

# Interview: Ramon Aristoza Jr. Acting President & CEO, PhilHealth, Philippines

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*Ramon Aristoza, acting President and CEO of PhilHealth, discusses the current challenges the organization is facing in terms of realizing the goal of universal healthcare for the Filipino population, their strategies moving forward, as well as the successes the program has seen over the years. He also discusses the need for the private sector to join them as partners in achieving the mutual goal of expanding access to healthcare to the entire population.*

**PhilHealth is the largest organization in the Philippines working towards achieving the goal of universal coverage for the Filipino population. Could you describe how these efforts have evolved over the years and some of the goals currently being pursued?**

I believe that universal healthcare is a very formidable challenge for the government and PhilHealth, especially being the we are the biggest institution working towards that goal. However, we are not solely responsible, this effort requires collaboration with a variety of sectors. The national government and the Department of Health (DOH), in preparation for providing universal health coverage, are working to provide the infrastructure for public health. Additionally, the Department of Social Welfare is continually working to identify poorest of the poor. It is national government policy that we have the protocol to identify the poor, and in an effort to not have this become politicized we have an entity called the National Household Targeting for Poverty Reduction List. We make use of this list as our common list for distribution of health cards for the poor, and not includes nearly 40 million families, not including the dependents. We are responsible for providing those on this list coverage for healthcare. We have already reached milestones in our work to achieve this goal. However, as of last year we reported that 92 percent of the entire population is now covered by

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PhilHealth.

Speaking more to goals we have in terms of structure, we are shifting our system from one of fee-for-service to orchestration, making sure there is transparency, accessibility, and of course communication between the stakeholders in terms of benefits, and these are developments that we have institutionalized in the system. We are also going even further by providing a zero out of pocket billing for the poor. One problem we are facing, however, is that we targeted 70 percent compliance for no balance billing, sadly we hit only 56 percent. There were implementation problems in terms of support coming from local governments, and from the DOH in terms of the infrastructure that needs replaced. However, we are making progress.

Change has come to the Philippines. Under the Duterte Administration, the subsidy allocation for these sectors, the poorest of the poor, now includes senior citizens. The government is allocating more funds to cover more pockets of the population. During the old administration, we received only 37 billion pesos in subsidies for the poor, however, now, under the national expenditure program we received 43.8 billion pesos. The greatest challenge that we are facing is how to reach the remaining 8 percent of the population that is still not covered by PhilHealth.

**In terms of working to reach the remaining segments of the population who are not receiving the benefits of PhilHealth, what do you see as being the biggest obstacles moving forward?**

Conflicting policies within the government are causing roadblocks, and to address this we need to harmonize these policies. The health system is disintegrated, including local government units (LGUs) having their own policies as well, and sometimes not all of these policies are in harmony with PhilHealth policy. These are not major roadblocks, but they need to be addressed, we need to have integrated, harmonized health systems across the country.

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We also have issues with the distribution of drugs as well as procurement. We have centralized procurement within the DOH, and the distribution of funds for the local government units (LGUs). This is a problem of public health, which is not within the domain of PhilHealth, but rather the government. In terms of the main concerns of PhilHealth, we want to see the preparation of better infrastructure so we can deliver accessible, quality healthcare services, something that needs to be done by the DOH, and something we have recently seen progress on.

**Are there any ways that you believe collaboration between the government and PhilHealth could be improved?**

PhilHealth is a government owned and controlled organization as we are an attached agency of the Department of Health. However, our budget is passed from the Department of Budget to the DOH. I do not see any reason that there should be laws passed without appropriation, for example requiring PhilHealth to cover senior citizens, but then not providing funding. If you pass a law, it should be coupled with appropriations. I believe this is a shortcoming in terms of Congress, and is something that we at PhilHealth hope to address through collaboration with different government entities.

**Raising awareness is something that we have seen as being key to all stakeholders in the healthcare industry in the Philippines. What initiatives does PhilHealth currently have in terms of working towards the common goal of raising awareness across the country?**

We have communication plans every year trying to help raise awareness, and through these we are going down to the grassroots level. We design IEC programs working to educate the poor, such as ALAGA KA, our platform to reach the poor. For example, I once asked my taxi driver if he was a

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PhilHealth member, to which he replied he did not know. I checked for him, and in fact he had coverage but was completely unaware. This is a real-world example of how we need to continue to work to raise awareness among the Filipino population about the benefits they are receiving through PhilHealth.

### **Speaking more to President Duterte's administration, do you see his health agenda as benefitting the objectives of PhilHealth?**

This is a continual process, looking all of the way back to what previous administrations have been implementing. However, that being said, President Duterte is very decisive politician. He is focused on the drug problem in the country, and PhilHealth will play a very important role in coming out with a medical detoxification package for drug rehabilitation. We are going to roll out PhilHealth's Medical Detoxification Package, as soon as our medical rehabilitation facilities have been built, the entirety of this plan. This is an expensive process, costing about 10,000 pesos per patient, of whom we estimate there are 1.5 million, but at PhilHealth we are committed to the cause.

Speaking more broadly, we hope during this administration we will see a more aggressive approach to achieving our targets. Our targets and performance are now being measured through the strategic performance system, and there is a government agency monitoring our progress. This is a system that we have already institutionalized, and we hope to see continued progress.

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### **Looking forward, can you name a few examples of areas you hope to see improvement or strategies you hope to see implemented in the near future?**

Over the next 6 years we have a lot to accomplish. Number one is to improve our no balance billing. 52.97 percent of the number of players are currently compliant with no balance billing, and secondly, I believe that a huge problem currently in the Philippines is the lack of medicines. The generic law was enacted many years ago, yet we see a compliance rate of only 65 percent, which I do not see as being satisfactory as it helps to get cheaper medicines to the poorest of the poor. Additionally, we have a package called the "Z package" that seeks to expand coverage into catastrophic cases. With this we almost cover all cancers, for example we are aggressive in covering colon cancer recently, under PhilHealth. Looking forward I hope to go even further and cover even more catastrophic cases. However, we also have to continue to emphasize preventative care. To do this we are going to be partnering with the private sector, delivering preventive primary care packages, which we are calling "TSeKaP", where you receive urinalysis, blood tests and a physical exam. Right now, it is concentrated in government facilities, such as rural health units, however, we are looking to expand this program.

### **How do you envision that the private sector can be partner in working to achieving these goals?**

To achieve these goals, we have created the 5-year Philippines plan. As we continue our mission of universal healthcare, we must involve the private sector, the government cannot provide universal coverage without the private sector. The private sector will come into the process through a public-private partnership where we will contract them to come in as primary healthcare providers. For example, we have involved the private sector in our maternity care packages, to help us achieve our millennium development goals in decreasing maternal mortality. We are looking to expand these types of partnerships, for example possibly with our primary care packages. Moving forward, to solve the problem of lack of medicines we will also partner with pharmacies, another example of how collaboration is needed moving forward. Achieving universal coverage in the Philippines is a formidable challenge, and one that cannot be achieved by PhilHealth and the government alone, we

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need partners in the private sector. One cannot exist without the other, we must collaborate and complement each other. Universal healthcare is the concern of all, not only PhilHealth, not only the Department of Health, but everyone.

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