

**2012 NATIONAL HEALTH ACCOUNTS  
OF THE PHILIPPINES  
(BASED ON THE SYSTEM OF HEALTH ACCOUNTS 2011)**

***DOH Technical Working Group on PNHA Expansion  
With TA Support from the World Health Organization  
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# **Outline of presentation**

- A. System of Health Accounts (SHA) 2011
- B. Health Spending in the Philippines in 2012 - total and highlights
- C. Financing of Health Care in 2012
- D. Providers of Health Care in 2012
- E. Health Goods and Services Consumed in 2012
- F. Summary: Key Indicators (continued)

# A. What is the System of Health Accounts 2011?

- SHA 2011 is the current international standard for health accounting recommended by the WHO and the OECD for use in all countries
- Key features of the accounting framework:
  - Current health expenditures (CHE) is the “*main*” expenditure aggregate estimated
  - Capital outlays (or capital formation) estimated separately
  - Health expenditures estimated in 3 aspects: *Financing, Provision, and Consumption*
  - More detail on consumption by beneficiary
- SHA 2011 was used to produce Health Accounts estimates for 2012 shown in this presentation

## B. How much was spent for health in 2012?

- Current Health Expenditures (CHE)
  - 465.2 billion pesos
  - 4.40 percent of Gross Domestic Product (GDP)
- Current Health Expenditures **plus** capital formation expenditures of government
  - 473.1 billion pesos
  - 4.48 percent of GDP
  - *Government capital outlays (7.8 billion pesos): fixed capital (hospital upgrading/equipment) 6.5B; health research and training 0.125B; not classified 1.2B*

# **Key Indicators: Highlights of 2012**

Value Unit	Indicator
465.2 billion pesos	2012 Current Health Expenditures or CHE
7.8 billion pesos	2012 Total public spending on health capital formation
473.1 billion pesos	2012 CHE plus capital formation
4.48 percent	2012 CHE plus capital formation % of GDP
19.5 percent	National and local government % of CHE
11.1 percent	Social health insurance agency (PHIC all programs) % of CHE
62.1 percent	Household out-of-pocket % of CHE

# **Key Indicators: Highlights of 2012**

Value	Unit	Indicator
51.5	percent	Curative care spending % of CHE
9.4	percent	Preventive care spending % of CHE
14.7	percent	Public hospital spending % to CHE
21.8	percent	Private hospital spending % to CHE
32.9	percent	Expenditures on human resources % of CHE
43.6	percent	Expenditures on drugs, medicines and other medical products % of CHE (includes purchases of households from retailers and purchases of hospital and other health providers)

## C. FINANCING in 2012

➤ **Households is top funding source of health care followed by SHI agencies, LGU and National Government**

Financing agent	Amount (billion pesos)	Percent
<b>National government</b>	<b>40.9</b>	<b>8.8%</b>
<i>Foreign-assisted projects</i>	5.2	1.1%
<b>Local government</b>	<b>49.6</b>	<b>10.7%</b>
<b>SHI agencies (PHIC,SSS,GSIS)</b>	<b>51.8</b>	<b>11.1%</b>
<i>Sponsored Program (National Gov't)*</i>	13.3	2.9%
<i>Government Sector Program, Private Sector Program, Lifetime Program, Employee Compensation (SHI)*</i>	26.2	5.6%
<i>Individually Paying Program, Overseas Worker Program (Voluntary)*</i>	12.3	2.6%
<b>Insurance Companies</b>	<b>25.5</b>	<b>5.5%</b>
<b>Corporations**</b>	<b>8.5</b>	<b>1.8%</b>
<b>Households***</b>	<b>288.9</b>	<b>62.1%</b>
<b>TOTAL (CHE)</b>	<b>465.2</b>	<b>100.0%</b>

*\*Program benefit payments plus administration*

*\*\*PAGCOR,PCSO, Establishments,Private Schools*

*\*\*\*Households paid an additional 25.4 B pesos for premium*

## **D. PROVISION in 2012: Health Care by Health Providers**

➤ **Hospitals had largest share of health expenditures followed by retailers/pharmacies**

Health provider	Amount (billion pesos)	Percent
Hospitals*	172.2	37.0%
<i>Public hospitals</i>	68.4	14.7%
<i>Private hospitals</i>	101.5	21.8%
Ambulatory/ancillary	59.3	12.7%
Retailers**	141.3	30.4%
Provider of preventive	43.8	9.4%
Administration	31.0	6.7%
Provider not specified	17.6	3.8%
TOTAL (CHE)	465.2	100.0%

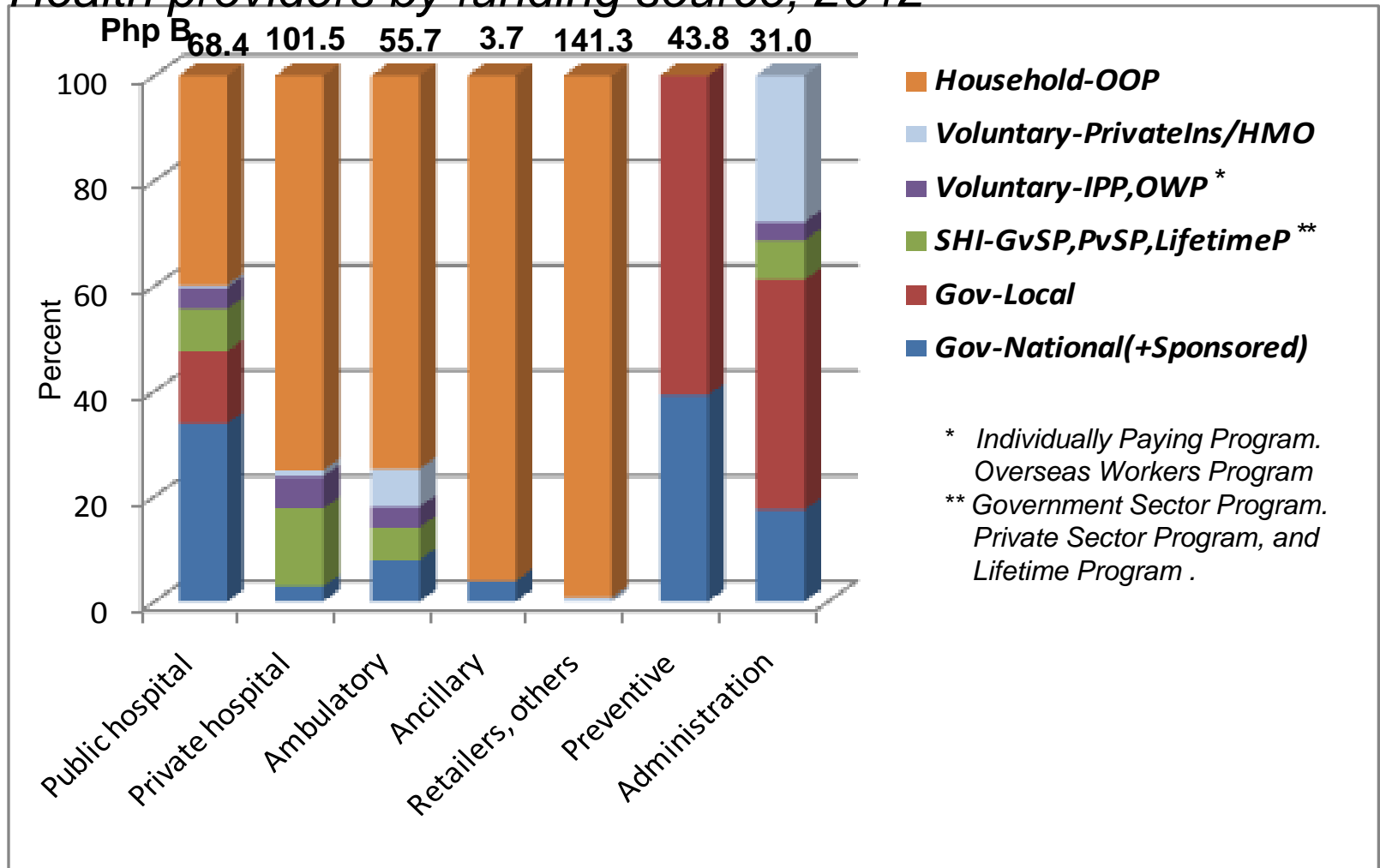
\* Includes spending of 2.2 B pesos on hospitals not specified by type

\*\*direct purchases of households from retailers/pharmacies



- Public hospital care funded by all sources including national, local government and household OOP
- Private hospital, ambulatory care and expenditures in pharmacies funded mainly by household OOP

*Health providers by funding source, 2012*



## **D. PROVISION in 2012: Health Care Provision by Inputs Used**

➤ **Close to 1/2 of cost of inputs is pharmaceuticals and other medical products; while about 1/3 is labor**

Factors of provision	Amount (billion pesos)	Percent
Labor*	153.1	32.9%
Pharmaceuticals/other medical products**	203.0	43.6%
Other MOOE	68.1	14.6%
Not specified	41.0	8.8%
TOTAL	465.2	100.0%

*\*Households paid 51.3% and government 44.5% of labor cost.*

*\*\*Medical products expenditures include direct purchases of households from retailers (P141.3B) and purchases of health providers.*

*\*\*Households paid 87.6% and government 5.5% of medical products cost.*

## **E. CONSUMPTION in 2012: Health Care Goods and Services**

➤ **Curative/rehabilitative care and Medical goods together account for over 80% of consumption**

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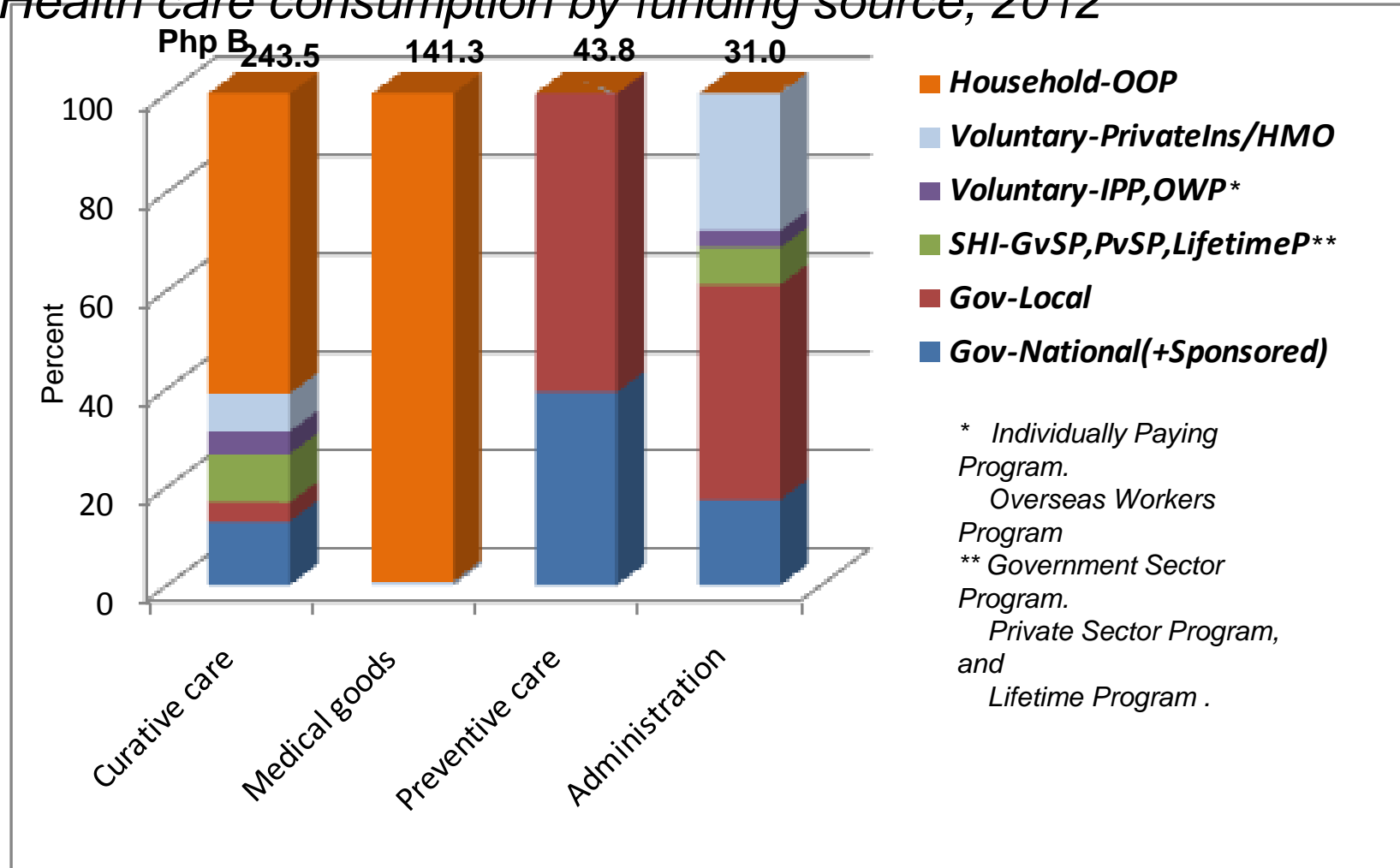
Health care function	Amount (billion pesos)	Percent
Curative/rehabilitative care	243.5	52.3%
Medical goods*	141.3	30.4%
Preventive health care	43.8	9.4%
Administration	31.0	6.7%
Not classified	5.6	1.2%
TOTAL	465.2	100.0%

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*\* Direct purchases of households from retailers.*

- Household OOP paid for over half of curative care, and almost all of medical goods
- Preventive care paid for entirely by government

*Health care consumption by funding source, 2012*



## **E. CONSUMPTION in 2012**

- By type of disease
- By income quintile group
- By region of consumer
- By age/sex group of consumer

➤ **Non-communicable diseases took largest share of health spending in 2012.**

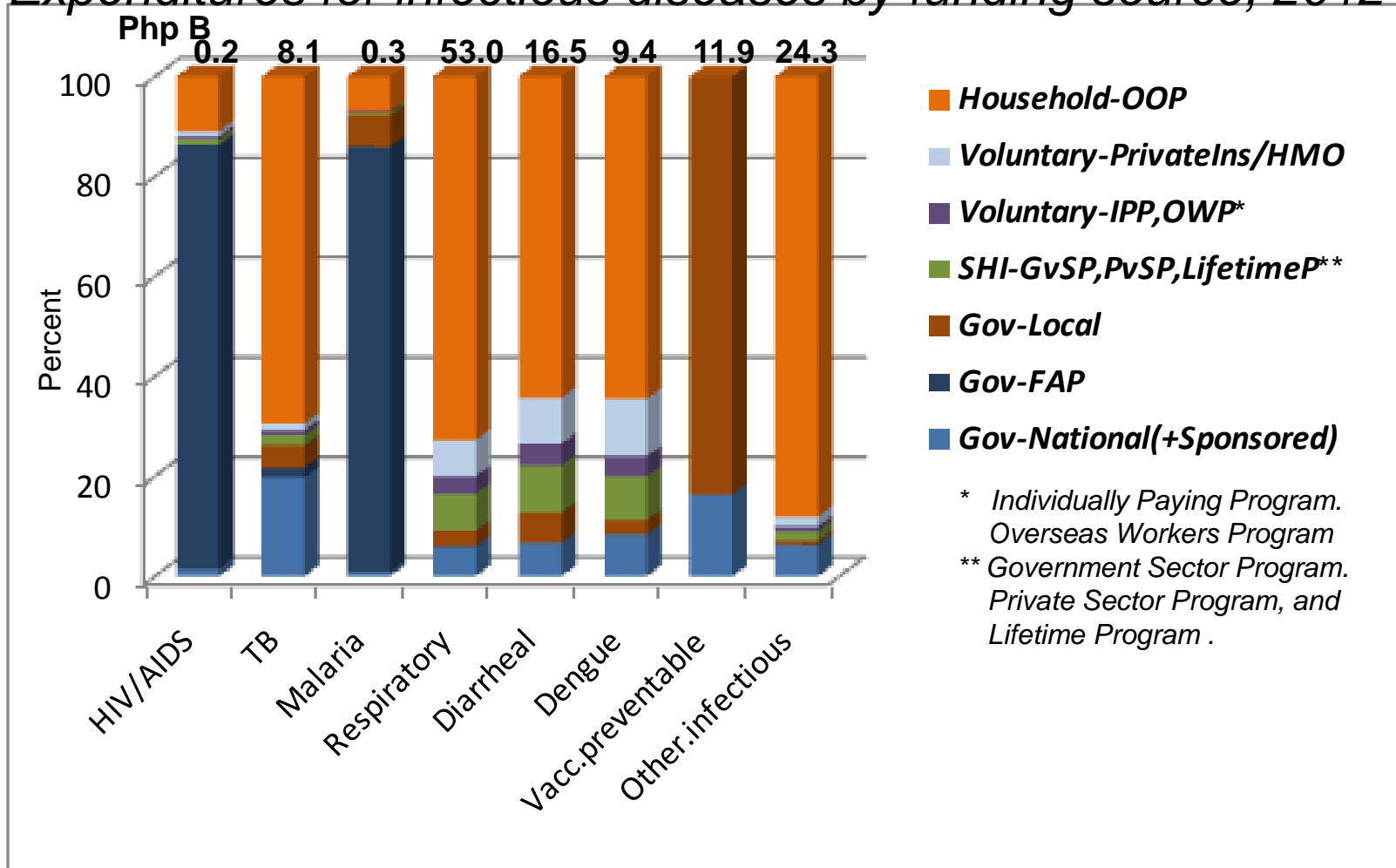
*Expenditures by type of disease 2012*

Disease group	Amount (billion pesos)	Percent
<b>Infectious diseases</b>	<b>123.7</b>	<b>26.6%</b>
<i>Respiratory infections</i>	53.0	11.39
<i>Diarrheal diseases</i>	16.5	3.6
<i>Vaccine preventable diseases</i>	11.9	2.6
<b>Reproductive health</b>	<b>81.2</b>	<b>17.5%</b>
<i>Maternal conditions</i>	40.6	8.7%
<i>Perinatal conditions</i>	31.6	6.8%
<b>Nutritional deficiency</b>	<b>3.0</b>	<b>0.6%</b>
<b>Non-communicable diseases</b>	<b>181.5</b>	<b>39.0%</b>
<i>Cardiovascular diseases</i>	47.4	10.2%
<i>Nephritis</i>	15.5	3.3%
<i>Neoplasms</i>	15.2	3.3%
<b>Injuries</b>	<b>29.4</b>	<b>6.3%</b>
Administration	27.6	5.9%
Not classified by disease	18.8	4.0%
<b>TOTAL</b>	<b>465.2</b>	<b>100.0%</b>

Note: Only selected sub-categories (those with large shares) under each main category are shown. 14

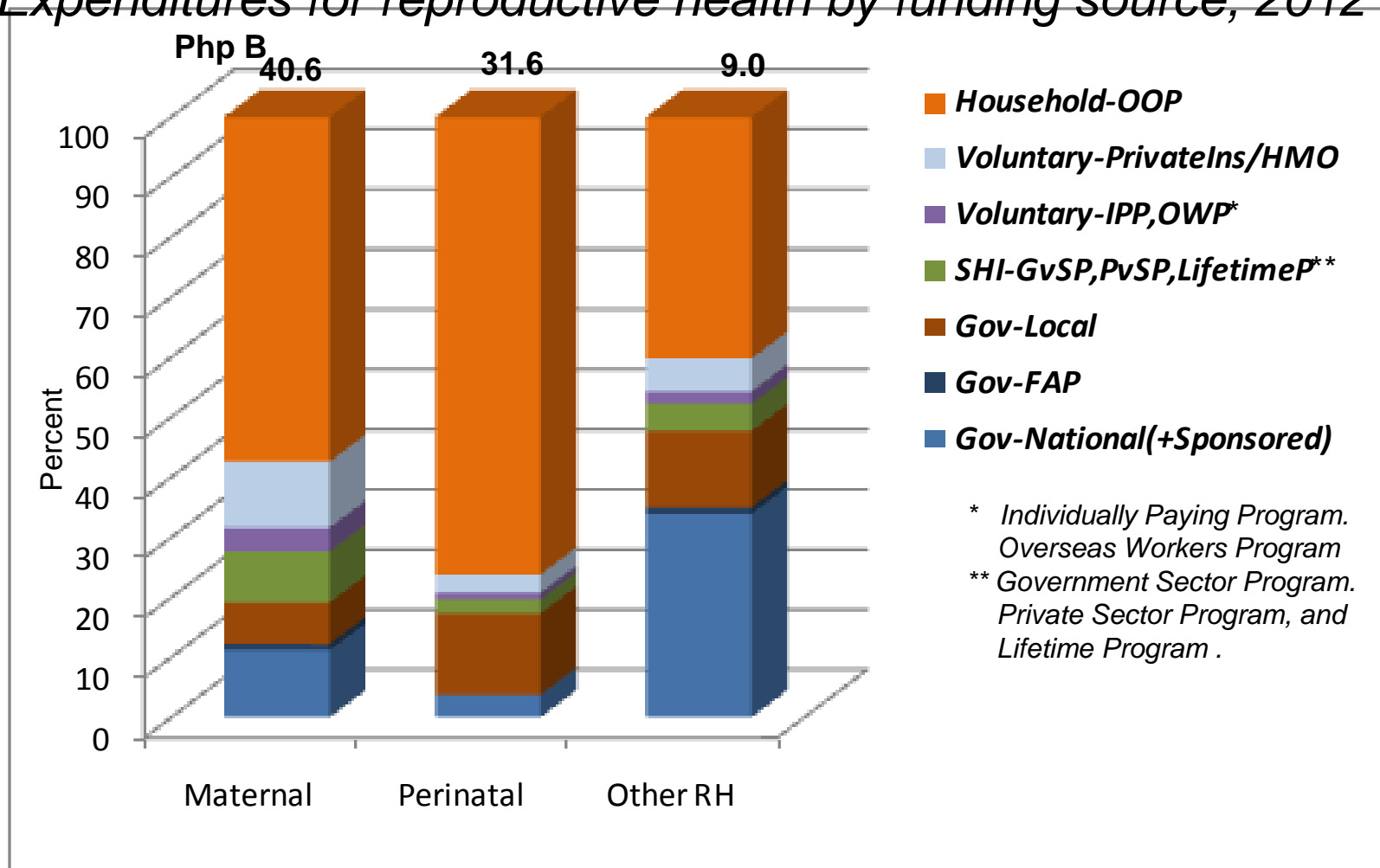
- HIV/AIDS and malaria heavily funded by foreign assistance
- Vaccine-preventable diseases funded mainly by government
- TB and other diseases mostly funded by OOP

*Expenditures for infectious diseases by funding source, 2012*



# ➤ Maternal and perinatal care funded by all sources but mainly by OOP

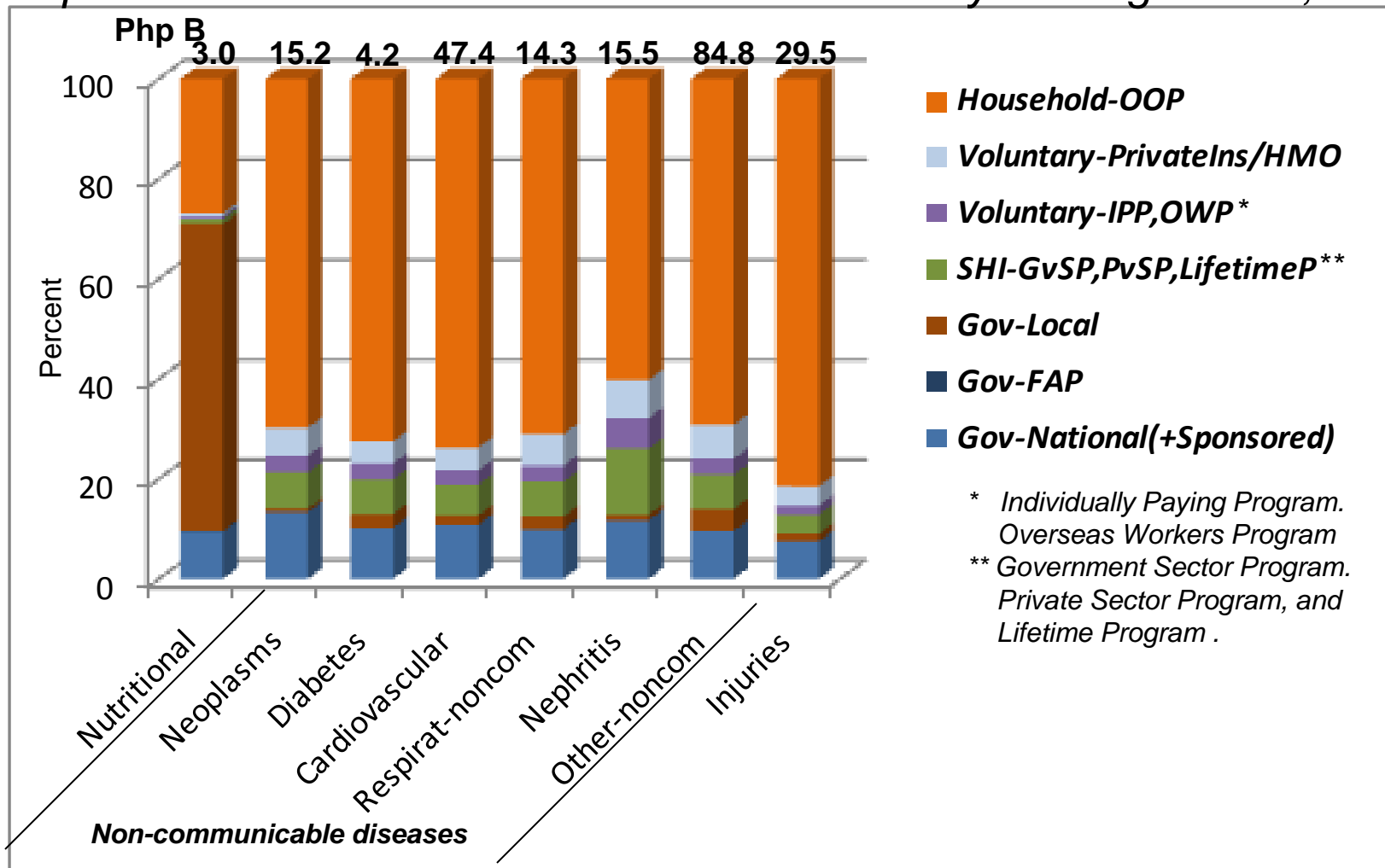
*Expenditures for reproductive health by funding source, 2012*





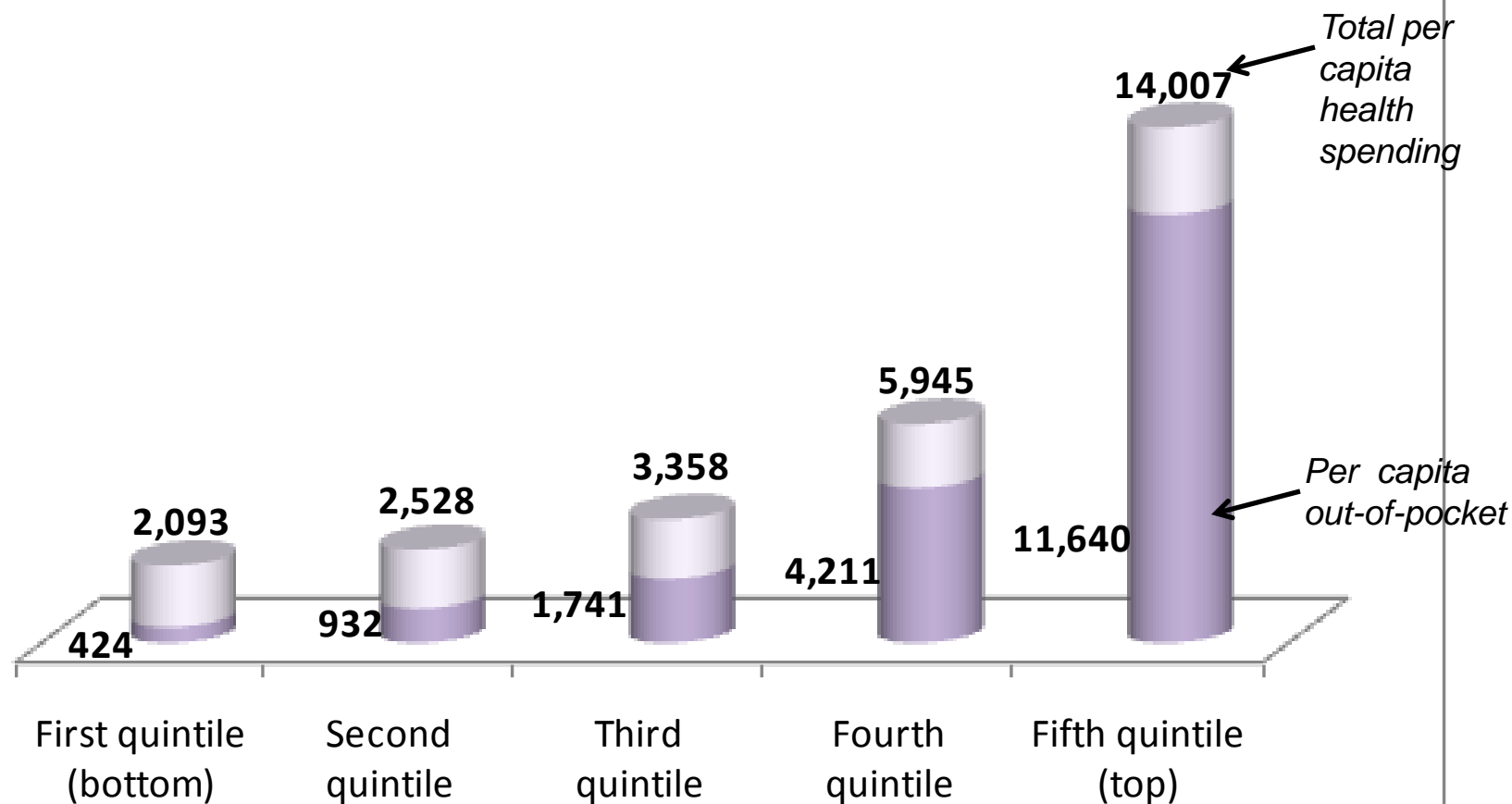
# ➤ Expenditures for non-communicable diseases and for injuries funded by all sources but mainly by OOP

*Expenditures for non-communicable diseases by funding source, 2012*



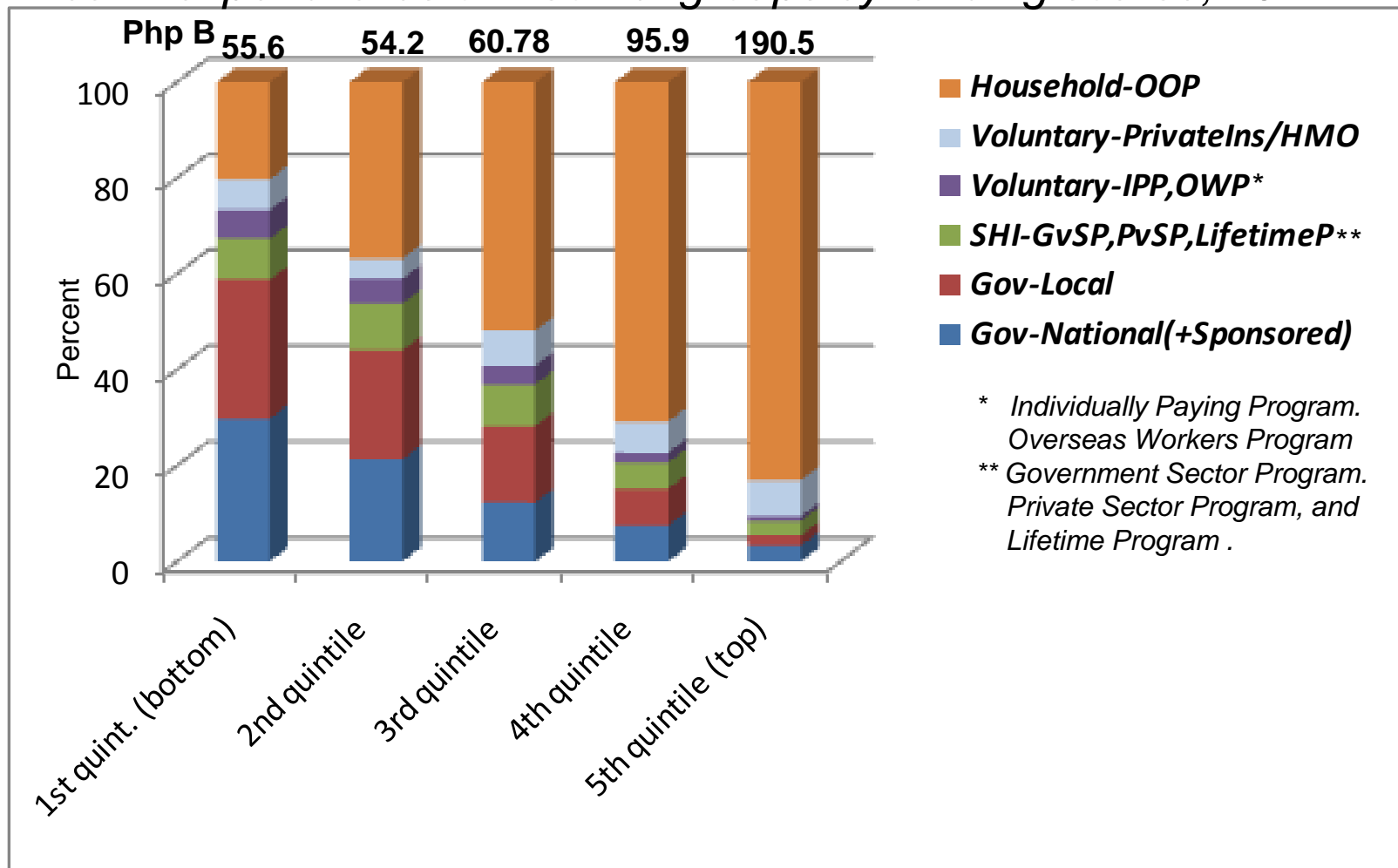
- **Per capita total spending of Quintile 5 is 7X compared to Quintile 1. But per capita OOP of Quintile 5 is 27X compared to Quintile 1.**

*Per capita total and out-of-pocket spending for health 2012*



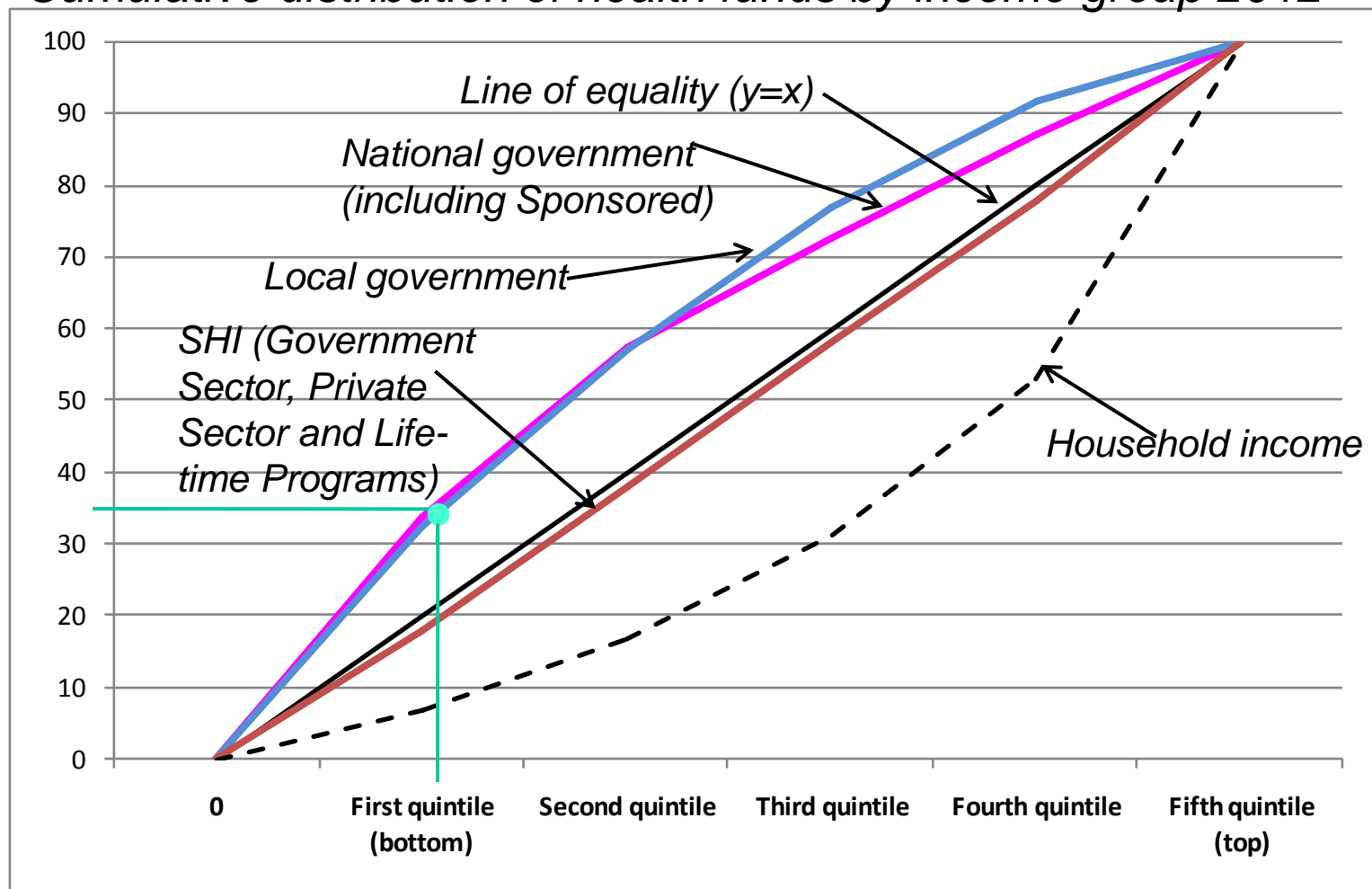
➤ **OOP funds 20% of Quintile1 and 80% of Quintile5 health spending. Government funds 60% of Quintile1 and 6% of Quintile5 spending.**

*Health expenditures of income groups by funding source, 2012*



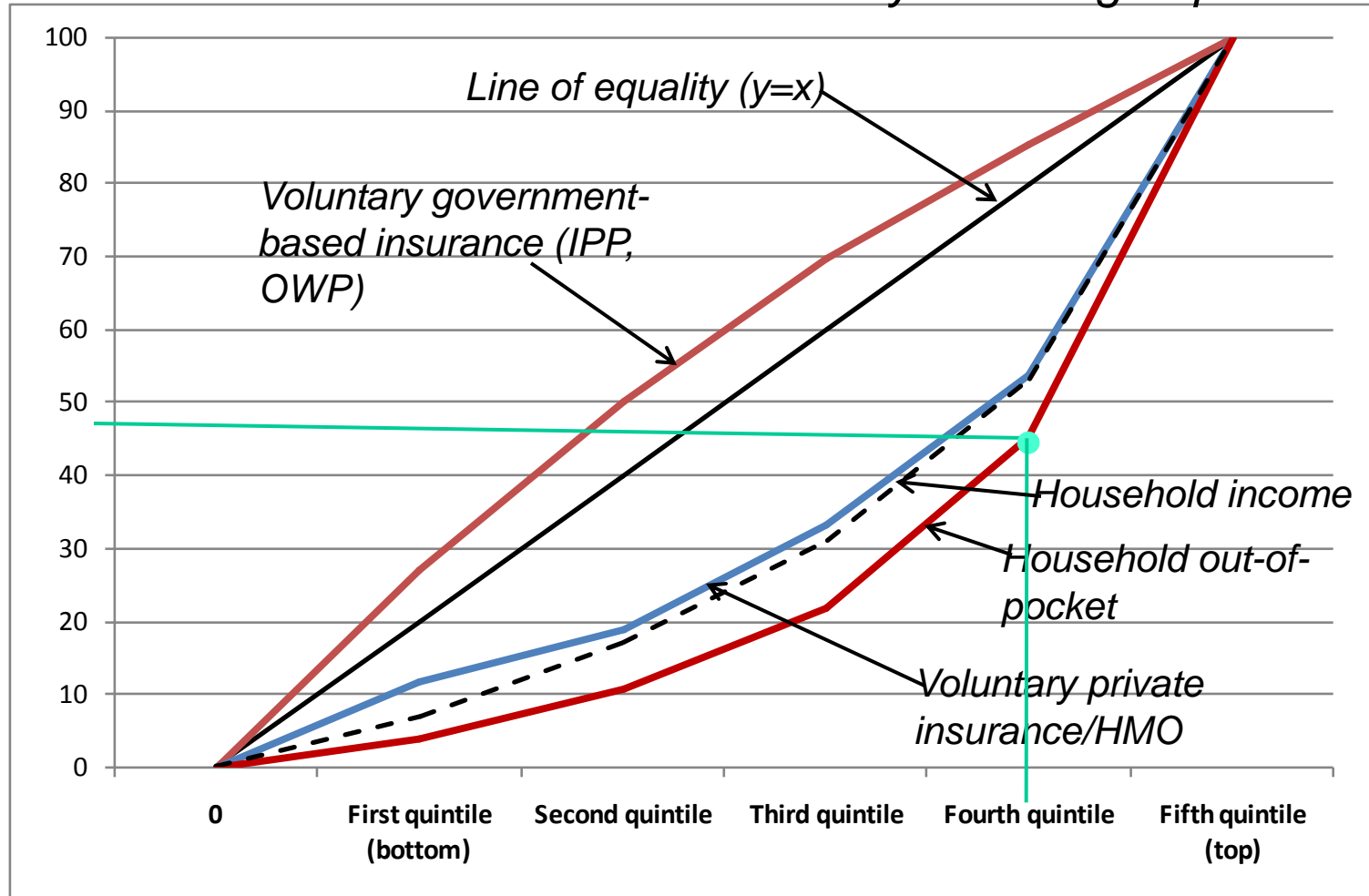
➤ **Government is spending relatively more for the lower income quintiles. For example, 35% of LGU spending accrues to the first quintile (bottom 20%)**

*Cumulative distribution of health funds by income group 2012*

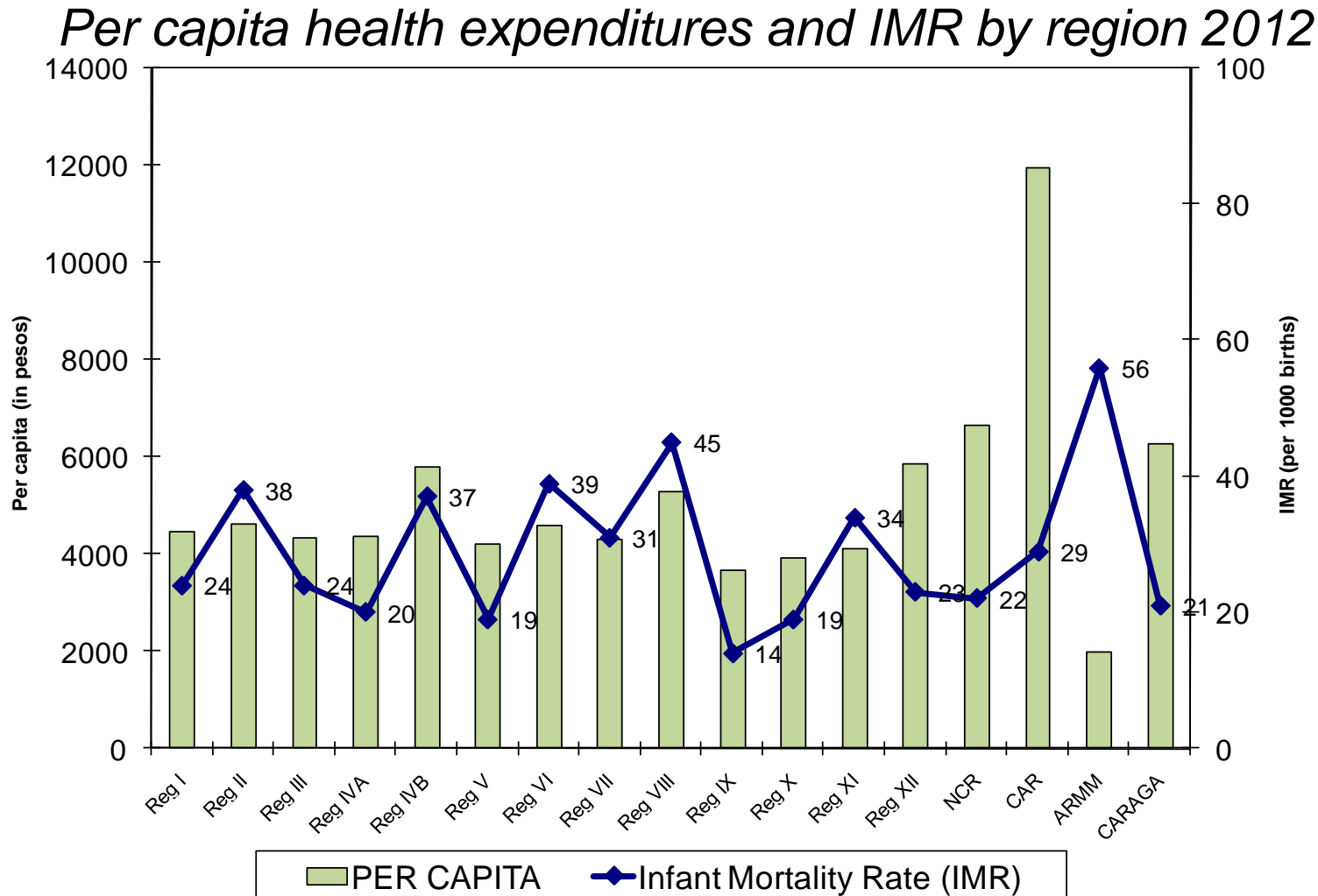


- **Private health insurance and OOP are distributed relatively more towards the higher income quintiles. For example, the top quintile accounts for 55% of OOP.**

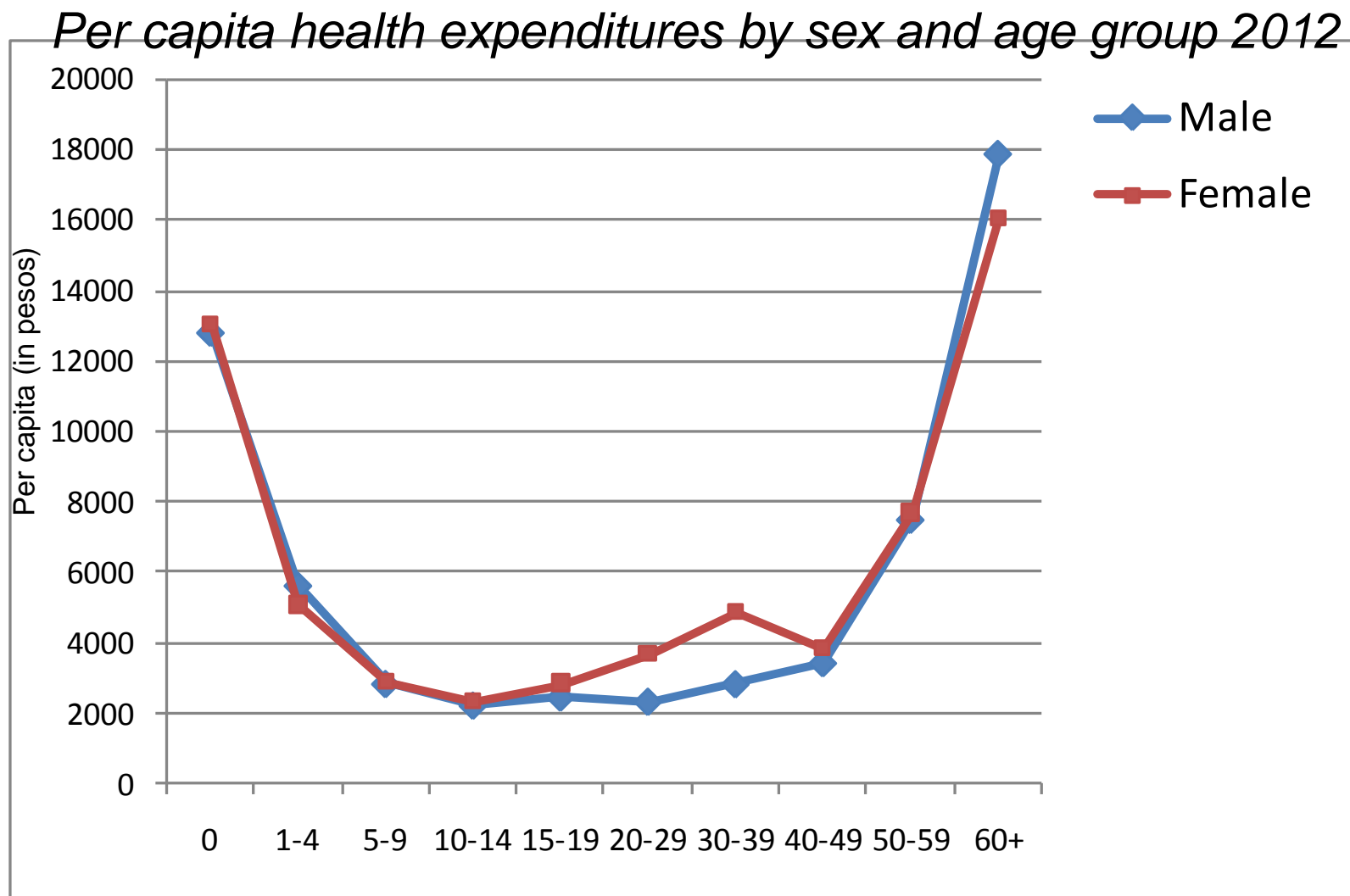
*Cumulative distribution of health funds by income group 2012*



- Region with the lowest per capita spending for health has the highest IMR.
- But for other regions, there is no clear indication that more spending for health means better outcomes.



- **U-shaped per capita age profile – high health spending at young and older ages.**
- **Near equal per capita health spending of male and female except at ages 15 to 49 years – female reproductive ages.**



## **F. Key Indicators (continued)**

Value Unit	Indicator
39.0 percent	Spending on non-communicable diseases % of CHE
26.6 percent	Spending on communicable diseases % of CHE
17.4 percent	Spending on reproductive health % of CHE
10.5 percent	National and local government health expenditures for top income quintile % of CHE
33.2 percent	National and local government health expenditures for bottom income quintile % of CHE
54.8 percent	Out-of-pocket health expenditures for top income quintile % of CHE
3.9 percent	Out-of-pocket health expenditures for bottom income quintile % of CHE
4,859 pesos	Per capita CHE or health spending - Philippines
1,976 pesos	Per capita health spending - ARMM
6,662 pesos	Per capita health spending - NCR
6,888 pesos	Per capita health spending - 0-4 years old
16,912 pesos	Per capita health spending - 60 years and over
4,440 pesos	Per capita health spending - males
5,098 pesos	Per capita health spending - females



***Thank you.***