Interview: Ibrahim Monchito, Deputy Executive Director, Department of Science and Technology (DOST), Philippines



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Ibrahim Monchito, Deputy Executive Director of the Department of Science and Technology ICT Office stresses the need to bring higher value to the HIM industry as a means to protect the local industry and help companies grow. He further elaborates on a government point of view of the actions taken to assist the industry.

How has the government been helping the HIM industry and accompanying the Philippines as a leader within the global landscape?

In the past, strict requirements in the US brought a series of adjustments to the HIM industry worldwide. Since most doctors are required by law to do hard copies of their interactions with the patient, thus began the need to process this information into detailed medical transcriptions (voice recording files which are transcribed and adjusted to a written formal document).

In the Philippines, HIM services grew fast and the industry began to spread its wings in the field of medical transcription and other HIM services. India and Pakistan were also pioneers in this field. Since many of the local companies were getting contracts from major US contractors, the government at first did not even know how many of these companies flooded the market. This

whole phenomenon started early 2000.

When the government realized that the people involved in this industry were also killing the industry—as it was highly price competitive and other companies were willing to cut their costs to win new clients—it was time to take action and bring stability to the market. Imagine a price per sheet going from one dollar to five cents and you understand the extent of fierce competition and price war the industry was coping with. Obviously, many companies quickly collapsed, as they were not able to follow up on price.

To take the bull by the horns, we decided to conduct a thorough study on this market and we realized that this industry needed a more complex value added service. Simply, the industry needed to escalate the value chain, focus on quality and differentiate their offer to become stronger.

The Healthcare Information Management Outsourcing Association of the Philippines (HIMOAP) joined our efforts to restructure the industry since 2009 and today we work closely with them. Our collaborative efforts focused primarily on helping the sector climb the value chain by providing the sector with high-end training. Through training we knew these companies would reach higher value services in medical coding for instance, one of the new upcoming and promising niches for HIM services.

Today companies who actually survived the price war and invested in training are strong and capable of providing a wide array of services. Even more so, they are now capable of directly bidding from hospital contracts and doctors in the US.

The different training programs allocated by the government and HIMOAP are truly a game changer in this industry. What are some of the initiatives you have put in place?

Through training, our objective is to help them reach certification. Once these people are certified then they have the professional stamina they need to perform according to the standards of the worldwide market. Therefore, we are putting in place a specific program to train them and help them get ready for the certification exam. Besides training, we can also assist them with financial support and organizational certification for Capability Maturity Model Integration (CMMI) or International Standard Organization (ISO).

Ultimately, how can certification drive the industry forward?

If we manage to raise the number of certified Filipinos in the industry, other nations will witness the competence of our locals and generate more dynamism and enthusiasm for this industry. This truly

represents one of our most important missions to set the Philippines as a leader in HIM services.

Although it may seem that the government imposes company directives, the reality is another. Companies are the ones demanding what needs to be done and we negotiate with them what can or cannot be accomplished. We believe it is important to have constant feedback since they are the ones in the trenches, experiencing the new directives.

While the government and HIMOAP align on the necessary measures to bring forward the HIM industry, many American companies are taking over the HIM market and buying many local companies. What is your view on the risks or opportunities this phenomenon creates for the Philippines?

US companies that were already in that business in their home country saw an opportunity and decided to settle their business in the Philippines. Many large ones actually started acquiring local businesses. These companies that were based in India even decided to relocate their business to the Philippines where local talent and competitive prices prevailed.

Large players such as United Health Group started with a few hundred people in 2010, and now, I understand, have thousands in their employment. While US companies are growing fast by acquiring small local players, both Filipino and US, very few local companies are managing to grow on their own and to a large size. We want to have foreign direct investment FDI in the country but we also want to have our local Filipino market to stand on its own. For instance, we hope that a company like POINTWEST can become the largest Filipino service provider.

In 2012 we finally passed the National Data Privacy law in the Philippines, which basically protect all personal data processed in the Philippines. Surely this will bring stability to our local market and assist Filipino companies.

From a marketing point of view, how do you see the future of the Philippines?

The Philippines is not at par with other countries at marketing itself; therefore, we are actively pursuing a global marketing strategy. In the last five years, our growth was mainly driven by word of mouth. We need to build a more robust ecosystem not only in Metro Manila, but in the countryside as well. Therefore, we have been engaging new programs to develop countryside hubs. One of these initiatives is called impact sourcing. Through this method BPO jobs have shifted from large populated and rich cities to more remote and isolated areas where employees would work from home with a simple Internet connection and perform the same tasks.

In the end, the Philippines are a clustered and diversified country. Where one would see challenges, I believe our HIM industry and country as a whole can grow hand in hand.

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