Facility-Based Intervention Costing for the 48 Highest Burden Diseases in the Philippine Guaranteed Health Benefits Package

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INTRODUCTION

Achieving the goal of universal health coverage involves prioritizing health interventions to be covered, allocating funds properly to services that are most needed, and incentivizing providers to provide better quality of care. As such, a **cost analysis** is needed to help PhilHealth fulfills its mandate by becoming a **strategic purchaser.**

OBJECTIVES

The fourth in a series of studies on the top 48 most burdensome diseases in the Philippines, this study aimed to **identify the associated costs** in treating these diseases, and create a list of **interventions recommended for prioritization**, to ensure financial risk protection, continuity, and quality of care for all Filipinos.

METHODS

Unit costs of various hospital services in a sample of public hospitals across all five major geographic zones in the country were analyzed. A **step-down cost accounting methodology** was used to estimate the cost per bed day, prescription, imaging, laboratory, surgery and OPD visit. Major cost components includes cost of personnel, drugs and medicines, medical supplies, equipment depreciation, and other overhead costs. These costs were then used to estimate the cost of treating or managing the top 48 burden of diseases in the Philippines.

Figure 1. Methodological challenges faced in the study

LESSONS

PhilHealth and Department of Health should work toward a consistent system of gathering costs from hospitals.

- Regulate, standardize, and harmonize hospital records and information systems for data to be available
- Develop a universal cost accounting system to minimize data variance
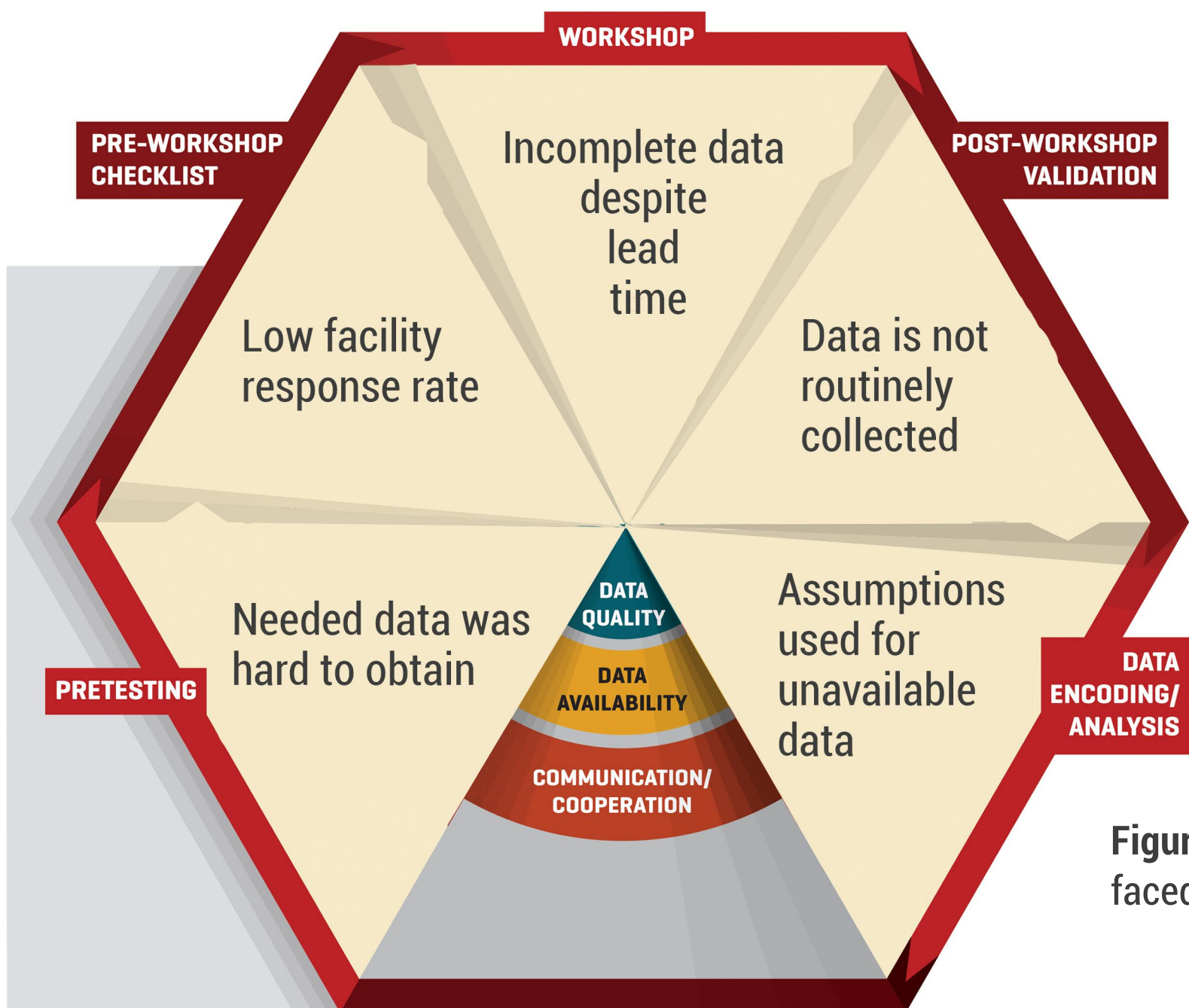- Identify cost items for coverage by purchasers and funders

RESULTS

Cost variations observed between departments were attributed to differences in level of output, condition management complexity, and length of stay of confinement. On the other hand, **differences in median costs per bed day** per department across hospital levels reflect geographical differences in costs, variations in procurement costs, and level of efficiency of hospital operations. **Many of the hospitals were unable to provide the specific and granular numbers needed** for a precise calculation of resource usage. In lieu of these, some assumptions were made in order to come up with numbers for the costs and allocations.

CONCLUSION

While the results are not meant to be generalized to all hospitals, the study was able to **demonstrate a methodology for costing health services,** which government administrators can **adapt** in order to have evidence-based information that can guide them in planning and implementing future rate setting and payment mechanism.

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