



**REGIONAL SEMINAR & LEARNING EVENT**  
**Local Governance and Pro-Poor Service Delivery**

10 - 12 February 2004  
ADB Headquarters, Manila, Philippines

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**QUALITY HEALTH CARE: THE MAKATI CITY EXPERIENCE**

FEBRUARY 2004

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## I. Overview and Profile of Makati City

The Local Government of Makati has been in existence for 333 years. It was converted from a municipality into a highly urbanized city on January 2, 1995 by virtue of Republic Act 7854 with the overwhelming approval of the residents in a plebiscite held on February 4, 1995.

Makati has a total land area of 27.36 square kilometers or 2,736 hectares. It constitutes 4.3 percent of NCR's total land area. It consists of two (2) congressional districts further subdivided into 33 barangays.

Based on the 2000 Census on Population, Makati has a total population of 471,379 with a density of 17,229 persons per square kilometers. It has 103,981 households with an average size of 4.53. Between 1995 and 2000, population decreased with a negative growth rate of 0.5%. Average per capita income of P140,275 is considered the highest in the region and in the entire country.

The 2000 Family Income and Expenditure Survey (FIES) of the National Statistics Office (NSO) showed that there are only 1,714 families or 1.67% falling below the annual poverty threshold level of P17,713. Makati's poverty incidence is considered one of the lowest in the country and this could be attributed to the numerous poverty alleviations programs and projects of the city government.

The City of Makati is known as the financial center of the country. However, like other highly urbanized cities, Makati is beset with challenges ranging from economic, environmental, physical and socio-cultural. The delivery of quality basic services that would benefit a greater majority of the people especially the poor has always been a major challenge. Realizing this, the city government introduced and adopted several management reforms and innovations to improve the quality of life of the constituents.

## II. Service Delivery Context

One of the top priorities of the local administration is the promotion of a healthy, active and productive citizenry. The awareness of the local administration in the 1986 survey of the then Ministry of Health (now Department of Health) indicating that 80% of the entire Philippine population is medically indigent, led to the immediate implementation of the Makati Health Program or MHP. It was further intensified pursuant to Republic Act 7160, otherwise known as the Local Government Code of 1991, devolving the provision of health services to the local government units (LGUs).

For almost eighteen (18) years, the Local Government of Makati has been committed in giving efficient and high quality health services for indigent residents through the Makati Health Program, popularly known as the "Yellow Card". It was launched in May 1986 with an agreement formalized between the Local Government of Makati and the Makati Medical Center (MMC). The contract is renewed every year which include policies and regulations of the program and the rental of 60 beds for in-patient services of yellow cardholders. City council resolutions are also enacted in financing the program based on the contract of services. The cost of the program is supported by both the Makati City Government and Makati Medical Center.

The general aim of Makati Health Program (MHP) is to provide medical services and encourage health awareness through subsidized quality hospitalization services. Specifically, the program aims to increase the accessibility of low-income residents to quality health services, intensify health awareness among the people of Makati, and enhance the private sector's participation in the local government efforts in the provision of basic services.

The program stands out today as the best testament of the private sector and the government to faithfully honor their commitment to serve the people. With the Yellow Card, residents receive quality medical care in one of the country's top private hospital at a mere fraction of the usual cost. By easing their financial burden, the program helps beneficiaries save on their medical expenses, thus allowing them to spend more on food, shelter, clothing, education, and other needs.

The program also makes sure that the dignity of the beneficiaries is preserved by making them pay a minimal amount in the form of service fee for whatever health or medical services they have availed. This scheme has made the beneficiary a program partner.

Program beneficiaries are bonafide residents of Makati with monthly gross family income of not more than P10,000. All city government employees including policemen, firemen, public school teachers and barangay officials regardless of their income are also included in the program. All senior citizens, likewise, are beneficiaries of the program, as recommended by the Office of Senior Citizens Affairs (OSCA).

The unique feature of the program is the involvement of the private sector, non-government organizations and the beneficiaries themselves in its successful implementation. The City Government of Makati, Medical Center, and patients share the cost of the program, while non-government organizations provide the technical and manpower support, and other logistics needed.

A full range of medical services at the Makati Medical Center can be availed by the beneficiaries. These include surgery, pediatrics, obstetrics, medicine, ear, nose and throat (ENT) and ophthalmology. CT Scan is also included with discount of up to 20%. Medico-legal

cases, renal dialysis, chemotherapy, highly communicable diseases, induced abortion, organ transplant, open heart surgery, neuropsychiatric cases, and implanted materials on surgery are not covered by the program. Patients with highly communicable diseases are referred to existing communicable institutions since their presence in a ward setting would pose risk to other patients. Additional exclusions include coronary angiogram/cardiac catheterization studies, coronary angioplasty, magnetic resonance imaging, nuclear cardiac imaging studies, ventriculo-peritoneal shunts. Similarly, neuropsychiatric cases are referred and/or transferred to proper mental/psychiatric institutions. A standby ambulance is always available for transport of MHP patients. Those who opted to be admitted as private patients are no longer allowed to avail of any MHP services.

Yellow card patients who can not be accommodated at Makati Medical Center are attended at the city government-owned Ospital ng Makati. Medical insurance, likewise, was provided to indigent families to allow them to seek treatment in any PhilHealth-accredited hospital outside Makati. To maximize the city government's resources for health services, a two-way referral system is now being adopted, wherein patients with minor cases are first attended in the public health centers before they are referred to the hospital for further treatment.

### **III. The Case Study for the Urban Poverty Reduction or Service Improvement Program**

The commitment of the City Government of Makati to provide quality services to its constituents is shown by the effective and efficient implementation of programs and projects addressing their needs.

Makati's poverty incidence of 1.67% is considered one of the lowest in the country and this could be attributed to its numerous poverty alleviation programs and projects. One of these is the subsidized hospitalization at the Makati Medical Center and Ospital ng Makati through Makati Health Program (MHP), popularly known as "Yellow Card." Makati is one of the few cities in the country that provide subsidized quality medical services to its constituents, both in the preventive and curative aspect.

Since the program has made hospitalization services accessible, available and affordable to the people, particularly the low-income and less fortunate residents, it has created empowerment among the beneficiaries by making them more aware of their health concerns. They are no longer reluctant to bring their sick family members to any health institution in the city despite their financial difficulties. During "Ugnayan" or dialogues with barangay officials and constituents, beneficiaries are able to discuss the benefits they have derived from the program, the difference it has made on their lives and their household members, and also suggestions on how to further improve the program.

The program has also empowered the private sector and non-government organizations to enter into cooperative arrangement with the local government in the delivery of health services to the people. Aside from the Makati Medical Center that provides hospitalization services, the Ospital ng Makati Foundation continuously supports the program by donating medicines and equipment. Bagong Ina ng Bayan, another NGO, assists in the monitoring and evaluation of applicants to ensure that the target beneficiaries are reached by the program.

A classification system is used to determine the category of MHP beneficiaries based on their monthly gross family income. The income bracket determines the maximum service fee each cardholder is required to give for whatever health or medical services availed of.

For those whose family income is less than P2,000, they are categorized as MHP I. The services fee that they are required to pay is P1,000 for medical, P800 for obstetrics and P1,200 for any surgery. MHP II are those whose gross family income is from P2,000 to P2,999 and they are required to give the service fee of P1,100 for medical, P900 for obstetrics and P1,200 for surgery. On the other hand, if the family income of a beneficiary falls between P3,000 and P10,000, then they are categorized as MHP III. For medical, they pay the service fee of P1,200; P1,000 for obstetrics and P1,600 for surgery.

For record purposes, a monthly statement of actual hospital charges for the MHP patients is prepared by Makati Medical Center and submitted to the city government. These reports are analyzed to determine the level of utilization of such services vis-à-vis the amount spent by the city government. Results of such analyses are used to guide the local government in the appropriation of additional funds for the program.

From January to December 2002, a total of 47,093 MHP patients were treated at Makati Medical Center consisting of 3,918 in-patients and 43,175 out-patients. The total bill incurred by these patients amounted to P241.52 million. Of the total amount, the City Government of Makati paid the fixed amount of P120 million at P10 million per month which is 49.7%

of the total bill while MMC shouldered 42.07% or P101.58 million. MHP patients paid only 8.22% or P19.85 million. It will be recalled that in 1986, the City Government contributed only P9.5 million a year. After seventeen years, its contribution reached P120 million, almost thirteen (13) times bigger than when it was started in 1986.

A review of the patients' records show that the beneficiaries received the much-needed medical treatment which normally they could not afford. Some of them, particularly those who underwent surgery, incurred charges as high as P677,000 but paid only the basic fee of P3,000.

The table below shows the list of some of the patients treated at Makati Medical Center:

<b>Names of Patients/ Address</b>	<b>Services Given</b>	<b>Basic Fee Total Amount (Billing)</b>	<b>Paid by the Patient</b>
Habijan, Glyceria 27-L 15 <sup>th</sup> Street West Rembo	OB-GYNE	P 198,463.43	P 1,000
Laus, BB Marilou 6288 San Pablo St., Poblacion, Makati City	NEW-BORN	181,056.03	500
Lim, Eleonor 215 Guiho Extension, Cembo, Makati City	PEDIA-MEDICINE	364,523.11	600
Castro, Josefa 2982 Kakarong St., Sta. Cruz, Makati City	NEURO-SURGERY	558,466.29	200
Giguellan, Wilmie T. 5303 Gen. Harizon St., Pio del Pilar, Makati City	SURGERY	313,177.35	–
Solon, BB Josephine 1228-C Francisco St. Kasilawan, Makati City	NEW-BORN	511,175.37	600
Malabanan, Isabel 1173 J.P. Rizal St., Gaudalupe Viejo, Makait City	NEURO-MEDICINE	240,289.78	–
Marte, Lolita 3804 F. Nazario St. Singkamas, Makati City	SURGERY	132,416.59	600
Antigua, Reynaldo P. 452 Kalayaan St. Tejeros, Makati City	MEDICINE	118,779.71	200
Oguyan, Aiza 197 PNR Comp., Mayapis St. San Antonio, Makati City	PEDIA-MEDICINE	79,438.37	–

#### IV. Successes Achieved

For almost 18 years of implementing MHP, it created a major impact in the lives of target beneficiaries particularly those who need to undergo major surgery. The reduced hospitalization expenses have contributed not only to the well-being of the beneficiaries but also to their economic upliftment. The money that they should have spent for hospitalization was utilized for other basic needs such as food, clothing, shelter, livelihood, etc.

One significant accomplishment of the program is the improvement of the health status of the constituents as measured through health indicators. Mortality rate was at 3.9% in 1991 which declined to 3.4% in 2002. Maternal Mortality Rate at 0.5% in 1991 was reduced to only 0.2% in 2002. A remarkable reduction on infant mortality rate was registered in 2002 at 8.4%, from 13.1% in 1991. Child Mortality at 1.1% in 1991 was likewise reduced to only 0.5% in 2002. Malnutrition among our children has gone down drastically, from a low 1.15 in 1997, to an even lower 0.32 in 2002. Makati also has the lowest mortality rate in Metro Manila at 3.5 per 1,000 population.

The partnership with the private sector has allowed the local government to allocate more resources for the upgrading of existing health facilities, and the construction of new health centers and a tertiary hospital. The city government-owned Ospital ng Makati is now housed in a modern six-storey building with 206 bed capacity and equipped with modern equipment.

Medical insurance likewise, is provided for indigent families through the Philippine Health Insurance Corporation or Philhealth, a national government agency. This health insurance program entitles the beneficiary to receive medical services in any accredited hospital or clinic anywhere in the country. At present, some 17, 000 Makati families are members of this program, for which the city government subsidizes the P10 million premium annually.

The city, likewise has given priority to preventive health care to reduce hospitalization expenses. Emphasis was placed on the control of diseases through immunization, nutrition surveillance, reproductive health care, dental and laboratory services and environmental sanitation.

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The Makati Health Program was awarded in 1994 as the "Most Outstanding Kabisig Project" in the National Capital Region by the Kabisig People's Movement. The award is in recognition to the most effective and efficient government program/project that promotes active participation from people's organizations, non-government organizations, and the private sector. Makati's integrated and holistic approach to socialized health care has also earned the city the distinction of being the First Health City Model in the country in 1995. In 2002, the Makati Health Program was recognized by the Dubai International "Best Practices Award", a project of the United Nations Habitat. The Makati Health Program was selected from more than 500 entries worldwide for its outstanding contribution in improving the living environment.

Several manifestations have also inspired the City Government to continue providing this accessible quality health services to indigent residents of Makati. Some quotes from the important actors and beneficiaries of the program are as follows:

- In a speech delivered by Makati Mayor Jejomar C. Binay in the HLURB Training Session on Strategic Planning for Urban Areas, he quoted, *“Makati continues to hold the distinction as the number one provider of health services among urban centers in the Philippines...we are proud to say that recently, health experts from other ASEAN countries have been conferring with our experts, with the intention to use Makati as a benchmark for implementing their own version of our Yellow Card Program”*.
- Mr. Nicanor V. Santiago Jr. (City Administrator), in a speech delivered at the Best Practices Exchange Meeting, quoted, *“Para po sa kaalaman ng lahat, labimpitong taon na po ang MHP and it was the first ever LGU-subsidized hospitalization program implemented in the country and became successful”*.
- Based on an interview with Dr. Raul G. Fores (President and Medical Director of Makati Medical Center) regarding their active participation in the Yellow Card program, he cited, *“To us, health care is more than just a matter of scientifically diagnosing illnesses and systematically applying appropriate treatments. It is, by our standards, a potent blend of professional expertise, technological advancement and compassion. By injecting compassion to our work, we take pride in being called, The Hospital with a Heart.”*
- Excerpt from The Daily Tribune entitled Honored Worldwide: *Makati Health Program has raised the standards for locally administered health care programs in the Philippines and in Southeast Asia. Last year, the United Nations Human Settlements Program (UN-Habitat) and the Municipality of Dubai in the United Arab Emirates awarded the City Government of Makati with the Dubai International, for the positive impact of the Yellow Card Program on the lives of Makati residents. Makati was chosen from more than 500 submissions worldwide.*
- *In 1995, then Secretary of the Department of Health Hilarion Ramiro bestowed upon Makati the distinction of being the First Healthy City in the country because of the City’s integrated and holistic approach to socialized health care.*
- Excerpt from the letter of Ms. Carmelita M. dela Rosa of Pembo, Makati City: *“I was very fortunate to be one of the recipients of the Yellow Card Project. If not for that, then I don’t know if I could pay for the hospital expenses at Makati Medical Center where I underwent a brain tumor operation. Words are not enough to thank you, but I will endeavor to show my gratitude by a constant and faithful service rendered to the people of Makati. May God bless you always”*.

## V. Lessons Learned

Before the Makati Health Program was implemented in 1986, most of the existing health facilities of the local government during that time were ill-equipped to meet the needs and demands of the residents, particularly the poor.

The partnership with a private tertiary hospital that provides a substantial share in the provision of medical services to indigent residents, has allowed the local government to allocate more resources for the upgrading of existing public health facilities and the construction of new health centers equipped with modern laboratory facilities, etc.

The increasing number of beneficiaries has also prompted the local government to establish its own Ospital ng Makati in 1989. Formerly a secondary hospital housed in a two-storey building with only 120 beds, Ospital ng Makati was upgraded by local government into a tertiary hospital. It is now housed in a six-storey building with 206 beds and equipped with the most modern equipment comparable to some private tertiary hospitals in the country.

The City Government of Makati also realized that in order to maximize the utilization of its health facilities, only major cases should be attended in the two (2) hospitals. In consultation with Makati Medical Center, Ospital ng Makati, and the City's Health Department, the Two-Way Referral System was adopted. Patients with minor cases are first brought to public health center. Referrals are given to these patients for them to seek further treatment to either Ospital ng Makati or Makati Medical Center, depending on the severity of the case or illness. Moreover, normal deliveries are attended in the city's three (3) public lying-in clinics and only complicated pregnancies or deliveries are attended in the hospital.

One of the lessons learned by the City Government is the importance of a good working partnership with private sector. This has led to the establishment of more public-private partnerships actively involved in local governance.

In addition to the partnership with Makati Medical Center and other non-government organizations in the delivery of health services, the city government has also public-private sector organizations that focus on education, business development, fire safety and information and communication technology or ICT.

Most importantly, the Makati Health Program has changed people's perception from a mere beneficiary to a program partner. The local government realized that providing medical services for free will make the people over dependent on the local government. By requiring the beneficiaries to pay service fees based on their income classification, the beneficiary becomes aware of his obligations and the importance of sharing in the program's sustainability. The participation of the people in the program has also raised their level of consciousness and awareness on their health concerns which ultimately will lead to the attainment of a healthy, active and productive citizenry.

## **VI. Future Directions and Key Milestones Including the Strengthening and Updating Institutional Arrangements for Program Delivery**

The improvement of the program is continuously being undertaken by the City Government of Makati in collaboration with Makati Medical Center, its private sector partner in implementing the program, and also with the Local Health Board, some of the members coming from prominent health organizations/associations in the city. The series of consultations, spearheaded by the city government, has resulted to innovative mechanisms that will further enhance the health care delivery system in the city.

One of these innovative mechanisms is the development and implementation of a Health Information System that would facilitate the processing of application for the Yellow Card. This will not only help in the efficient processing of applications, but also facilitate the monitoring of cardholders. The system would also facilitate the storing, retrieval and sharing of information on MHP beneficiaries which include medical records, as well as general and specific information relevant to the operations of the Makati Health Program.

A key feature of the Makati Medical Information System is the provision of an electronic link between the Makati Health Program Office and Makati Medical Center. It would also link the office with all the public health centers of the city government. Eventually, the system would be expanded to include PhilHealth-accredited hospitals in the country.

The system would also facilitate on-line admission at Makati Medical Center to reduce the processing time for admissions and address the problem of overcrowding in the Out-Patient Department of the Hospital. For doctors and medical staff, the time-consuming process of looking for charts, tracking down of laboratory results, and repeatedly recording of information will be eliminated. As a whole, the computerized database of patients will streamline the various processes at the MHP Office, Makati Medical Center, Ospital ng Makati and all health centers in the city.

A key milestone, in expanding health services to the people of Makati, particularly the poor, is the proposed opening of an Ambulatory/Acute Care Center in the site of the old Ospital ng Makati to handle emergency medical care. The new emergency facility which is scheduled to be opened to the public by the end of the month was established to make timely and adequate emergency care readily available to the people especially to those in critical "life and death" conditions. The management has decided that the facility will not handle out-patients. All primary and ambulatory cases shall be referred to the new Ospital ng Makati to maximize the utilization of the city's health care resources.

The City Government of Makati has signed a Memorandum of Agreement with Health Futures Foundation, a non-government organization, for the implementation of an LGU Access-To-Cardiovascular Care Program for Makati's low and middle-income families. A "Heart Card" project is also slated to be implemented this year. The program intends to raise the level of awareness of the people in the prevention of lifestyle diseases such as hypertension, cardiovascular diseases, diabetes, etc. that are considered the leading causes of mortality in highly urbanized cities.

## VII. Replicability

The Makati Health Program continues to be the centerpiece of the present local administration's thrust. The program is certain to continue and even strengthened in the years to come. Furthermore, the effective partnership between the local government, non-government and peoples organizations have institutionalized the program. The tie-up between the City Government of Makati and Makati Medical Center shows a strong commitment to achieve the goals of the program. As the business and financial center of the country, Makati is blessed with the financial resources that will fully support the implementation of the program.

The City Government of Makati, being a member of the Best Practices Exchange (BPEX), shares this innovation to the other members, particularly those belonging to the Health Care sector which consists not only public health organizations but also private health entities. It is also being shared during the "Lakbay Aral" or official visits of other local government units and different sister cities of Makati.

Existing programs of other local government units that were already patterned after the Makati Health Program (MHP) are the Blue Card of Parañaque City and the Red Card of Quezon City. The Red Card entitles a beneficiary P6,000 worth of medical services in any government hospital in the city. Parañaque's Blue Card, on the other hand entitles cardholders to seek medical treatment in the city's community hospital. Other LGUs have already expressed their desire to replicate the program by sending representatives to interview and/or gather data/information about the program. Among these are the cities of Pasig, Mandaluyong and San Fernando, Pampanga. In October 2001, a briefing was also given to health and social services officials from Indonesia looking for applicable models of health programs managed by local governments and private companies/organizations.

The Makati Health Program could be replicated by any local government as long as there are private sector entities willing to share in the delivery of such services. It is also necessary for the local government to have stable financial resources to continuously finance the program. The active participation of non-government organizations (NGOs) and peoples organizations (POs) are also vital for the successful implementation of the program.

Aside from insuring fund availability on a long term basis and securing partnerships, it would be advisable for local government units or institutions who may wish to implement a similar program to determine at the onset the ideal balance between the number of beneficiaries and the availability of facilities. A survey or inventory of prospective beneficiaries would be helpful prior to the implementation of the program. This would help avoid instances of back logs in the processing of hospital admissions owing to the lack of vacant beds or depletions in medicines and supplies. Based on the experience of the City of Makati, the local government had to construct its own hospital to accommodate the needs of the increasing number of beneficiaries. A regularly updated inventory of program beneficiaries would also helped immediately determine false residency and income claims.

It is also equally important that the full participation of the program beneficiary be achieve through an intensified information and education campaign (IEC) at the initial stage of the program implementation. They should be made to understand that the program is not "dole-out" and instead they are sharers or partners in the program. The empowerment of the beneficiaries could somehow help in the continuity and sustainability of the program.

Opportunities for partnerships with the private sector and non-government organizations must always be explored. Makati's experience has shown that partnerships allow the involved parties (local government, private sector and non-government organizations) to attain mutually beneficial objectives with minimum individual resources: Such partnership arrangements have already been replicated in the other programs of the city government, particularly in social welfare, tourism and culture promotion, business development, livelihood assistance, and communication technology among others.