

Philippines Private Health Sector Assessment



Summary

Health outcomes are improving in the Philippines, but challenges remain in family planning. Fertility is high and the country faces a teen pregnancy problem, despite significant investments by donors and the Filipino government. The private sector is active at every level of care and could help address these issues, especially through innovative approaches that capitalize on developments in the country's health care system. The Sustaining Health Outcomes through the Private Sector (SHOPS) Plus project collaborated with USAID/Philippines to conduct an assessment to identify opportunities for the private sector to increase access to and use of modern family planning methods. This brief highlights methods, key findings, and recommendations from the full assessment report.

Keywords: access to finance, assessments, contraceptives, family planning, health financing, human resources for health, midwives, Philippines, reproductive health

Photo: Nelson Gonzales/USAID LuzonHealth

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Philippines Private Health Sector Assessment

The Republic of the Philippines is home to 105 million people in Southeast Asia. Strong economic growth throughout the 2010s resulted in declining poverty rates across the country. The business process outsourcing sector has been one of the keys to this success, employing 1.3 million Filipinos at the end of 2016 (Oxford Business Group 2016). This fast-growing sector is an especially important source of employment for youth, and the Philippines has the youngest working-age population in East Asia.

Health outcomes are improving in the Philippines. Substantial increases in government funding and investments in facilities, human resources for health, and the Philippines Health Insurance Corporation (PhilHealth) have all helped more Filipinos access health care. Despite the positive economic and health trends, many family planning challenges exist. At nearly three children per woman, fertility rates are high for Southeast Asia, and the Philippines is the only country in the region with an increasing rate of teen pregnancy (Simon 2013). These challenges are not helped by the fact that modern contraception use is low and has grown little in recent years.

Assessment scope

With funding from USAID's Bureau for Global Health, the Sustaining Health Outcomes through the Private Sector (SHOPS) Plus project worked with USAID/Philippines to conduct a private sector assessment focused on family planning, specifically service delivery, demand for methods, health financing, and access to credit.* The goal of the assessment was to identify opportunities and provide recommendations for programs that would increase the delivery of family planning services through private sector doctors, midwives, and nurses. The overall goal of these programs would be to increase access to modern contraception methods and their use. In particular, the assessment looked at ways the private health sector could better reach Filipino youth and adolescents with appropriate family planning messages and services.

* Full-length assessment report: Callahan, Sean, Caroline Quijada, Jeanna Holtz, Ignacio Estevez, Rose Amper, Meghan Reidy, Pam Riley, and Intissar Sarker. 2017. *Philippines Private Health Sector Assessment*. Rockville: SHOPS Plus Project, Abt Associates.

The private sector assessment had four objectives:

1. Provide an overview of the major private health care providers (doctors, midwives, and nurses) and describe their roles in delivering family planning services.
2. Assess constraints to optimal use of PhilHealth benefits in the private sector and identify opportunities to strengthen and expand these benefits.
3. Identify barriers and opportunities for private doctors, midwives, and nurses to access financing that would enable them to expand and improve their businesses and the delivery of family planning services.
4. Provide USAID/Philippines with recommendations on expanding public-private engagement to improve and increase delivery of priority health services in the private health sector.

USAID/Philippines has a long and active history of investing in the private health sector. This assessment sought to build on that experience by identifying innovative opportunities that have emerged since the last round of USAID bilateral health projects were launched in 2013.

Sixty percent of health facilities accredited by PhilHealth are private hospitals, clinics, and infirmaries.

Photo: Jeanna Holtz



Methods

SHOPS Plus and its predecessor project, Strengthening Health Outcomes through the Private Sector, have conducted more than 30 private sector assessments. Many of these assessments led to field-based programs that engaged private sector actors to help countries address priority health needs. The private sector assessment in the Philippines followed the SHOPS Plus process, which consists of five phases:

1. **Plan:** The process began with a comprehensive review of peer-reviewed and grey literature to obtain a clear overview of the landscape and context, as well as key challenges and gaps in information. The results of this review informed planning for key stakeholder interviews during the in-country assessment in the second phase.
2. **Learn:** SHOPS Plus convened a multidisciplinary team to conduct a series of focus group discussions and key informant interviews in June and July 2017, meeting with more than 60 stakeholders in the public and private health sectors.
3. **Analyze:** The analysis began in the Philippines, where the private sector assessment team shared findings internally, determined whether additional key informants should be added, and began to form actionable recommendations. This process continued past the field work as the team integrated findings and developed recommendations.
4. **Share:** The team debriefed USAID/Philippines during a trip to Manila and disseminated the final report both locally and globally.
5. **Act:** As a final step, it is intended that USAID/Philippines can incorporate the findings and recommendations from this assessment into its next round of bilateral health projects.

Findings

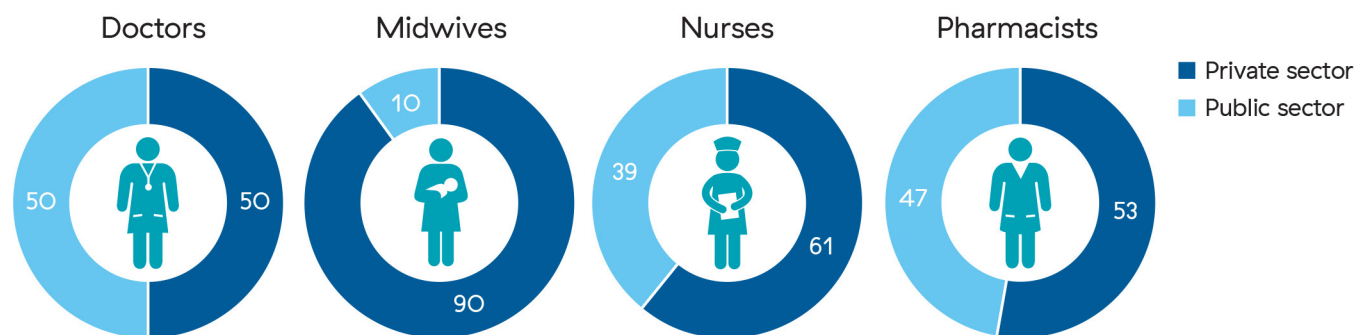
The assessment structure is based on the health system according to the World Health Organization’s (WHO’s) six health system pillars. Below are the findings.

Health system

The Philippines has a decentralized health system with public and private sectors, both of which are regulated by the Department of Health (DOH). The public sector delivers services across multiple levels of government, with local government units operating many primary care facilities and the DOH operating a few higher-level tertiary hospitals across the country. The private sector, which encompasses nonprofit and for-profit providers, offers services at every level of care.

The majority of health facilities at almost every level are operated by the private sector, with the exception of community-based public health outposts, all of which are publicly operated. Sixty percent of health facilities accredited by PhilHealth are private hospitals, clinics, and infirmaries (PhilHealth 2017). There are more than 3,000 private pharmacies across the country, and they play an important role in the provision of family planning commodities. The health workforce in the Philippines is distributed across the public and private sectors (Figure 1), although there are inconsistencies between official statistics and those generated by professional associations.

Figure 1. Distribution of health workforce across the public and private health sectors



Source: Dayrit et al. 2018

The Filipino government runs several service delivery networks as part of a public-private initiative that aims to improve access to health services for lower-income populations, especially family planning and reproductive health services. USAID has actively supported the development of service delivery networks through the Private Sector Mobilization for Family Health 2 (PRISM2) project and three USAID regional projects (LuzonHealth, MindanaoHealth, and VisayasHealth).

Since 1995, the Filipino government has operated PhilHealth as its primary pathway to achieve universal health coverage. The scheme has made remarkable progress in terms of the three dimensions of universal health coverage: population coverage, service coverage, and financial risk protection. PhilHealth now covers nearly all citizens. It has begun to expand service coverage, recently increasing benefits for selected primary care services for indigent members. The result of this progress is that more Filipinos have greater access to the health services covered under the PhilHealth benefit package, with less financial burden. However, PhilHealth does not cover all family planning services; although it covers counseling, nonsurgical vasectomies, and the insertion of IUDs and implants, it does not cover the removal of IUDs and implants.

The Philippines health system has a robust and well-functioning oversight structure. All provider types (doctors, midwives, and nurses) in the public and private sectors are required be licensed and trained in DOH-accredited curricula. The DOH is also in charge of accrediting and licensing health facilities on an annual basis.

In addition to the accreditation of facilities, each type of health professional is accredited for a three-year term by a body authorized by the Professional Regulations Commission. The body represents the Board of Medicine, the Professional Regulatory Board of Midwifery, and the Board of Nursing. Doctors, nurses, and midwives are all authorized to provide a range of family planning services, including injectables and IUDs, as long as they have received accredited training in the method. Notably, focus group discussions and key informant interviews indicated that the need to meet multiple sets of accreditation standards on varying timetables creates added costs and barriers for practitioners.

The majority of health facilities at almost every level are operated by the private sector.

Policy environment for family planning

Policies and laws in the Philippines are supportive of increased investments in family planning, although implementation is lagging. This gap between policy and practice has created challenges for the Philippines to achieve its goals.

A landmark Responsible Parenthood and Reproductive Health law was passed in 2012. This law provides a legal guarantee for all women to access family planning and reproductive health information and services in both the public and private sectors. The law represents a departure from previous policy, which encouraged natural family planning. Opposition from the Catholic Church helped delay the passage of the Responsible Parenthood and Reproductive Health law for 13 years. The church also supported legal challenges that postponed implementation of the law.

A 2015 Supreme Court decision included a temporary restraining order targeted at implants, which created confusion about what was allowed regarding the procurement, distribution, and provision of contraceptives in the public and private sectors. A court decision in May 2017 cleared the way for family planning programs to proceed without the uncertainty caused by the temporary restraining order.

The DOH has a strong platform for engaging the private sector in the policy development process at the national level, but most of the engagement takes place with larger franchises, associations, and hospitals. There is little interaction with smaller, non-networked clinics, due to difficulties identifying and reaching them.

Policy environment for reaching youth and adolescents

The 2012 Responsible Parenthood and Reproductive Health law requires reproductive health information and services be made available to youth and adolescents. It also requires that comprehensive sexual education programs be taught in schools throughout the country. The law codifies the need for parental consent for adolescents 19 and younger to access family planning services.

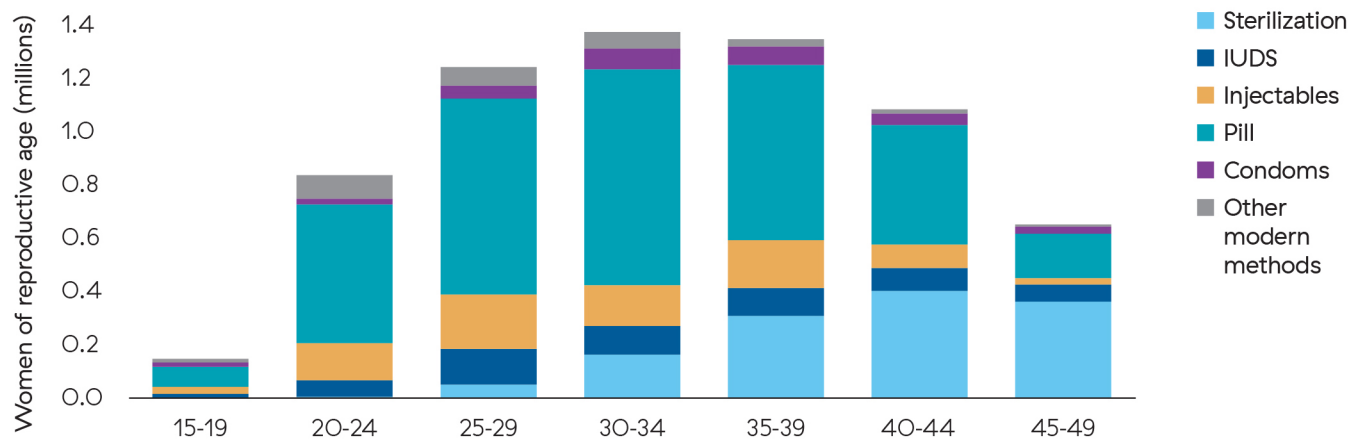
The 2013 National Policy and Strategic Framework on Adolescent Health and Development deals broadly with adolescent health. It emphasizes the need to delay sexual initiation and provides a strong rights-based framework to increase youth and adolescent access to family planning and other reproductive health services. The framework underscores the need to improve providers' skills so they can adequately serve and appropriately deliver care to adolescents.

The Commission on Population and Development has submitted pending legislation, which has the goal of reducing teen pregnancies by half and eliminating repeat births to adolescent mothers.

Method mix

The overall contraceptive prevalence rate among all women of reproductive age has grown slowly in the Philippines. Based on 2017 data, approximately 7 million women of reproductive age (15 to 49 years old) use a modern contraceptive method. Modern contraceptive prevalence and the method mix vary greatly by age (Figure 2). Demographic and Health Survey (DHS) data from 2013 and 2017 show that use of oral contraceptive pills has been steadily increasing, while use of long-acting reversible contraceptives and permanent methods, such as sterilization and IUDs, has been relatively stagnant.

Figure 2. Method mix and modern contraceptive prevalence by age group



Source: 2017 Philippines DHS

Note: Other modern methods include lactational amenorrhea, standard days method, male sterilization, and implants.

Key family planning stakeholders

There are a number of key stakeholders in the Philippines family planning market. In the public sector, the Commission on Population and Development is the government agency responsible for leading and coordinating all family planning programs and policymaking. The DOH Family Health Office works with the commission and other stakeholders to develop policies, standards, and guidelines for family health programs, including family planning. It also implements clinical trainings and other capacity-building programs.

DOH regional offices and local government units oversee the network of public sector service delivery points. Private sector stakeholders include the Integrated Midwives Association of the Philippines, which provides advocacy and continuing education for midwives. The association has more than 131,000 members in approximately 150 local chapters. The Philippines Society for Responsible Parenthood, a nonprofit, is the primary institution accredited to train providers on the insertion and removal of implants. The following table shows some of the most significant private sector service delivery organizations in the Philippines.

Key private sector family planning service delivery organizations

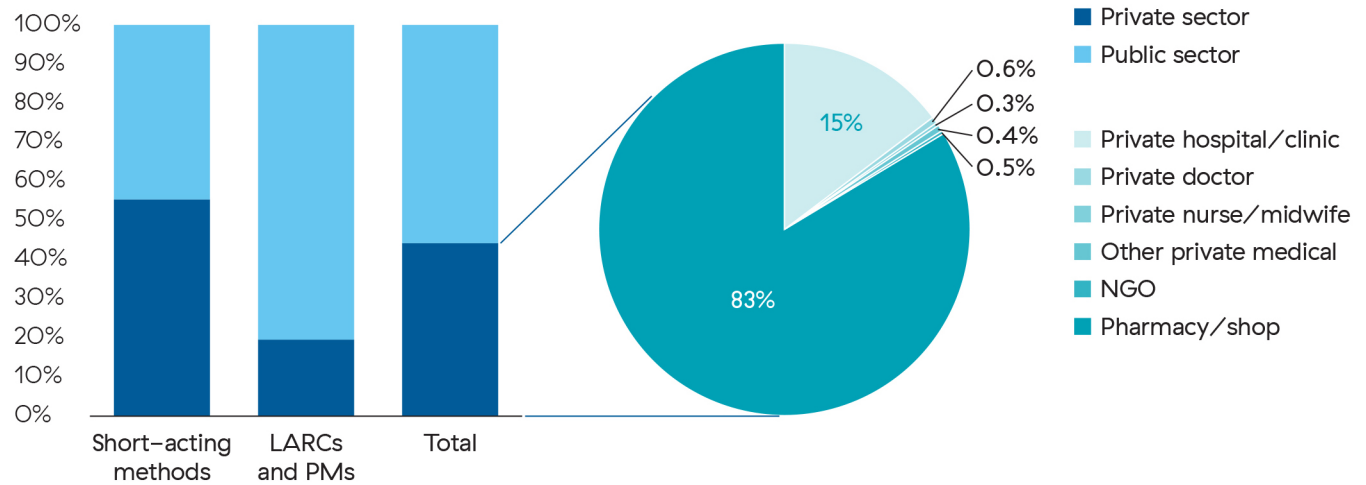
Organization	Membership size and geographic scope	Services
Likhaan	Operates clinics in six low-income areas of Metro Manila; has two community organizing programs	Free contraceptives at clinics, comprehensive sexual education curriculum (developed with the departments of Health and Education)
Mother Bless Birthing Clinics	Operates 58 clinics in 11 provinces	Maternal and child health services; includes family planning and primary care
Population Services Pilipinas, Inc./Blue Star (Marie Stopes International affiliate)	Has 267 midwife-run, franchised clinics	Sexual and reproductive health services
Well-Family Midwife Clinics	Operates 132 outlets in 20 provinces; currently has 80 members (had more than 300 members when supported by USAID)	Family planning, maternal and child health, pregnancy tests, minor gynecological services, basic health services
Family Planning Organization of the Philippines (International Planned Parenthood Federation affiliate)	Has 15 active organizational chapters with 17 community health care clinics nationwide	Integrated package of essential family planning and reproductive health services

International donors also play an important role. In 2014, the Philippines was among the top 10 recipient countries of donor assistance for family planning and reproductive health; the country received the largest share of assistance in the Far East Asia region. The two largest donors were the United States government (58 percent of this assistance) and the United Nations Population Fund (20 percent) (Kates et al. 2014).

Sourcing patterns for family planning methods

The private sector provides 44 percent of modern contraceptive methods. Private pharmacies play a particularly important role since they are the most significant source of short-acting methods, which predominate among family planning users (Figure 3). The public sector is the main source of long-acting reversible contraceptives and permanent methods (LARCs and PMs).

Figure 3. Sources of modern methods



Source: 2017 Philippines DHS



A law passed in 2012 requires reproductive health information and services be made available to youth and adolescents.

Photo: Nelson Gonzales, USAID LuzonHealth

Potential family planning market

The family planning market in the Philippines has great potential to expand. Although only 25 percent of all women use a modern contraceptive method, the vast majority of women across all income segments want to either delay or limit their next pregnancies. Based on the 2017 DHS, approximately 89 percent of women do not want a child soon or at all, regardless of whether or not they currently use a modern method. Among women who want to delay their next birth or limit births altogether, only 13 percent and 39 percent, respectively, are using a modern method (2017 Philippines DHS).

An adequate number of providers, especially private sector providers, must be trained and equipped to meet the potential demand for family planning.

There are 6 million non-users who intend to use a modern method later and 2.8 million users of traditional methods who could potentially switch to a more effective modern method. A group prime for interventions is the 4.5 million women who want to delay their next pregnancy by at least two years and are not currently using a modern method but intend to do so later. It is important to recognize the importance of youth and adolescent women in the potential family planning market, as they exhibit the lowest rate of use of modern methods. Non-users in this age group are much more likely than those in other groups to state an intention to use later.

The majority of women who do not use a modern method even though they do not want to become pregnant are motivated by reasons related to their current situations: they are not married or are not having sex. This is significant—because these motivations are situational, they can change relatively quickly, turning non-users with no need for family planning into users. Therefore, it is essential to ensure that an adequate number of providers, especially private sector providers, are adequately trained and equipped to meet this potential demand.

Roles of private providers

The private sector assessment documented the private sector's role in family planning service delivery. It identified the major providers and opportunities to strengthen their provision of family planning services.

Focus group discussion participants indicated that private providers offer a range of commodities, although the degree to which they offer specific methods varies by the type of provider. Notable exceptions to this range are bilateral tubal ligation and non-surgical vasectomy, as these services must be delivered

in a hospital setting. As a result, most clinics owned by nurse-midwives and midwives cannot deliver these services. Across all three types of providers (doctors, midwives, and nurses), injectables, oral contraceptive pills, and IUDs are the most widely offered methods.

Doctors

In the Philippines, private doctors generally do not provide standalone family planning services. Because many private doctors operate within private hospitals, they tend to serve middle-income and wealthier clients, who are generally covered by private health insurance programs such as health maintenance organizations (HMOs). Doctors face constraints to providing a full range of modern methods—many cited lack of training (for IUDs) and challenges accessing commodities (for one-month injectables) as key obstacles. Focus group discussions and key informant interviews indicated that doctors are more likely to prescribe oral contraceptive pills than any other method.

Midwives

More than 170,000 midwives are registered with the DOH; key informant interviews indicated that roughly one-third are actually practicing. Rural health midwife placement programs have helped to distribute midwives across the country; some midwives report that they are one of only a handful in their areas. They tend to operate independently in standalone practices, although there are nascent experiences with midwives creating group practices for efficiency.

Midwives provide maternity services but also cater to clients who only want family planning services, who constitute about 10 percent of their business. Midwives offer a wide range of products and services (implants, injectables, IUDs, and oral contraceptive pills) to both postpartum and family planning clients. Midwives cited lack of training as the number one barrier to greater provision of implants and IUDs. They identified supply issues as the main constraint for injectables, especially the one-month version.

PhilHealth accreditation has led to sweeping change for midwives.

Reimbursement rates are generous, in most cases exceeding the rates midwives previously charged clients. As a result, PhilHealth accreditation by midwives is now widespread. All but one of the 24 midwives who participated in SHOPS Plus focus group discussions were accredited with PhilHealth. They reported that the accreditation process is not overly burdensome. This has encouraged more midwives to set up their own practices and has increased competition.

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As of 2018, birthing centers are required to hold a DOH-issued license to renew their PhilHealth accreditation. During focus group discussions and key informant interviews, midwives expressed concern about impending changes to these accreditation requirements.

Nurses

Key informants indicated that there are more than 1 million nurses in the Philippines, serving in both the public and private sectors. There is currently an oversupply, which has forced many qualified nurses to seek employment in other sectors, including the higher-paying business process outsourcing industry.

“For an entrepreneurial midwife, new PhilHealth requirements are not a problem. For those who maintain the mind of a service provider, it will always be difficult.”

— *Key informant*
Population Services Pilipinas, Inc.

Several factors have limited nurses’ participation as family planning providers. One is a widespread perception that nurses should support doctors rather than act as independent service delivery providers. A further challenge is that prior to 2017, PhilHealth did not include nurses as accredited providers; they therefore did not have the same financial incentives as midwives to expand their provision of family planning services. In the second half of 2017, after the completion of this assessment, PhilHealth issued guidelines to accredit nurses, which now makes them eligible for contracting and reimbursements.

Another positive development is that the DOH issued an administrative order in February 2017 that allows providers, including nurses, to own and operate standalone family planning clinics.

After the completion of this assessment, PhilHealth issued Circular 2018-0005 in 2018, which provided further guidelines for accrediting these facilities.

PhilHealth accreditation and the DOH administrative order could help legitimize nurses as independent service providers and create a financial incentive for them to use their clinical skills rather than join the business process outsourcing industry. During focus group discussions and key informant interviews, nurses indicated that they would be interested in setting up their own practices if they could make them financially viable.

Reaching youth and adolescents

Focus group discussions and key informant interviews with private providers revealed that the first time they provide family planning information to adolescent women is after pregnancy, during postpartum visits. There is significant potential for private providers to accelerate family planning use among younger populations. However, it will require additional collaboration with public stakeholders because the tools and programs developed by donors and the government have not yet reached the private sector. It will also require the adoption of new approaches and channels to provide information and counseling.

Standards of care dictate that pregnant women younger than 18 must be referred to a hospital for all pregnancy-related care. This requirement limits the ability of private midwife-run clinics—an important source of delivery and postpartum family planning—to serve this group. However, stakeholders indicated that adolescents generally prefer private providers over government facilities, due to perceptions of greater privacy. This preference could present a key opportunity to increase access to reproductive health information, especially since family planning counseling is not subject to the parental consent requirements included in the Responsible Parenthood and Reproductive Health law (although products and services are covered by these requirements).

There are discrepancies between the types of family planning commodities adolescents want and those they actually use. The 2017 DHS showed that short-acting methods, primarily oral contraceptive pills, are most popular among youth and adolescents because they are easier to access at pharmacies. However, providers stated that their adolescent clients would prefer injectables or implants because they are more discreet and convenient.

To increase youth and adolescent use of family planning services, there will need to be effective outreach and demand creation, but these efforts are hindered by social stigma and by the lack of adolescent-friendly providers in both the public and private sectors. To date, there have been limited efforts to provide targeted, comprehensive information on family planning to this audience. The USAID-funded Communication for Health Advancement through Networking and Governance Enhancement (CHANGE) project has implemented a series of nationwide radio and TV campaigns, but they focus on preventing a second pregnancy among out-of-school young mothers.

Key informants implementing awareness campaigns stated that their formative research shows that adolescents recognize the role parents should play, but parents do not feel comfortable with their ability to provide information or support. This research also indicates that adolescents would prefer to receive reproductive and sexual health information from trained clinical professionals, although they would rather not to go to a facility to access it.

“They don’t want to access [in a public clinic] because people will find out. Maybe, they come here incognito because no one knows them. If you go to the province [public health sector], everyone knows everything. If you go to the health center, the midwife may spread that the child of someone went to the facility to ask for pills.”

— *Private sector physician focus group discussion participant*

The U4U Initiative is a partnership between the Department of Education and the Commission on Population and Development; it aims to increase adolescents’ access to accurate information about sexual and reproductive health. This multi-pronged campaign includes the following components.

- “Teen Trails” edutainment programs in schools or local communities that educate adolescents on reproductive health
- A phone line that provides information about teen pregnancy, gender-based concerns, sexuality, and other topics
- A social media prong that primarily uses Facebook and YouTube

The commission also supports the development of complementary “Parent Trails” programs to equip parents with the skills and knowledge to help their children access accurate and needed family planning services.

Health financing opportunities and barriers

Philippines Health Insurance Corporation

In 2014, PhilHealth spending represented 14 percent of total health expenditure and 45 percent of total government expenditure on health (PSA 2016). The infusion of financing derived from the corporation’s expansion has reshaped the entire Filipino health system. PhilHealth is an important factor in determining what services private providers deliver. Private providers tend to view revenue from the corporation as the first layer of their cost recovery. Therefore, what PhilHealth covers, how much it reimburses, and how it makes payments shape a provider’s willingness to offer certain services.

Any PhilHealth plans to expand covered services, including family planning services, are broadly recognized to require additional funding. This makes it a complicated public policy issue. For this reason, the potential rate of expansion of the corporation's benefits for family planning and other services is uncertain.

The majority of women enrolled as paying members or dependents of paying members of PhilHealth, and those who are members of private health insurance programs (including HMOs), use the private health sector for family planning. Indigent members of PhilHealth and their dependents are the only group that is more likely to use a public rather than a private source for family planning (2017 DHS).

Health maintenance organizations

Approximately 5 percent of Filipinos receive additional benefits and financial risk protection through HMO programs offered by their employers. In practice, HMO benefits “top up” benefits of PhilHealth, meaning they pay according to their policy terms after PhilHealth benefits have been applied. These networks primarily contract with private health providers and tertiary government hospitals.

HMOs tailor their benefit packages for each corporate client. Current corporate clients typically choose not to cover family planning or maternity care, so these networks do not include those services in their packages. During focus group discussions and key informant interviews, HMOs indicated a willingness to consider covering family planning and reproductive health services if their corporate clients request it.

Digital financial solutions

Digital financial solutions have been slow to take root across the Filipino health care system. However, movement is taking place for greater digitization, since legislation was passed in 2011 that calls for providers to participate in a health information exchange. Additionally, private sector e-health service providers are seeking viable, scalable business opportunities. As PhilHealth implements capitation payments for services and providers, these e-health systems can expand and support additional insurance transactions such as claims submission and processing.

Access to finance

Access to finance by the private health sector, in particular by family planning service providers, has been consistently listed as a challenge to growth. As private providers look to make the upgrades necessary to stay accredited with PhilHealth, they will require access to capital.

With more than 600 financial institutions, the Philippines has a robust formal banking and microfinance system that could potentially address these needs.

To date, there has been limited lending to the private health sector, partially due to the relatively small size of individual loans and the banking industry's perceptions of risk. Some financial institutions support health sector clients, but these are typically more formal health facilities—financing for small-scale health providers is simply not a priority. In addition, financial institutions interviewed by the SHOPS Plus team had a limited understanding of the health sector. A further constraint is health business owners' low levels of business and financial management skills, which are typically needed to access financing.

“We are uncertain regarding how to approach the health sector [and] unclear regarding how to determine profile and banking requirements.”

– Senior manager at local bank

USAID previously attempted to support private health providers' access to private financing by working with a financial institution through a Development Credit Authority (DCA) guarantee. The project faced a number of challenges; as a result, use of the DCA was less than expected at 8 percent. USAID has eight active DCAs in the country, but none focuses on the health sector.

In 2009, the Development Bank of the Philippines joined forces with the Asian Development Bank to create a program to provide financing to upgrade local governments' health services and involve the private sector in improving health care. This program was not successful due to an insufficient needs analysis during the project design phase, inadequate targeting, and overly complex collateral and loan application documentation requirements. The key lesson learned was that hurdles for small-scale providers to access loans need to be reduced as much as possible.

Photo (facing page): Nelson Gonzales

Recommendations



Recommendations

The assessment team identified actionable opportunities for USAID to strengthen private sector provision of family planning services in the Philippines.

Enhance the social entrepreneurial orientation of midwives.

Midwives can continue to address the unmet demand for family planning, but they will need to make changes to comply with modifications to PhilHealth accreditation requirements and license-to-operate mandates. USAID's significant investments in strengthening midwives' business and clinical performance appears to have been successful. Many midwives have an entrepreneurial spirit that has helped them establish viable businesses; they are well-placed to meet PhilHealth license-to-operate requirements. Many others would need significant support to meet the requirements. SHOPS Plus recommends that USAID target future assistance to those midwives most likely to be successful. USAID should help them establish group practices to create economies of scale and share administrative burdens.

USAID should also support midwives and other private providers to link to financing to facilitate expansion of their businesses. As USAID and other stakeholders work to increase access to finance, interventions need to consider the *financial institutions'* overall strategies and key sectors, not just the needs of the health providers.

Finally, since field activities found that midwives rely on each other for information, SHOPS Plus recommends that USAID consider developing a mechanism for midwives to share information and ask questions digitally through online peer networks.

Leverage opportunities presented by PhilHealth expansion.

SHOPS Plus recommends that USAID continue to advocate for PhilHealth to expand coverage to a broader array of family planning services. Advocacy efforts should focus on covering removal of IUDs and implants, since these services are currently excluded; establishing reimbursement rates for nurses; and creating better incentives for providers to offer a full range of family planning services. It is critical for midwives to continue to participate in PhilHealth, since this has proven lucrative for them. SHOPS Plus recommends that USAID link midwives with electronic medical record providers, who could provide administrative and information technology services. In focus group discussions, many midwives noted that they do not have the hardware or knowledge to transition to the e-claims mandated for continued participation in PhilHealth. USAID should document whether group practices help health workers obtain the necessary equipment and staff. Over time, USAID could support broader solutions aimed at improving providers' profitability and readiness to be accredited as providers for PhilHealth and other insurance programs.

Capitalize on emerging market opportunities to expand access.

USAID should support efforts to increase uptake of modern contraceptive methods by engaging nurses, especially the many nurses who have switched to higher-paying fields such as business process outsourcing. However, there need to be viable and enticing market opportunities to attract them back to the health sector. As a first step, SHOPS Plus recommends that USAID conduct a financial analysis to see if there is sufficient demand to make nurse-run family planning clinics viable. If so, the clinics will need additional support. This could include linking nurses to loan products, providing business and financial management training, and supporting links to public sector-provided commodities.

Another market opportunity lies in leveraging the expansion of the business process outsourcing industry. This industry employs large numbers of young people who are critical targets for information on preventing pregnancy and sexually transmitted infections. USAID should explore a partnership with the IT and Business Process Association of the Philippines to expand access to family planning and reproductive health information and commodities at work sites.

Finally, there is an opportunity to expand HMO benefit packages to include family planning. If corporate clients want to include family planning as a covered service, HMOs would be in a strong position to comply. In a win-win scenario, employees would benefit from easier access to family planning services, while employers would be able to share the costs of delivering services with HMO coverage.

Leverage innovations to boost the private health sector's access to finance.

USAID can improve and build on its previous experience working with banks to address the

private health sector's financing needs. For example, PhilHealth could be leveraged to develop an innovative loan product aimed at midwives and other health providers. As part of the design, PhilHealth could serve both as verifiable cash flow and collateral, which should significantly reduce banks' operating costs. If properly structured, and with the appropriate financial institution, a DCA or other guarantee support instrument could complement such a product. USAID could also assist private providers to formalize their financial management practices with banks or support partnerships between PhilHealth and the financial sector to process provider payments.

PhilHealth should also consider the banking requirements of midwives and other private health sector providers when deciding whether or not to work with additional banks. The corporation is in a position to require partner banks to offer tailored products to private health providers in exchange for using these banks for reimbursements.

Break the pattern of adolescents entering the health system only after becoming pregnant.

USAID could partner with the DOH, the Commission on Population and Development, and other donors to:

- **Develop mass media campaigns that focus on interactions between parents and teens.** For example, a mass media campaign could complement ongoing efforts to develop "Parent Trails" edutainment seminars.
- **Leverage social media to provide teens with direct links to providers and other credible sources of family planning information.** USAID could develop partnerships with Facebook and WhatsApp to create new, convenient, private links between adolescents and trained counselors.



Photo: Nelson Gonzales/USAID LuzonHealth

- **Address socioeconomic and behavioral factors that lead to risky sexual behavior.** Stakeholders should consider creating a directed effort under the Philippines' existing Pantawid Pamilyang Pilipino Program (4Ps) conditional cash transfer program targeting adolescent girls who adhere to desired healthy behaviors. The goal of this program is to empower them with information and financial resources to make healthier decisions in their relationships.
- **Better integrate private providers into programs focused on educating and serving youth and adolescents.** The DOH and donors should consider ways to incorporate private providers into new adolescent-focused service delivery networks to ensure that teens can seek family planning services from the providers they and their parents prefer.

Strengthen public sector engagement with a wider range of private providers.

The DOH's primary experience with the private health sector is limited to working with larger hospitals and franchised clinics. The department has expressed a desire to expand engagement with a full range of private providers to increase access to a wider variety of modern family planning methods. Given its limited staff and technical resources, the department needs to be strategic in its outreach. One option would be to follow the example of the distributor DKT International, which currently uses the Philippines Government Electronic Procurement System to identify local government units most likely to be family planning-friendly. A USAID program could do the same to identify regions where local governments are most supportive; it could trade expanded private sector access to free commodities for increased reporting from private providers to meet public health goals.

Photo (facing page): Jeanna Holtz

Conclusion

USAID has a long and successful history of partnering with the private health sector in the Philippines. New developments present the agency and other stakeholders with opportunities to change how business is done, expand access to family planning, and ensure that all resources—public and private—are used to achieve the country’s health goals. The findings and recommendations from this private sector assessment can help USAID make the most of these opportunities.



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