

Health Micro Insurance in the Philippines

The NATCCO-SEDCOP Experience

The Institute of Public Health Management – Center for
Health Micro Insurance
(IPHM-CHMI)

The views expressed in this paper are the views of the authors and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Directors or the governments they represent. ADB makes no representation concerning and does not guarantee the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice, opinion, or view presented.

Phases of the Discussion

Part I

- What is NATCCO-SEDCOP?
- What is the context in which it endeavored to service the health care needs of its cooperators?

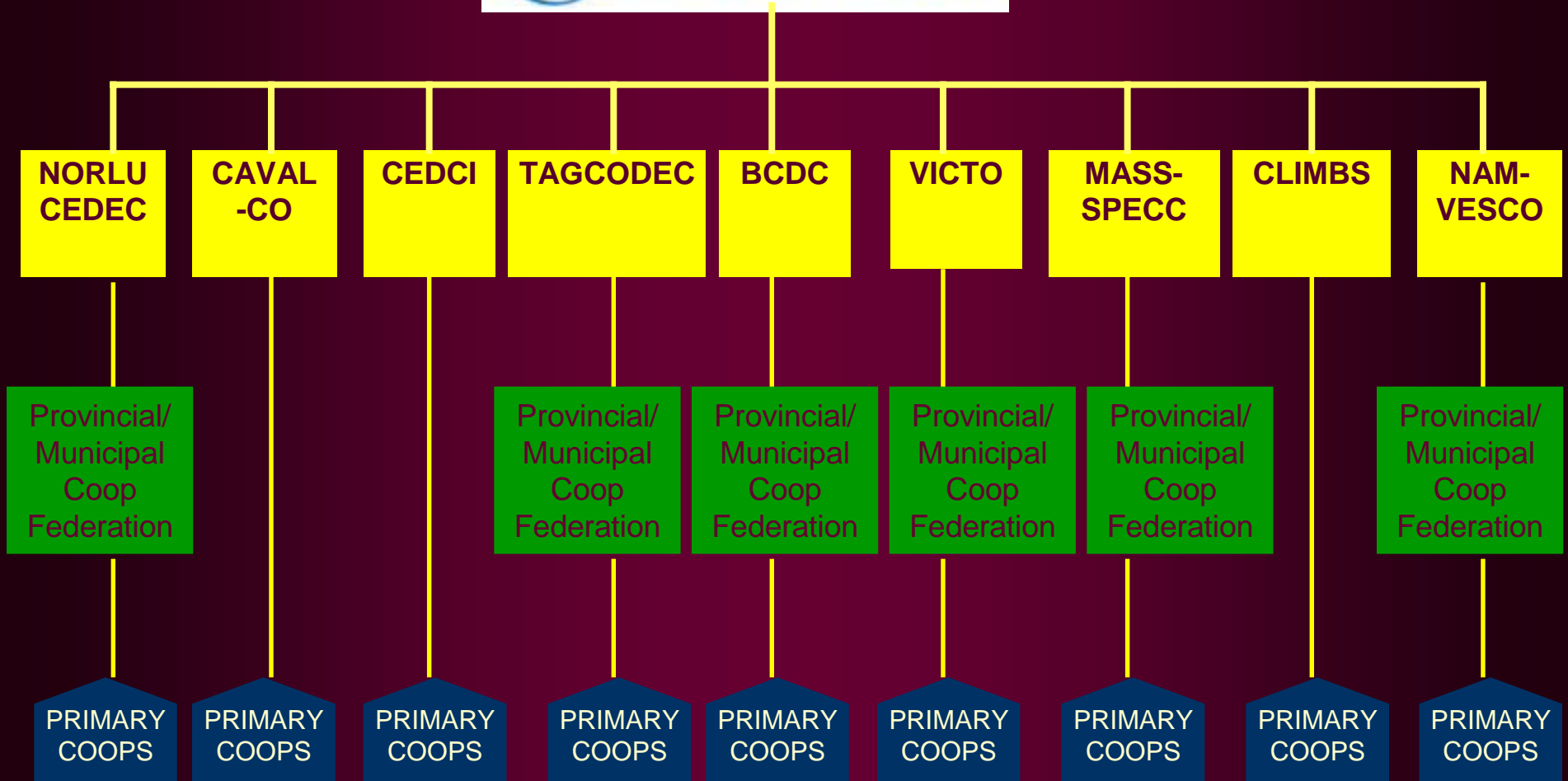
Part II

- What is Health Micro-Insurance or the *Damayang Pangkalusugan*?
- What are its benefits to its members, coop-implementor and the community?

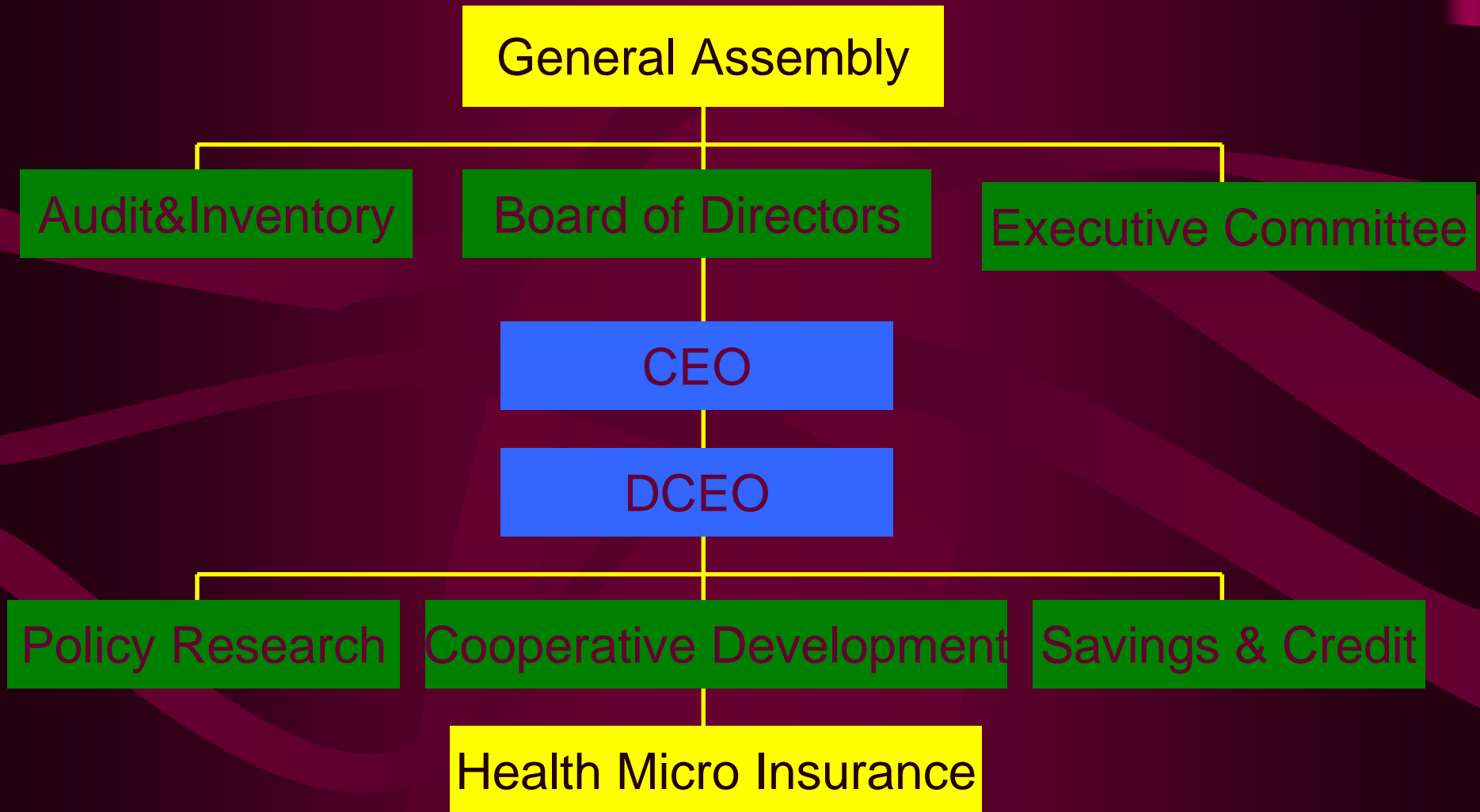
Part III

- Elaboration of Part II
- What is the status of (coop-based) Health Micro-Insurance in the country?
- Where is it headed?

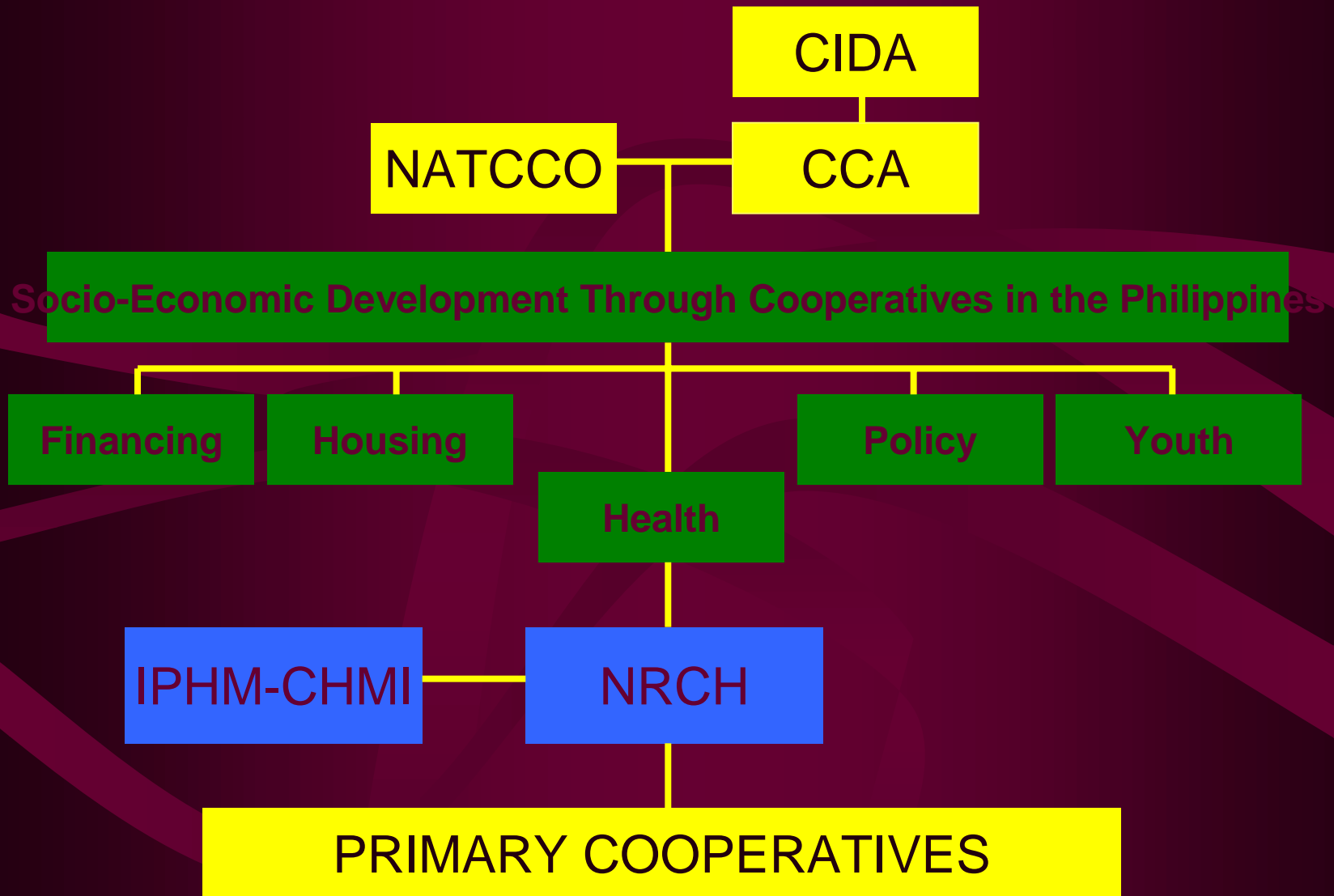
The NATCCO Network



NATCCO Apex Organizational Structure



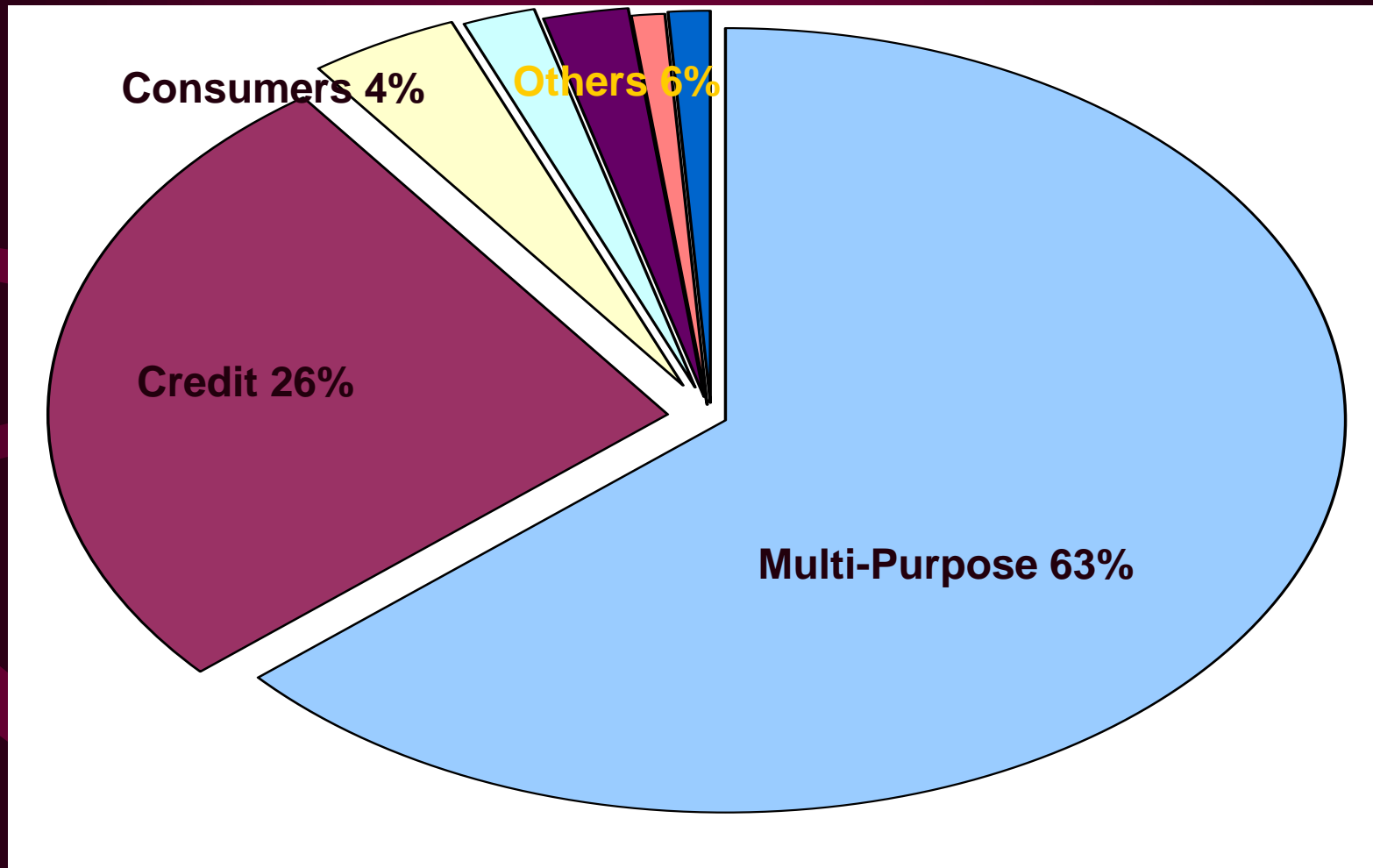
Strategic Partners



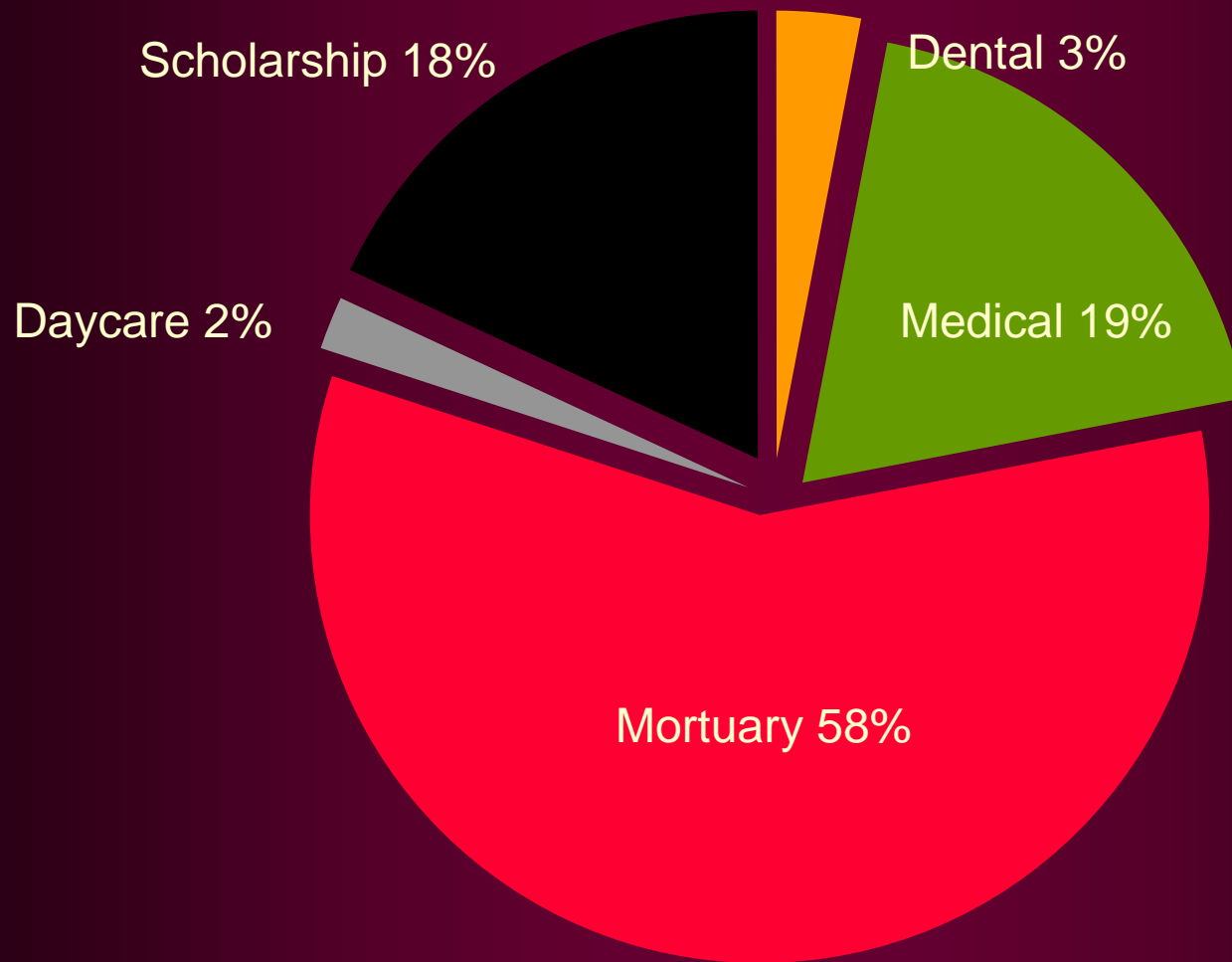
The NATCCO network's Primary Cooperatives

- Total Primary Cooperative members = 1,487
or 1.3 Million individuals
- Aggregate assets = P24 Billion
- Average assets per cooperative = P20
Million

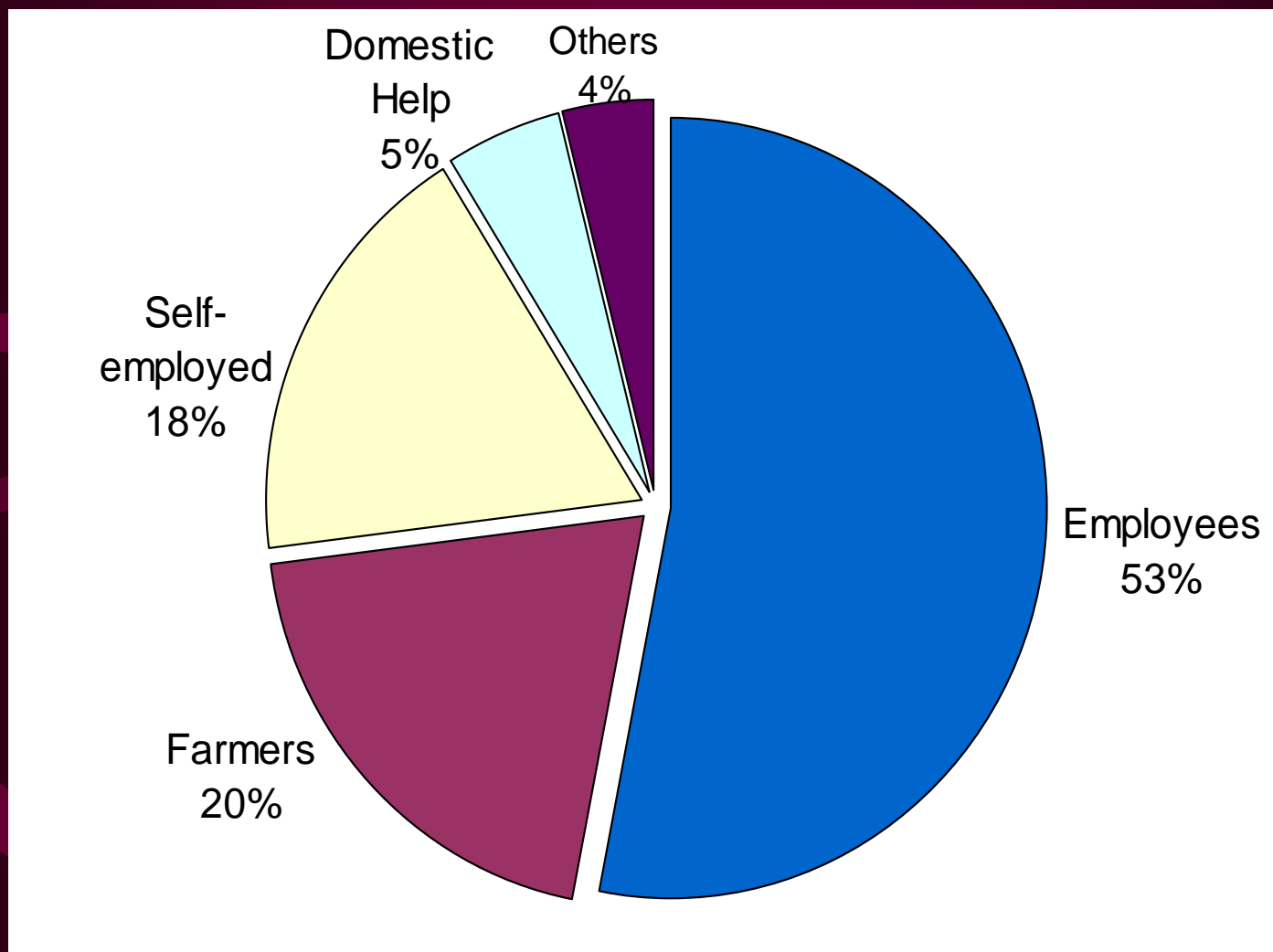
Nature of the Primary Cooperatives



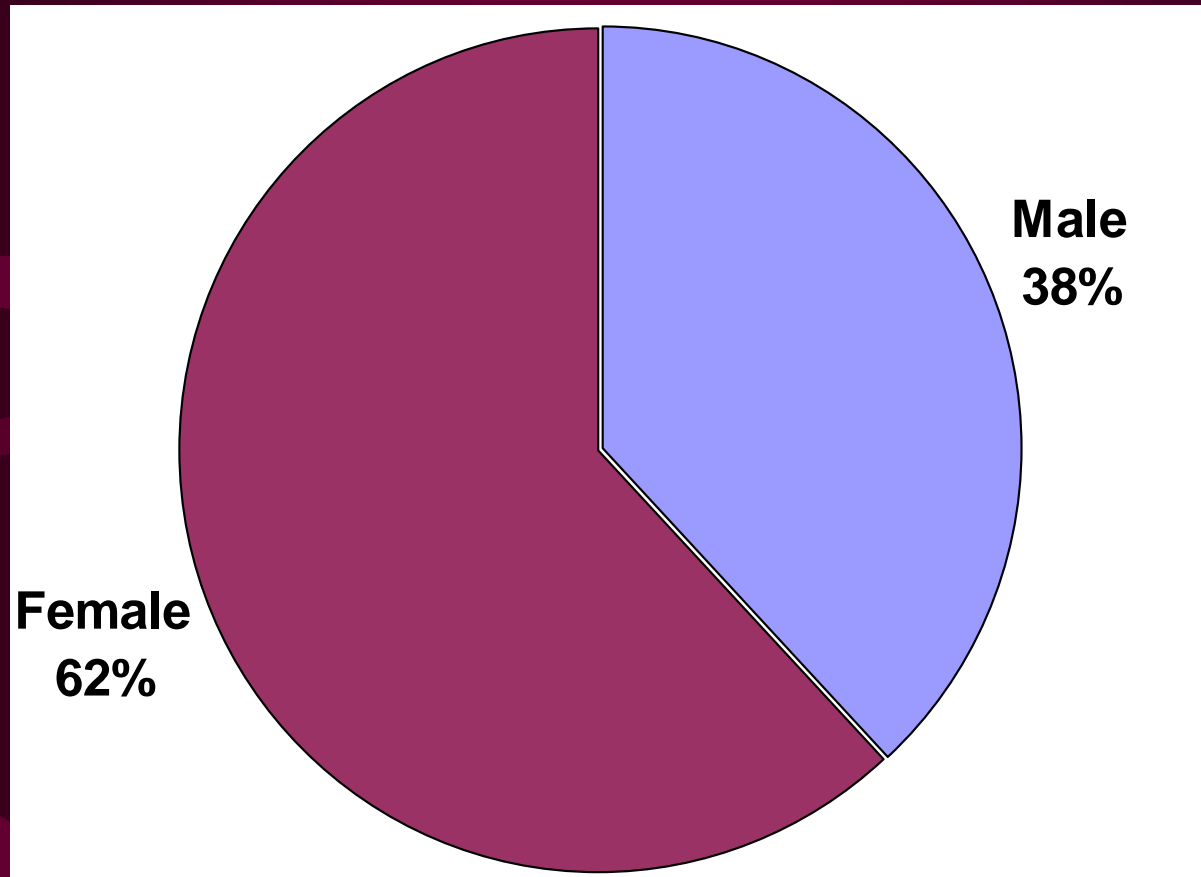
Social Services provided by the Primary Cooperatives



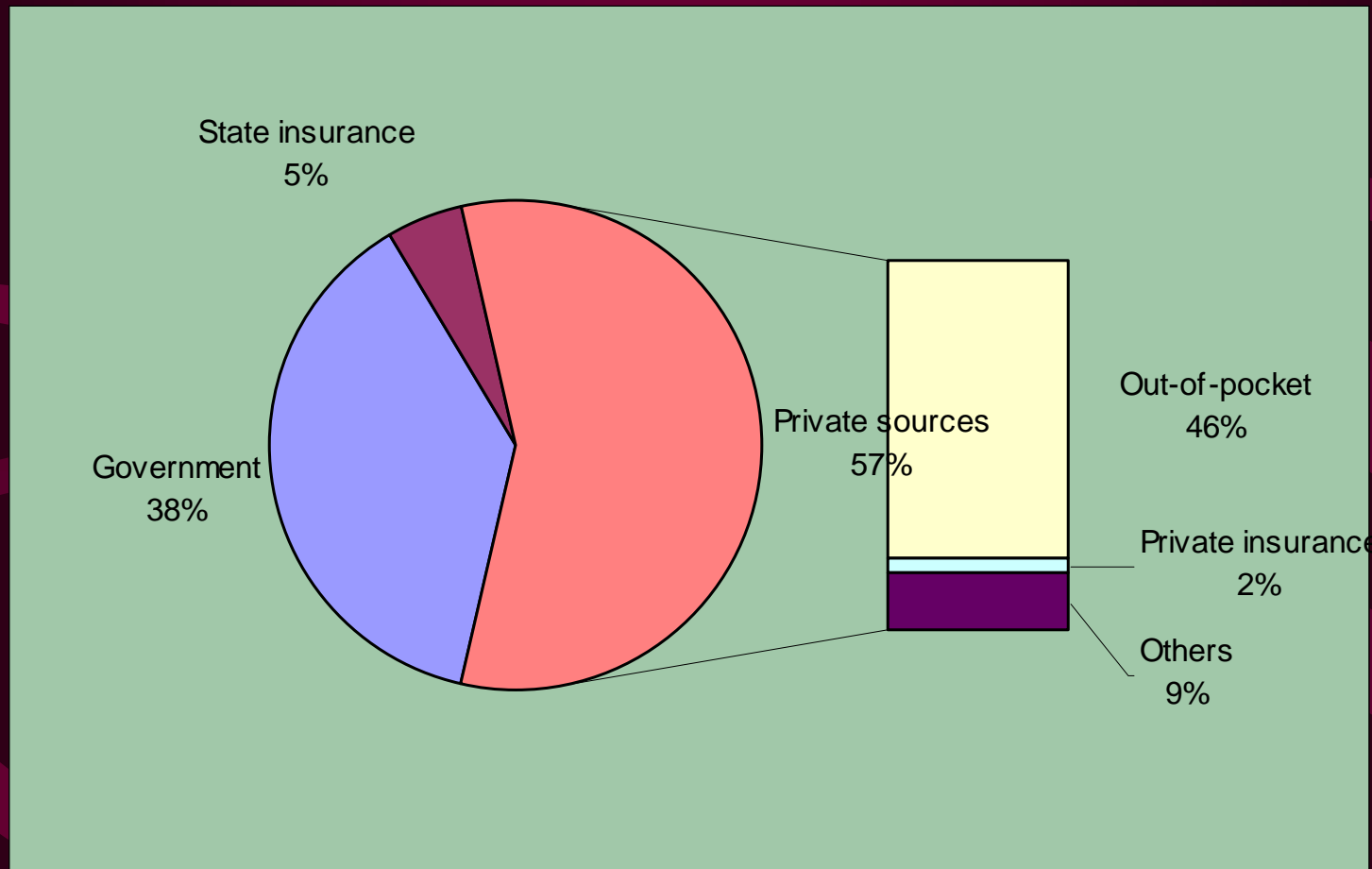
The Cooperators' Profile (cont.)



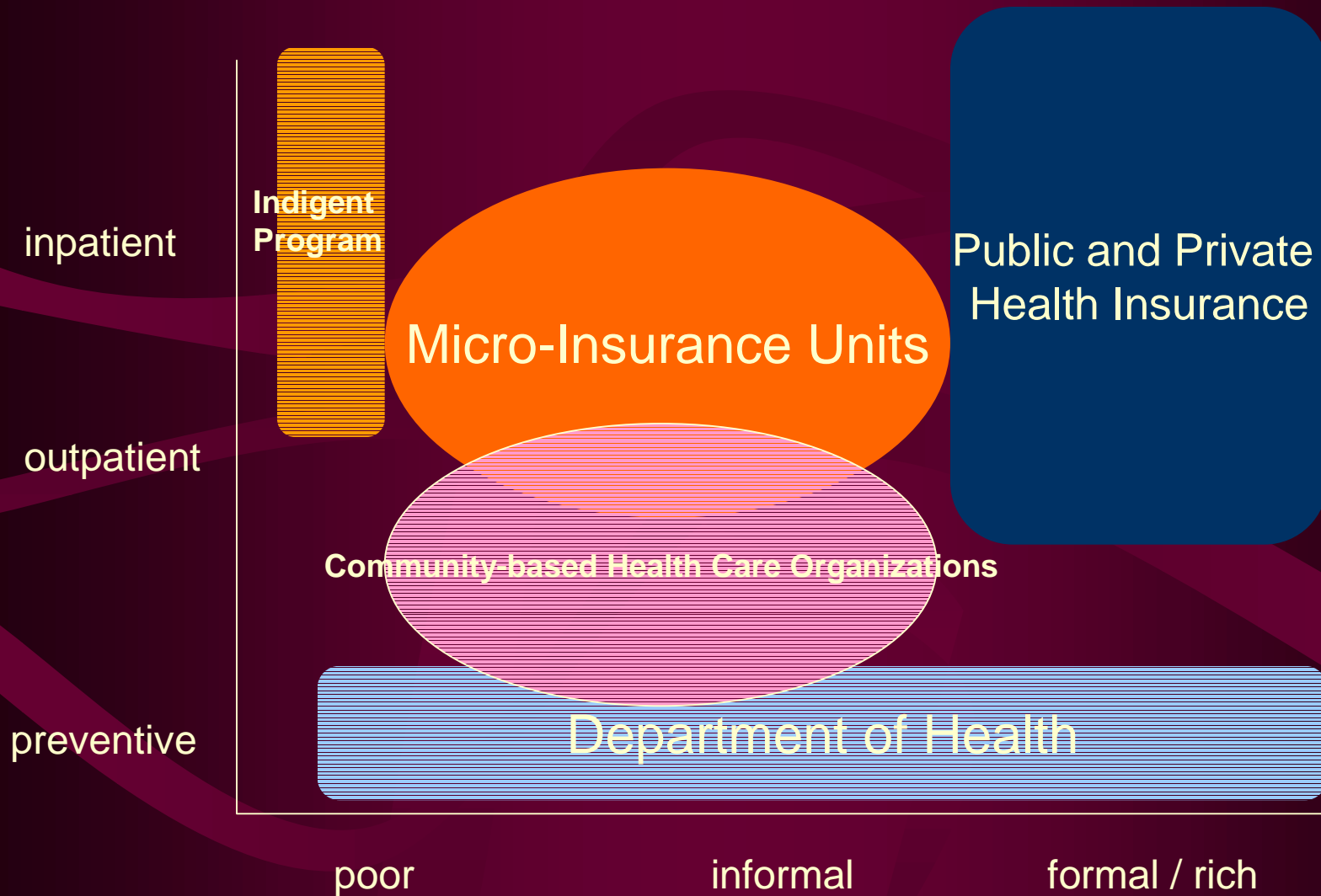
The Cooperators' Profile



Sources of Expenditures for Health in the Philippines



Possible population coverage for health care



Video Presentation

Damayang Pangkalusugan (Health Micro Insurance)

NATCCO RESOURCE CENTER
FOR HEALTH
(NRCH)

What are Health Micro Insurance Schemes?

- Could fill gaps of 'pure' market and 'pure' state by combining elements of technical insurance and social resources
- Needs professional but appropriate management
- Should build on the social capital of Community-Based Health Care

HMIs vs. Commercial Insurances

	Commercial insurance	HMIs
Strengths	<ul style="list-style-type: none"> -Professional -Higher coverage -Economies of scale 	<ul style="list-style-type: none"> -Social dynamics could reduce transaction, information and enforcement costs -Lower entry barriers
Weaknesses	<ul style="list-style-type: none"> -Expensive -Ineffective in remote areas 	<ul style="list-style-type: none"> -Lacks professionalism -Low “replicability” -High risk of insolvency -Lower coverage

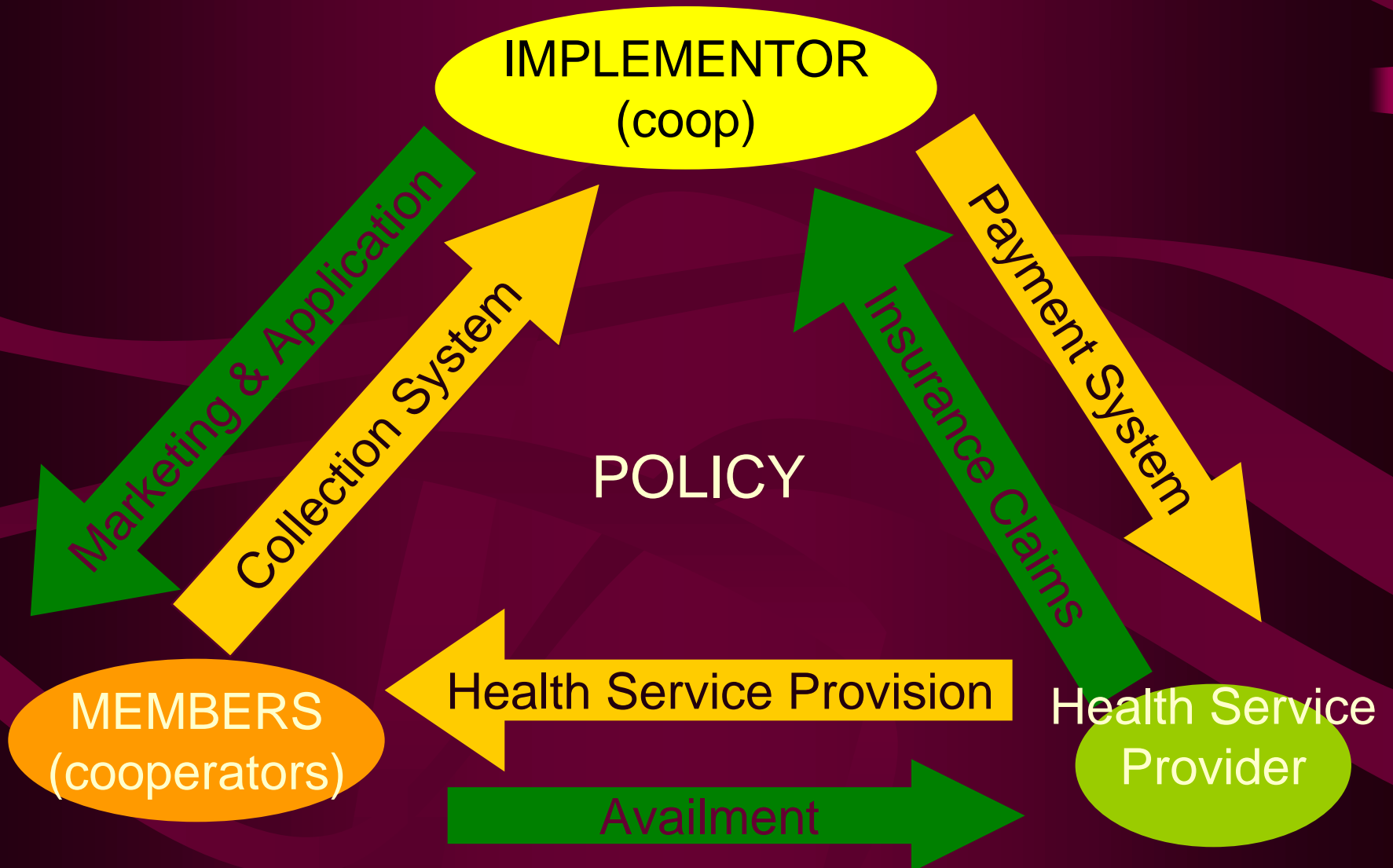
The “Damayang Pangkalusugan” Program

-Reflects values of solidarity and shared responsibility for health care

-Based on the Filipino concepts of:

- *Damayán* or *Bayanihan*
- *Paluwagan*

HMI framework



**Claveria Agri-Based
Multi-Purpose
Cooperative**

**Tabuk Multi-
Purpose
Cooperative**

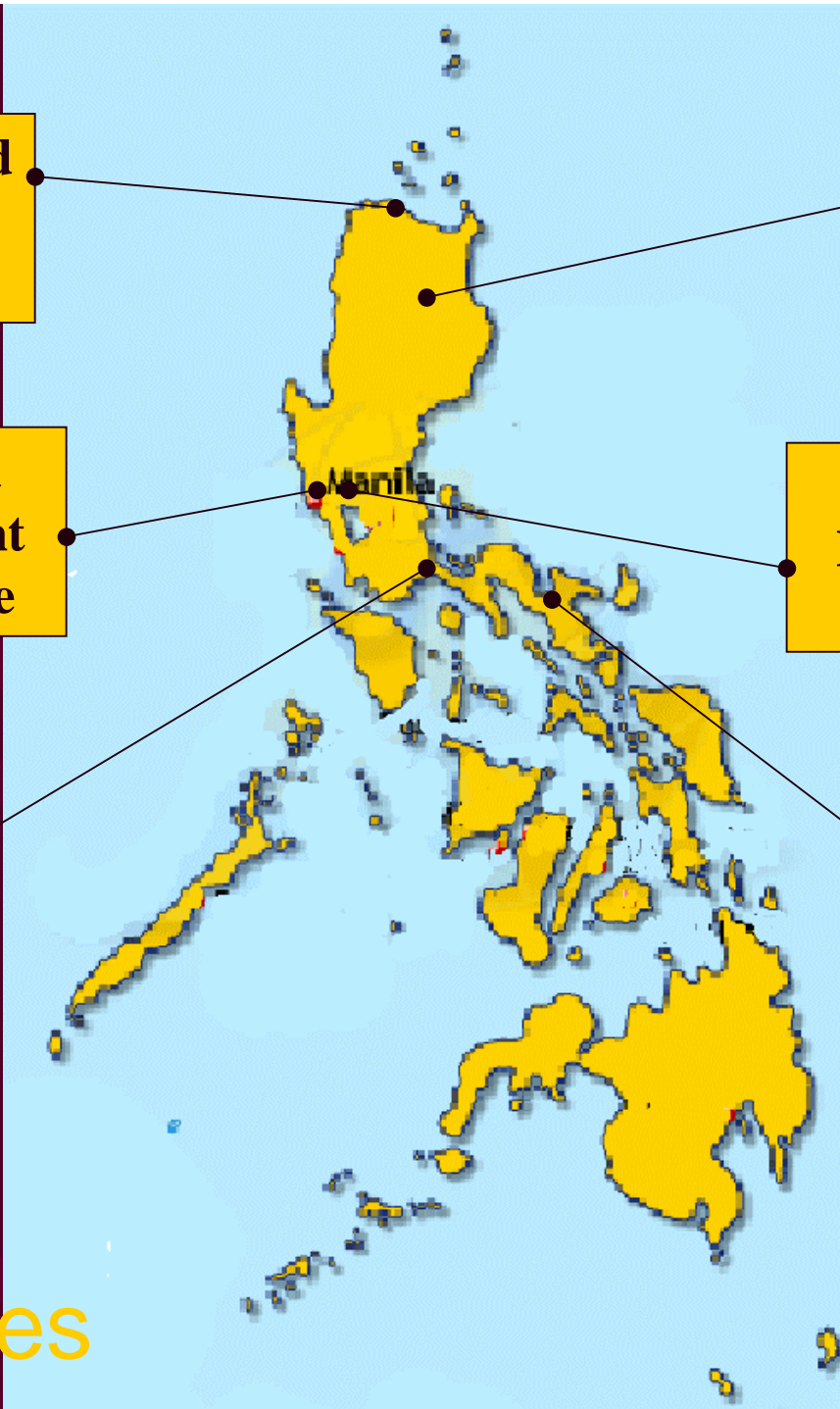
**Valenzuela
Development
Cooperative**

**Novaliches
Development
Cooperative**

**St. Jude Multi-
Purpose
Cooperative**

**Baao Parish
Multi-Purpose
Cooperative**

**The Pilot
Primary
Cooperatives**



Status Summary

Primary Cooperative	Membership	Contribution	Current Health Fund
1. Novaliches Development Cooperative (1993)	6,000 members	P600 annual	Php 2.2 M
2. Claveria Agri-based Multi-Purpose Cooperative (Sept 2001)	1,002 members Compulsory	P600 annual	Php 548, 450.00
3. Baao Multi-Purpose Cooperative (March 2002)	470 members Compulsory	P100 annual	Php 129,455.00
4. Valenzuela Development Cooperative (May 2002)	795 members Compulsory	P600 annual	Php 368, 171.12
5. St. Jude Multi- Purpose Cooperative (Oct 2002)	Voluntary	P900 annual	
6. Tabuk Multi-Purpose Cooperative (March 2003)	Voluntary	P600 annual	

Stages of Implementation

**Preparatory
phase:**

**Exploratory
talks**

Phase 1:

**Market Research
Business Planning
Benefit Package
Design**

Phase 2:

**Health committee
Skills training**

Phase 3:

**Social Marketing
Dry-run
Monitoring &
Evaluation
Preventive Care
Training**

Tools

- Structured Learning Experiences
- Training Videos
- Workshops and Face-to-Face trainings
- SHI Manager (MIS)
- Mentoring

Success Factors

- Dynamic Leadership
- Positive organizational dynamics
- Recognition of health insurance as a need
- Responsive benefit package design
- Institutional stability
- Support from local community
- Adherence to Cooperative Principles

What's next?

- Completion of the HMI installation for all six pilot primaries cooperatives
- Monitoring and Evaluation to ensure sustainability in six pilot primaries
- Replication of the Technology
- Social Reinsurance/ Protection for the Coop Insurer

THANK YOU!

**Center for Health Micro Insurance
Institute of Public Health Management
www.iphm.org**