and therapeutic management of patients more cost-efficient.

Health care expenses in excess of case rates may be unavoidable in certain cases, but the provider can institute mechanisms to strictly follow policies attached to the overall goal of financially protecting patients during illness.6 For its part, PhilHealth as an insurer implemented the Customer Assistance, Relations and Empowerment Staff (CARES) project and opened an SMS hotline service to help monitor violations of the NBB policy.[8,11] PhilHealth has also been conducting exit interviews with patients who are eligible for

NBB to identify any violations of the policy.[12] Insurers can also incentivize compliance to the policies. PhilHealth will penalize providers guilty of balance billing, but is willing to give incentives to providers that consistently implement the NBB policy by ensuring quick payments of claims filed by these providers.[8]

Contributors
MEAC, AIJB and ASC contributed to the conceptualization of this article. All authors wrote the original draft, performed the subsequent revisions, approved the final version, and agreed to be accountable for all aspects of this report.

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