SECTOR ASSESSMENT (SUMMARY): HEALTH

A. Sector Road Map

1. Sector Performance, Problems, and Opportunities

1. **Sector performance.** The Philippines has made significant improvements in its health status, with life expectancy at birth improving from 63.7 years in 1980 to 71.0 in 2017.[1] Filipinos, on average, live 6 years longer than in 1980.[2] The mortality rate for infants and children under 5 years of age (per 1,000 live births) has fallen by more than half since 1980. Maternal mortality has also declined, from 160 in 2000 to 121 in 2017 (Table). Delivery in health facility rose from 28% in 1993 to 78% in 2017; and most mothers were attended by skilled providers, rising from 53% of births in 1993 to 84% in 2017.[3] About half of the provinces are now malaria-free. In almost all regions, except Bangsamoro Autonomous Region in Muslim Mindanao, maternal and neonatal tetanus has been eradicated.[4] The country achieved the Millennium Development Goal for tuberculosis.[5] Polio-free status was maintained for three decades before it returned in 2019 owing to parents' aversion to have their children vaccinated.

Table: Select Health Indicators

Indicator	1980	1990	2000	2010	2017	2018
Life expectancy at birth, total (years)	63.7	66.4	68.8	69.8	71.0	…
Infant mortality rate (per 1,000 live births)	52.8	40.0	28.8	25.0	22.9	22.5
Maternal mortality rate (modeled estimate, per 100,000 livebirths)	…	…	160.0	144.0	121.0	…
Under-five mortality rate (per 1,000 live births)	79.4	56.7	37.8	32.0	29.1	28.4

Source: World Bank. World Development Indicators (accessed 6 February 2020).
Note: … indicates data not available.

2. **Development problem.** Health outcomes remain suboptimal, however, and vary significantly by region. The country's current bed–population ratio (1 bed per 1,000 population) is comparable to those of the poorest countries in the world and is the lowest in Southeast Asia.[6] Information on the distribution of health professionals is very limited.[7] The national average roundtrip travel time to health facilities visited was 47 minutes, ranging from 32 minutes to 78 minutes.

3. The core development problem is inequitable access to quality health care services, resulting in poor health outcomes that perpetuate poverty and inequality. The major constraints are (i) fragmented health financing and service delivery system, (ii) gaps in health facilities and access to service, and (iii) weak governance at all levels. The Philippine Health Insurance Corporation (PHIC) is inefficient and ineffective in performing its purchasing function as the single insurer for the National Health Insurance Program. Institutional arrangements in health service

[1] World Bank. World Development Indicators (accessed 6 February 2020).
[2] World Bank. World Bank Open Data. Philippines.
[3] National Demographic and Health Survey 2017 with sample respondents with live births in the 5 years before the survey. Government of the Philippines, Philippine Statistics Authority and ICF. 2018. *Philippines National Demographic and Health Survey 2017*. Manila and Rockville, Maryland.
[4] World Health Organization (WHO). 2016. Immunization, Vaccines and Biologicals. Maternal and Neonatal Tetanus Elimination (MNTE).
[5] WHO. 2015. *Global Tuberculosis Report 2015*. Geneva.
[6] Department of Health (2019). Census of hospital data (raw data), and World Bank (2020). World Development Indicators. https://datacatalog.worldbank.org/dataset/world-development-indicators
[7] Dayrit MM, Lagrada LP, Picazo OF, Pons MC, Villaverde MC. The Philippines Health System Review. Vol. 8 No. 2. New Delhi: World Health Organization, Regional Office for Southeast Asia; 2018.

delivery are weak; and accountability for performance, particularly in subnational governments and the private sector, is poor. The ongoing spread of coronavirus disease (COVID-19) in the country has magnified these constraints and weaknesses, resulting in inadequate diagnosis and treatment of COVID-19 and inappropriate infection control measures.

4. **Fragmented health financing and service delivery systems.** The fragmented health delivery system can be explained by several factors, including an unreliable expenditure framework for the government's health financing system, the absence of an incentive structure for local government units (LGUs) to invest in health, the lack of a regulatory framework over private spending for health, and weak monitoring and evaluation systems. The question "who pays for which health service" remains unanswered and has been aggravated by an outdated health facilities development plan.[8] As a consequence, investments by the public and private sectors are inadequate, and the distribution of health facilities is inequitable. Estimates indicate that private hospitals comprise 63.0% of health facilities, but some provinces have no private hospitals. In others, private hospitals are the key providers of primary care.[9] Finally, the PHIC has been ineffective in strategically incentivizing the delivery of quality health care services.

5. **Gaps in health facilities and access to service**. In 2019, the total number of hospitals and health care facilities was 27,116 units, including 22,613 barangay health stations, 2,593 rural health units (RHUs) and urban health units, 338 district hospitals and infirmaries, 27 provincial hospitals, 13 city hospitals, and 70 Department of Health (DOH) hospitals. About 47.2% of barangays do not have health stations; and more than half (51.6%) or 2,771 RHUs and urban health units need to be built and equipped to meet the standard of 1:20,000 RHU–population ratio. Out of 81 provinces, only 12 meet the 1 RHU to every 20,000 population. The private sector represents 65.3% of the 1,236 hospitals from levels 1 to 3, including four maternity hospitals. Private hospitals are situated in urban areas where more health professionals are concentrated. While the number of hospital beds has increased, it has not kept pace with the fast-growing population.

6. **Weak governance and institutional capacity at all levels**. The governance and institutional capacities of the health system, and both central and local governments, are weak. Imbalances in the financing of health systems persist. The DOH and LGUs have insufficient capacity to manage fiscal resources for population-based interventions efficiently, resulting in highly centralized health expenditures and low absorptive capacity among LGUs. In addition to low capacity, accountability and performance management systems are underdeveloped and not interoperable. Poor financial control and fraudulent transactions lead to inequitable access and utilization of PHIC-covered primary care services.

7. **COVID-19.** On 11 March 2020, the WHO declared the COVID-19 outbreak a pandemic. As of 12 April 2020, 1,777,517 cases have been confirmed across 185 countries and regions, resulting in 108,862 deaths.[10] In the Philippines, the DOH reported its first case of COVID-19 on 30 January 2020. As of 12 April 2020, the number of confirmed cases has reached 4,428, with 247 reported deaths. The President declared a state of public health emergency on 8 March 2020, with mandatory reporting, an intensified government response and measures, and enforcement of quarantine and disease control prevention measures. This was followed by the temporary closure of public and private schools in Metro Manila and select international and local private

[8] Approved Human and Social Development Division, Southeast Asia Department, Asian Development Bank Application to Access the Urban Climate Change Resilience Trust Fund (UCCRTF) dated 11 July 2019.
[9] R.F. Lavado et al. 2011. Profile of Private Hospitals in the Philippines. *Discussion Paper Series.* No. 2011–05. Manila: Philippine Institute for Development Studies.
[10] Johns Hopkins. COVID-19 Map.

institutions, including the Asian Development Bank (ADB). On 12 March 2020, Metro Manila was placed under enhanced quarantine and subsequently the whole island of Luzon. Several provinces, cities, and municipalities in Visayas and Mindanao have imposed similar enhanced quarantines.

8. The increasing numbers of confirmed cases, persons under investigation (PUIs), and all other potential cases put a heavy strain on the Philippine health system.[11] Initial testing capacity was very low, at just 450 tests per day. Global shortages of medical supplies, including test kits, have constrained the government's ability to develop a comprehensive picture of the spread of the virus nationally, as a significant proportion of the population displaying typical symptoms remains untested. Treatment and infection control protocols for the care of PUIs and confirmed cases are evolving. Increased vigilance against transmission to health workers has rapidly depleted stocks of personal protective equipment (PPE). The care of each confirmed case and PUI requires the use of at least 30 sets of disposable PPE a day. With PPE also needed by health workers to attend to non-COVID-19 patients, government and private hospitals are suffering from shortages of PPE. This increases the risk of COVID-19 infection of health workers, putting more strain on the system.

2. Government's Sector Strategy

9. **Philippine Development Plan, 2017–2022**. The Philippine Development Plan, 2017–2022 (PDP) aims to expand the availability of health infrastructure such as barangay health stations, RHUs, polyclinics, and hospitals.[12] It sets out mechanisms to reduce the vulnerability of individuals and families by reducing their exposure to risks and increasing adaptive capacities, providing for an universal and transformative social protection program for all Filipinos that will build up socioeconomic resilience.[13] Under the PDP, implementing the Universal Health Care Law, 2019, the DOH's National Objectives for Health, 2017–2022 and its FOURmula One for Health strategy will work together to generate better health outcomes, a more responsive health system, and equitable health care financing.[14] Achieving financing risk protection is a key goal of Universal Health Care Law. The act will operationalize the enhanced social protection operational framework and strategy, which integrates, harmonizes, and defines social protection programs in the Philippines; and describe to complement programs and operations for better development results and outcomes. The National Health Insurance Program operationalizes health insurance targeting, coverage, and financing for prioritized and targeted individuals, families, and communities.

10. **National Contingency Plan for COVID-19.** The Inter-Agency Contingency Plan for Emerging Infectious Diseases and COVID-19 was developed on 27–28 February 2020 by more than 80 key officials of relevant government agencies. The Philippines has adopted a whole-of-society coordination mechanism. The DOH's Emergency Operating Center under the Secretary of Health leads the national contingency planning process, involving all relevant government actors, the private sector, and nongovernment organizations such as the Philippine Red Cross. The WHO will support the DOH in coordinating development partners to support the implementation of the national contingency plan. The United Nations Resident Coordinator's

[11] PUI refers to individuals who have symptoms but have not yet tested positive for COVID-19.
[12] Except for some DOH hospitals, these are among the responsibilities devolved to local governments—81 provinces,145 cities,1,489 municipalities, and 42,044 barangays or village units.
[13] Government of the Philippines, National Economic and Development Authority. 2017. *Philippine Development Plan 2017–2022*. Manila.
[14] Government of the Philippines, DOH. 2019. *Universal Health Care Medium Term Expenditure Program, 2019–2022: A Multi-Year Spending Plan for the Department of Health*. Update for FY2020 Budget Preparation. Manila.

Office for the Philippines has activated a crisis management team for COVID-19 and appointed two COVID-19 coordinators: the WHO country representative for the Philippines and the head of the Philippines' United Nations Office for the Coordination of Humanitarian Affairs.

11. **Responding to COVID-19**. On 15 March 2020, the government announced a COVID-19 response strategy, with several priority actions to address the negative impacts of the crisis and combat the spread of the virus. The government established the Inter-Agency Task Force for the Management of Emerging Infections Diseases (IATF-EID) to provide overall policy guidance on containing COVID-19. The IATF-EID is headed by the DOH, and comprises the Department of Foreign Affairs, the Department of Interior and Local Government, the Department of Labor and Employment, and other key agencies. The specific measures announced by the government include: (i) enhanced quarantine to reduce the infection rate; (ii) expanded medical services to step up testing and care for affected populations; (iii) social protection and livelihood support to help mitigate the immediate impacts on livelihoods and employment; and (iv) broader fiscal stimulus to support the economy and speed up recovery.

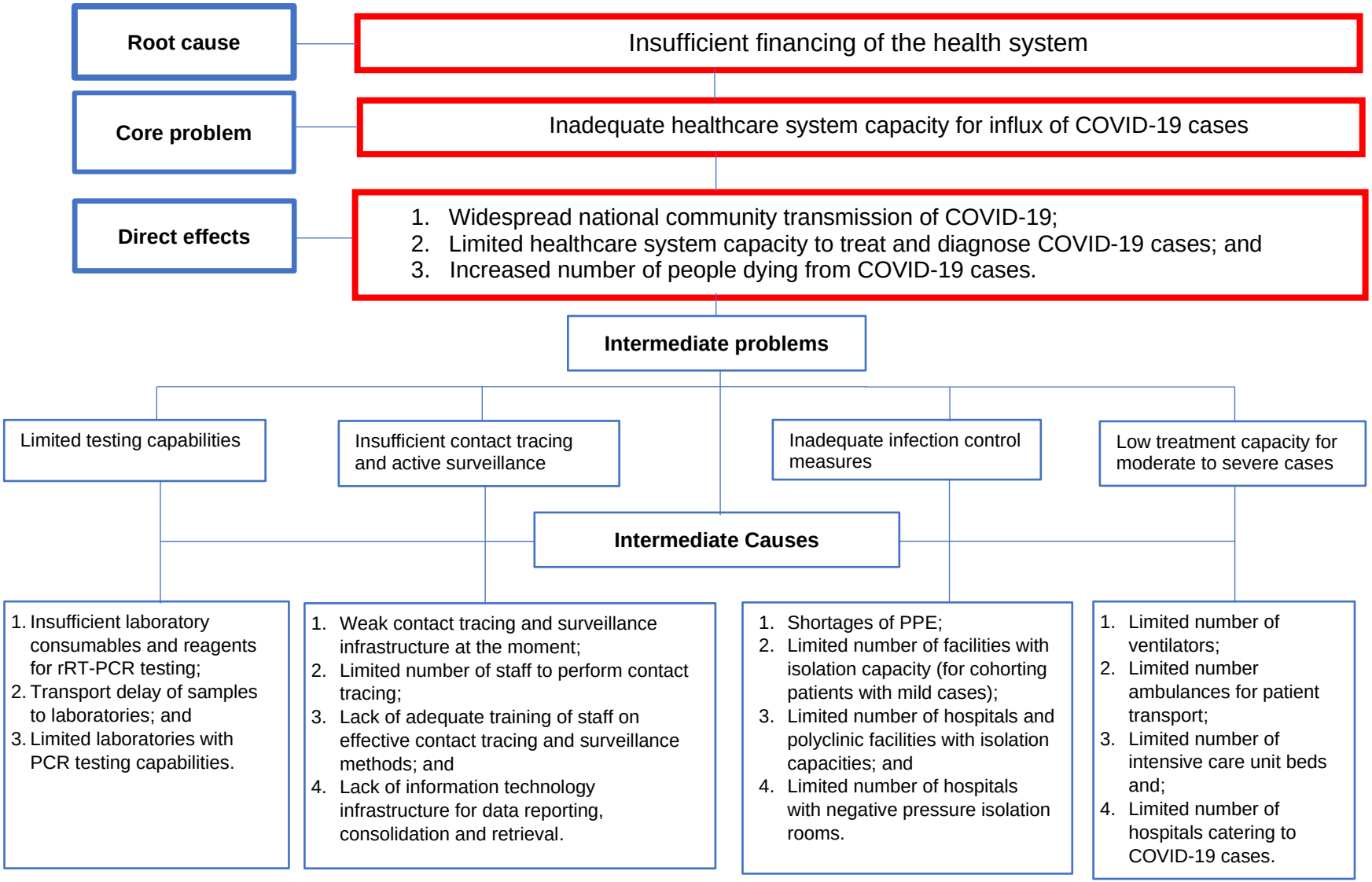
12. Subsequently, community quarantine was initially imposed in the National Capital Region (NCR) on 15 March 2020 followed by an enhanced community quarantine (ECQ) for the whole of Luzon the following day. A number of local governments from Visayas and Mindanao have also imposed community quarantine. The government has stopped all domestic air and sea travel to and from Luzon and restricted travel to the Philippines for almost all foreigners. There are now 11 molecular labs capable of processing up to 3,000 molecular or polymerase chain reaction (PCR) tests a day with local production of PCR test kits by the University of the Philippines (UP)-National Institutes of Health has been initiated. Three COVID-19 only hospitals in NCR (UP-Philippine General Hospital, Lung Center of the Philippines, and Jose Rodriguez Memorial Hospital) and 55 other COVID-19 referral hospitals nationwide have been designated and a number of several convention centers, stadiums, and other facilities (including the Philippine International Convention Center) converted into temporary health facilities that would house suspect and mild COVID-19 cases. A million new sets of PPE have been procured, and local production initiated. The national health insurance agency (PHIC) has extended coverage for all COVID-19 patients and health frontlines who may contract COVID-19 with the government providing additional benefit from special risk allowance, cash compensation for severe COVID-19 infection, and expanded death benefits to health workers,

3. ADB Sector Experience and Assistance Program

13. ADB is committed to supporting the government's response strategy through several channels. First, the COVID-19 Active Response and Expenditure Support Program supports critical public spending, helps finance the government's COVID-19 response and relief packages, and supports countercyclical fiscal stimulus. Second, ADB is proposing additional financing to the Social Protection Support Project[15] to allow the government to scale up cash transfers to the most *Pantawid Pamilyang Pilipino* Program beneficiaries, which total more than 4 million families. Third, ADB has approved a $3 million grant to support the procurement of modern laboratory equipment to be housed at the Jose B. Lingad Memorial Regional Hospital in San Fernando city, which will help increase testing capacity by an additional 1,000 tests per day. ADB is also discussing a $100 million health project with the government to scale up efforts achieved under the grant. It is also preparing the rapid response Food by Friday technical assistance grant for $5 million, which leverages private sector donations to provide food baskets for 2 weeks or more for up to 55,000 vulnerable families in Metro Manila.

[15] ADB. Philippines: Social Protection Support Project.

PROBLEM TREE



COVID-19 = coronavirus disease, PCR = polymerase chain reaction, PPE = personal protective equipment, rRT-PCR = reverse transcription polymerase chain reaction.
Asian Development Bank.