BULACAN

Socio-Economic and Health Profile

Bulacan has 53 municipalities and 1 city. Most of the municipalities belong to the third to first class range with only Bustos and Pandi remaining as fourth class municipalities. The total population is 2,229,266 as of the 2000 Census, growing at a rate of 4.02% annually. There are 463,886 households with an average household size of 5. The rapid increase in population and high density has brought about an increase in unemployment rates and environment related problems.

Correspondingly, there is an increased demand for bigger expenditures for social services, particularly health services. The high incidence of poverty results in an increased dependency on public health services. Drug addiction, violence against women, and child abuse have become public health issues and the health sector realizes the need to address such multifarious concerns.

Table 1. Provincial Administrative Profile.

District	Municipality	Number of barangays	Average annual income (PhP)	Classification
1. First	Bulacan	14	12,862,704.00	Third
	Calumpit	29	16,111,767.00	Second
	Hagonoy	26	28,607,966.42	First
	Malolos	51	36,581,570.49	First
	Paombong	14	16,582,736.05	Second
	Pulilan	19	16,176,226.12	Second
2. Second	Balagtas	9	18,072,640.91	Second
	Baliuag	27	32,333,285.75	First
	Bocaue	19	21,085,214.64	First
	Bustos	14	11,193,671.11	Fourth
	Guiguinto	14	14,602,604.74	Third
	Pandi	22	10,192,342.69	Fourth
	Plaridel	19	19,800,429.05	Second
3. Third	Angat	16	13,108,781.37	Third
	Doña Remedios Trinidad	8	14,315,531.70	Third
	Norzagaray	12	23,546,412.27	First
	San Ildefonso	36	17,152,558.40	Second
	San Miguel	49	22,989,231.07	First
	San Rafael	34	14,994,824.58	Third
4. Fourth	Obando	11	12,779,211.36	Third
	Marilao	16	25,746,549.89	First
	Meycauayan	26	54,021,142.25	First
	San Jose del Monte	59	35,430,882.87	First

	Sta. Maria	24	28,725,274.71	First

The major causes of infant mortality in the province are birth injury, pneumonia, congenital anomalies and prenatal morbidity. The mortality and morbidity profiles of Bulacan show the simultaneous incidence of infectious and lifestyle diseases, a clear indication of the interface of traditional and modern diseases that present a difficult challenge to the health sector in the province.

There is a strong private sector in Bulacan that assists the public sector in the provision of health services. The active participation of the health private sector decreases the burden of the public sector in ensuring good health.

Table 2. Bulacan Selected Socio-Demographic and Economic Indicators.

Indicator	1990	1995	2000
Total Population (in '000) Rank in Region 3	1,505 2nd largest	1,784 1st	2,230 1st
Population Growth Rate Rank in Region 3	3.22 1st or fastest	3.24 1st	4.90 1st
Population Density	573.4	679.8	738.6
	1990	1994	1997
Human Development Index Rank in Region 3	0.790 1st or highest	0.763 1st	0.700 2nd
Life expectancy at birth Rank in Region 3	Not available	68.6 2nd highest	69.8 2nd
School Enrollment Rate Rank in Region 3	Not available	Not available	92.22 1st or highest
Real per capita income (at 1994 prices) Rank in Region 3	Not available	Not available	26,141 2nd highest
Poverty Incidence* Rank in Region 3	20.4 (1991) 6th or lowest	17.3 6th	Not available

Source: Time to Act: Needs, Options, Decisions, State of the Philippine Population Report 2000, Commission on Population, January 2001, pp. 83-87; [1]1980-1990, [2]1990-1995, [3]1995-2000
*Philippine Human Development Report 1997

Table 3. Leading Causes of Morbidity and Mortality 2000.

Morbidity	Mortality
• Diarrhea • Acute Respiratory Infection • Pneumonia • Influenza • Diseases of the Heart • Pulmonary TB	• Heart Diseases • Cancer • Pneumonia • Pulmonary TB • Cerebro Vascular Accidents • Accidents

Table 4. Selected Health Indicators.

Indicator	1990	1995
Infant Mortality Rate*	43.85	34.83
Rank in Region 3	2nd lowest	lowest
Philippine IMR	56.69	48.93
Under- 5 Mortality Rate*	58.96	43.11
Rank in Region 3	2nd lowest	lowest
Philippine U5MR	79.64	66.79
Maternal Mortality Ratio*	188.7	149.07
Rank in Region 3	2nd lowest	2nd lowest
Philippine MMR	209.00	179.74

* Source: Time to Act: Needs, Options, Decisions, State of the Philippine Population Report 2000, Commission on Population, January 2001, p 88.

Table 5. Nutritional Status, 1998.

Indicator	Bulacan	Region 3 (mean)	Philippines (mean)
Children under 5 years			
• Underweight	21.8	26.7	32.0
• Wasted	5.1	5.9	6.0
• Stunted	21.1	23.3	34.0
• Vit. A deficient & low	41.8	45.4	38.0
• Anemia Prevalence	35.6	30.5	31.8
Pregnant Women			
• Vit. A deficient & low	39.5	24.7	22.2
• Anemia Prevalence	56.6	55.0	50.7
Lactating Women			
• Vit. A deficient & low	31.6	17.2	16.5
• Anemia Prevalence	51.2	44.2	45.7

Source: 5th National Nutrition Survey.

Table 6. Profile of Provincial Health Facilities.

No. of government hospitals	8
No. of private hospitals	57
No. of rural health units	57
No of barangay health stations	318

Convergence in Bulacan

Bulacan Governor Josie de la Cruz has shown support for the provincial health program through "Sulong pa Bulacan para sa kalusugan" ("Bulacan, go forward further in health"). The phrase indicates that there is a continuous effort to meet health goals. For 2002,

budget of approximately P200 million that represented 20% of the total provincial budget was allocated for health.

Dr. Manuel Roxas III, a former undersecretary for health, serves as consultant for health. Together with the staff of the Provincial Heath Office headed by Dr. Carlito Santos, the DOH and the NGOs formed a group of health sector reform advocates to push for programs in the areas identified in the convergence strategy. The team is tasked with improving the local health system to achieve the provincial health sector goals within the framework of the health sector reform agenda.

Prior to the inauguration of the convergence strategy, Bulacan was one of the lead provinces that supported the reintegration of the health system through the establishment of inter-local health zones (ILHZ). The restoration of the features of the district health system became evident with the establishment of the unified local health systems that sought to integrate the public health services and hospital services in a district that serves as a catchment area for the health needs of communities located in member municipalities.

The support of local government units was an important component of the concept. To initiate the process, Region 3 Center for Health Development (CHD) led by Dr. Ethelyn Nieto offered a P1-million grant to LGUs in the region that would organize themselves into an interlocal health zone under its local health assistance and development program.

The Baliwag Unified Local Health System was organized in 1999 with a grant of P1 million from Region 3 CHD and the amount was matched by a P3-million grant from Bulacan Governor Josie de la Cruz. The amount was used to renovate the Baliwag District Hospital that served as a core referral hospital with a network of rural health units (RHUs) in surrounding municipalities. The formation of a district health board was conceptualized and a draft memorandum of agreement was prepared for signing by member mayors in the catchment area.

A convergence workshop was held at Hiyas ng Bulacan on June 7-8, 2001. Bulacan is one of the pilot sites under the two-year Health Sector Reform Technical Assistance project (HSRTAP) funded by the United States Agency for International Development (USAID). The workshop succeeded in generating interest among major stakeholders that included 72 representatives from the national, regional, and local health workers, PHIC representatives, municipal/city public officials and support institutions, and health NGOs. With the use of participatory mechanisms, the various stakeholders crafted targets, strategies and health plans that were doable.

The workshop defined the policy environment by identifying problems and issues that affected the local health sector. The participants were briefed about the basic concepts of current initiatives that included the Health Sector Refom Agenda, the Health Passport strategy and the Convergence Strategy. Together they defined the vision for Bulacan in the HSRA areas that became the basis for a draft convergence plan that included strategies to be used. The Bulacan Health Sector Reform Advocates would serve as strategy champions.

Gains in Health Financing

Bulacan is among the provinces that supports the Indigent Program of the Philippine Health Insurance Corporation (PhilHealth) through its social marketing initiative and with the support of the Department of Health have encouraged local government units to enroll their indigent constituents. Governor Josie de la Cruz responded by conducting a province wide selection of indigents through its Provincial Social Welfare and Development Officer (PSWDO). The Provincial Government also released an executive order encouraging the mayors to commit some budget to the program and even promised that the province would subsidize some amount.

The Governor gave the PSWDO the task to oversee the selection of indigents and the office conducted surveys utilizing volunteers called "Lingkod Lingap sa Nayon" and local mother leaders. They used the Minimum Basic Need (MBN) survey form and identified pertinent information to be used as criteria.

Initially, the province enrolled about 4,515 indigents representing all 24 towns/cities. Not to be outdone, congressmen followed by subsidizing their own indigents in their districts and they have enrolled 1,120 Bulakeños. Some mayors also provided some funds for the program by initially enrolling some 570 indigents. A total of 11,809 Bulakeños have been enrolled.

Table 7. Status of Indigent Program in Bulacan (May, 2002).

Number of enrolled indigent members/no. of towns/city			**Total**
By the Province	By the City/Municipality	By the Congressman	
6,665 (24 towns/city)	2,952 (6 t/c)	2,193 (12 t/c)	11,809

By 2004, Bulacan is targeting to cover 252,000 households or 52% of the total population of 485,000 with social insurance broken down as follows:

- 40,000 families - 50% of indigents
- 53,000 families - 25% of the informal sector
- 159,000 families - 90% of the formal sector

The targets will be achieved through social marketing and advocacy by PhilHealth that has created an Indigent Program Unit that is responsible for encouraging LGUs to enroll their indigents with PhilHealth. LGUs are encouraged to make their facilities Sentrong Sigla certified and PhilHealth accredited to enable them to access PhilHealth funds through reimbursement of hospital expenses and provision of capitation to RHUs. As of July 2002, San Jose del Monte and Norzagaray are willing to enroll indigents with PhilHealth as their RHUs have been Sentrong Sigla certified by the Region 3 CHD but PhilHealth has not yet officially approved their accreditation.

Gains in Hospital Reform

Public-Private Sector Cooperation

The provision of hospital services in Bulacan is shared with a strong private sector. By virtue of its proximity to Manila, Malolos and many parts of Bulacan are highly urbanized and provide attractive opportunities for private investments in the provision of health services. The province is the site of many private hospitals with Malolos itself as the location for numerous private secondary hospitals and a private primary hospital. In addition, there are private laboratories and private health practitioners who are able to support their activities from user fees charged from their patients. Health seems to be a viable business in the densely populated sections of Bulacan.

Among the important functions of the Provincial Health Board is to review and approve proposals from the private sector to operate health related services. Some private organizations including medical societies and health cooperatives offer to purchase and operate expensive hospital equipment under a profit sharing scheme with the provincial hospital. The Provincial Health Officer has established linkages with some private hospitals in Malolos regarding some laboratory procedures.

As an example, the provincial hospital has forged a memorandum of agreement with the Sacred Heart Hospital and the Santos Clinic to perform some laboratory procedures for their patients. Indigent patients referred to these private facilities by the PHO are charged lower rates. But first, the PHO visits the facilities that wish to provide their services before they are accepted as service providers for patients of the provincial hospitals.

With the approval and encouragement of the Provincial Health Board, the PHO actively networks with the Bulacan Medical Society, the Association of Municipal Health Officers of the Philippines (AMHOP) and other NGOs who are willing to work with the provincial public health sector. The Governor actively solicits the support of private individuals and health groups to work with the province in the health delivery sector.

Bulacan's public hospitals are distributed in the various parts of Bulacan to serve the needs of both urban and rural population. The public hospitals continue to prepare their own budgets subject to the approval of the Office of the Governor and the Sangguniang Panglalawigan. The Bulacan Provincial Hospital is a 200 bed tertiary hospital that is evolving into a Bulacan Medical Center with a new building with 40 private beds to compete with private hospitals at the same time that it maintains the old building to service indigent patients.

Table 8. List of Licensed Private Hospitals by Category, 2002.

Hospital	Category	Bed capacity	Municipality
1. AMOS Hospital	Primary (P)	15	Norzagaray
2. B. A. Hospital	Secondary (S)	10	Meycauayan
3. Castro Maternity Clinic	P	12	Baliuag
4. Community Medical Clinic	P	12	Balagtas

5. De Castro Medical Clinic	P	10	Baliuag
6. De Jesus Hospital	S	14	Baliuag
7. De Leon Medical Center	S	60	Paombong
8. Dr. Yanga's Clinic & Hospital	S	50	Bocaue
9. Ed & Tita Cruz Maternity and Surgical Hospital	S	22	Sta. Maria
10. Emmanuel Hospital	P	20	San Miguel
11. FM Cruz Orthopedic & General Hospital	S	15	Pulilan
12. Grace Memorial Maternity & General Hospital	S	20	Balagtas
13. Gubatan Clinic	P	6	Balagtas
14. Holy Family Hospital	S	25	Balagtas
15. J.N. Gran General Hospital	S	25	Calumpit
16. Jesus of Nazareth Hospital			Guiguinto
17. Jesus The Good Sheperd Hospital	S	10	Pulilan
18. Lozada's General & Maternity Hospital	S	25	Meycauayan
19. Ma. STMA. Dela Paz Hospital	S	25	Marilao
20. Malolos EENT Hospital	S	10	Malolos
21. Malolos Maternity	S	11	Malolos
22. Malolos San Ildefonso County Hospital	S	14	Malolos
23. Malolos San Vicente Hospital	S	10	Malolos
24. Marcelo Hospital	S	20	Baliuag
25. Marcelo-Padilla Children's and Medical Hospital	P	6	Plaridel
26. Mateo's Diagnostic Hospital	S	15	Sta. Maria
27. Medical Center San Miguel Inc	S	25	Guiguinto
28. Mendoza General Hospital	S	23	Sta. Maria
29. Mt. Carmel Clinic	S	25	Bocaue
30. Nazarenus Clinic and Hospital	P	15	Meycauayan
31. Our Lady of Salambao Hospital	S	14	Obando
32. Padriguilan Maternity and Medical Clinic	S	6	Meycauayan
33. Plaridel County Hospital	S	25	Plaridel
34. Poscablo Clinic and Hospital	SS	16	Pandi
35. Roquero Hospital	S	25	San Jose Del Monte
36. Sacred Heart Hospital	S	43	Malolos
37. Sagrada Familia Hospital	S	10	Baliuag
38. Saint Michael Clinic & Maternity Hospital	P	6	Malolos
39. San Agustin Hospital	S	10	Hagonoy
40. San Diego General Hospital	S	20	Plaridel

41. San Roque Hospital	S	12	Malolos
42. Santiago Hospital	P	10	Baliuag
43. Santos Clinic Inc	S	10	Malolos
44. Santos General Hospital of Malolos	S	25	Malolos
45. St. Annes	S	6	Balagtas
46. St. Martin of Tour Hospital	S	15	Bocaue
47. St. Mary's Hospital	S	25	Sta. Maria
48. St. Michael's Family Hospital	S	25	Marilao
49. St. Paul Hospital	Tertiary (T)	50	Bocaue
50. St. Vincent EENT Hospital	S	16	Bustos
51. Sta. Ana Hospital	P	15	Hagonoy
52. Sta. Cruz Hospital	S	16	Calumpit
53. Sta. Dolorosa County Clinic	P	8	Norzagaray
54. Sto. Nino Clinic	P	18	Bustos
55. Tolentino Clinic	P	8	Baliuag
56. Montefalco Medical Center	T		Meycauayan
57. Our Lady of Mercy Medical Center	T		Pulilan

All district hospitals serve as the catchment areas of the unified local health systems or the interlocal health zones except for the Calumpit maternity hospital that remains as a specialty hospital. In support of the integration of the local health system initiative, district hospitals are being upgraded to make them Sentrong Sigla certified and PhilHealth accredited. The Baliuag District Hospital has 11 private rooms within its 75-bed capacity and has a total of 90 persons to comprise its personnel. As it is also able to generate its own income from user fees, such funds have helped sustain its health services.

As of 2002, the Sapang Palay District Hospital has been transferred to the city government and has become the Ospital ng Lungsod ng San Jose del Monte and the Felix T. Reyes Memorial Hospital has stopped operation.

Table 9. Provincial Government Hospital Profile, (1994-1999).

Hospitals	Bed Capacity	Occupancy Rate		Average No. of Out Patients		Average No. of In-Patients	
		5 Year Average	1999	5 Year Average	1999	5 Year Average	1999
Bulacan Provincial Hospital	200	72.63	69.00	191	249	138	138
Calumpit Distric Hospital	50	74.01	54.43	114	150	37	27
Emilio Perez Dist. Hospital	50	58.59	75.00	111	152	31	37
Gregorio del Pilar Dist. Hosp.	50	66.16	107.85	108	119	21	29

Baliuag District Hospital	75	49.06	87.32	107	149	38	66
San Miguel Dist. Hospital	50	52.44	70.42	99	125	26	35
R.M. Mercado Memorial Hospital	100	74.98	112.81	159	211	75	112
Sapang Palay Dist. Hospital	50	86.71	91.60	158	191	43	46
Felix T. Reyes Memorial Hospital	10	56.94	60.00	11	11	6	6
TOTAL	635	67.78	80.94	1,059	1,357	416	496

Financial Flexibility

The provincial government has realized the income potential of the provincial hospital as well as district hospitals and has set income targets for each hospital to achieve. In 2001, an income target of P18 million was set for the provincial hospital and the target was exceeded by P2 million. Income from the private wards is an important cost recovery scheme for the maintenance of quality care in provincial hospitals. It becomes relatively easier for the PHO to make financial requests from the provincial treasury, given the income generated through hospital operations.

Hospital chiefs and top management in the PHO are encouraged to perform well as they are given incentives like trips abroad and service vehicles. They are given support to develop professionally through Lakbay Aral trips that enable them to attend local and international conferences and short-term training.

The motto in the hospital is "best quality, cheapest pay" and that is achieved through a cross subsidy strategy of socialized care. Private room charges are competitive with the private sector while the service wards continue to accept indigent patients. Each department in the provincial hospital is given the task of preparing its budget that it presents and defends before the PHO. The practice gives the various departments the opportunity to participate in the budget process and makes them conscious about the importance of cost effectiveness and cost containment.

Through its income, the hospital is able to acquire new equipment, hire consultants from Manila and the private sector, construct buildings and increase bed capacity and develop its capability to become a teaching hospital. At present, the provincial hospital has residents in the Obstetrics-Gynecology and Pediatrics departments while the departments of Medicine and Surgery have been identified as the next areas of specialization.

At present, all hospital income are remitted to the provincial government where their values and origin are properly recorded. There is a move among hospital chiefs to make a request for the provincial government to allocate all hospital income for the use for the operation of each hospital. MSH has also introduced the use of a costing software and the hospital staff are in the process of adjusting data collection techniques as inputs for

the program. The process is capable of providing valuable information towards improvement of financial operation of hospitals for efficient and quality care.

Table 10. Comparative Income and Budget of Hospitals, 2000-2001.

Hospitals	Bed Capa-city	2000		2001	
		Budget (PhP)	Income (PhP)	Budget (PhP)	Income (PhP/%)
PHO	200	79,431,510.00	14,930,622.79 (17%)	87,767,880.00	20,324,526.90 (23%)
RMMMH	100	26,509,109.00	13,033,755.43 (49%)	34,194,330.00	13,945,197.65 (41%)
BDH	75	17,083,360.00	6,871,828 (28%)	23,590,638.00	8,132,852.00 (34%)
SPDH	50	15,315,339.00	4,353,001.70 (28%)	16,461,604.00	3,961,452.80 (24%)
EPDH	50	13,344,543.00	3,318,578.15 (25%)	15,780,975.00	3,670,860.15 (23%)
SMDH	50	13,804,568.00	2,947,686.50 (21%)	15,873,104.00	3,251,008.92 (20%)
CDH	25	12,880,519.00	2,785,529.85 (22%)	11,027,503.00	3,079,668.75 (28%)
GPDH	25	11,148,668.00	1,864,915.48 (17%)	11,184,571.00	2,140,164.96 (19%)
TOTAL	575	189,517,616.0	50,105,917.81 (26%)	215,880,605.00	58,505,732.32 (27%)

Quality standards are being developed at the provincial hospital and district hospitals. At the provincial hospital, rating systems are being developed for each section and are to be piloted during the latter part of 2002. At the Baliuag District Hospital, the district core referral hospital, quality improvement of health services is being undertaken by strengthening specialty clinics in Medicine/Internal Medicine; supporting the formation of various health clubs like the Happy Hearts Club, the Pulmo Club and the Diabetic Club; strengthening home based nursing care where nurses are given the opportunity to follow up their patients in the community; medical and surgical outreach missions; inviting consultants from the Jose Reyes Memorial Medical Center in the fields of medicine, pediatrics and neurosurgery; and making low cost medicine available.

To improve its service to its patients, the Bulacan Provincial Hospital and all district hospitals launched a public excellence program by conducting training workshops and focusing on service orientation by its human resource department. A client feedback mechanism has also been established by placing suggestion boxes in different departments and conducting exit interviews among patients. The governor also monitors the quality of provincial services including health by setting up a “Isumbong Mo kay Josie” ("Tell it to Josie") section as a feature of the Bulacan website.

As resources are being increased to upgrade hospital facilities, their occupancy rate has also significantly increased due to improved service, facilities and equipment.

Table 11. Comparative Occupancy Rate by Hospitals, 2000-2001.

Hospitals	Bed Capacity	Occupancy Rate	
		2000	2001
PHO	200	57.29	84.81
RMMMH	100	138.25	119.69
BDH	75	93.32	101.63
SPDH	50	102.00	108.00
EPDH	50	70.70	67.59
SMDH	50	65.21	87.26
CDH	25	90.79	85.03
GPDH	25	87.55	99.41

Hospital Personnel Profile

The hospital personnel profile of the Bulacan Provincial Hospital corresponds to Sentrong Sigla and PhilHealth standards for a tertiary hospital. The personnel profile of the Bulacan Provincial Hospital is shown in the succeeding table.

Table 12. Bulacan Provincial Hospital Personnel Profile.

Total No. of Personnel	328	*Medical Pool	10
Plantilla Positions	312	*Nurses (Medical Pool)	5
Total No. of Med. Pool	16	Admin Officer	1
Doctors	56	Record Officer	1
Vacant Position (Anes.)	3	Cashier	1
Nurses (plantilla)	73	Supply Officer	1
N.A. (Plantilla)	46	Clerk	14
Med Tech	7	Account Clerk	1
Med. Lab. Tech	4	Computer Operator	1
Dentist	5	Engineer	1
Dental Aide	1	Planning & monitoring/ evaluation staff	0
Pharmacist	4	Medical Officer VI	1
Midwife	1	Midwife	2
Utility Worker	56	HEPO	1
Driver	7	Statistician	1
Social Worker	2	Nut. Diet	2
Nut. Dietitian	2	Nurse IV	2
Cook	3	Computer Operator	1
Radio tech.	5	Engineer	1
Med. Eqpt. Tech.	1	Sanitary Inspector	1

*Medical specialists and nurses who are members of the pool perform the work of relievers in any provincial hospital where they are needed. Once the need for their services in any provincial hospital has been established, they may be assigned permanently to an identified location.

Gains in Drug Management

To ensure proper drug purchase, management and supply, a therapeutics committee has been set up in all public hospitals in Bulacan. In principle, all departments in the hospital are represented in the committee that takes care of identifying needed drugs, setting quality standards and making sure that they are in accordance with the National Drug Formulary. The committee meets every month and makes recommendation for drug purchase.

A Provincial Therapeutics Committee (PTC) has likewise been organized made up of all district hospital chiefs and they meet on quarterly basis to monitor the work of district therapeutics committees. This body has the function of making policy recommendations related to drugs. Subcommittees have been created to check the quality of drugs that are being offered or have been delivered by suppliers. The PTC also takes care of formulating a provincial drug formulary based on the national drug formulary. The Assistant PHO for hospitals acts as chair of the PTC.

The order for drugs from the various district hospitals are consolidated at the PHO and forwarded to the Provincial General Services Department that conducts bidding for the bulk purchase of drugs. Through the bidding process, the province is able to buy drugs at the cheapest price made possible by volume discounts through bulk purchase. However, sometimes the supplier for the lowest bid is not able to supply all the requirements and hospitals are forced to purchase drugs at higher prices. The General Services Department is responsible for the purchase and procurement of drugs based on a list given to them by the PHO and the hospitals. They do bulk purchase in order to get the best/lowest cost for the drugs they purchase. They follow the COA rules when it comes to purchases and they make requests for bids from accredited suppliers.

Bulacan was able to allocate money for the parallel importation as per request of Malacañang but they said that they have given their request as early as February but in May, they have yet to receive word regarding they status of the said purchase request. They were informed that this kind of purchase takes a long time (6 months) and the money they have allotted can no longer be touched even if it does not earn any interest.

The province has availed of the services of the Department of Trade through its parallel drug importation scheme. The drugs on the parallel importation list are mostly tablets and capsules. The Assistant PHO for hospitals sees the need for high demand hospital items like intravenous drugs and antibiotics, which are expensive items in the local market. But these are commonly used and needed by hospital patients. The delay in the parallel importation scheme of purchase of drugs for the hospitals has discouraged LGUs from making subsequent orders.

The hospital also derives income from drug sales as 20% is remitted back to the provincial coffers while 80% is utilized as revolving fund to be used as seed fund for

drug procurement by the hospital. The use of the fund while originally intended for medicines has been expanded to include other important hospital needs. Again, the 80% retention fund allows for fiscal flexibility for hospital operations. Hospital chiefs are gladdened by the measure. There is a move to retain all 100% of drug sales and to use this money as revolving trust fund for drugs. Under this scheme, the province need not allocate any budget for drugs as the funds grow and become capable of meeting the hospital's drug requirements.

Gains in Inter-Local Health Systems

A situation analysis of the effects of devolution manifested the effects of fragmentation as evidenced from the lack of coordination between the hospital and the public sector, the breakdown of the referral system, the disintegration of the health management information system, drug procurement problems, the lack of joint planning and training of personnel. Fragmentation affected health care delivery characterized by the low quality of health services at the local setting.

The province of Bulacan suffered from the same fragmentation brought about by devolution as the hospitals were under the responsibility of the provincial government while the rural health units and the barangay health stations were under the responsibility of the municipalities. But the provincial political leadership was also quick to adopt measures intended to address such fragmentation. Governor Josie de la Cruz provided the leadership to initiate the organization of interlocal health zones in Bulacan.

Bulacan Unified Local Health System

The components of the UHLS as specified by the Center for Health Development in Region 3 consists of (a) district hospital serving different municipalities, (b) two-way referral system, (c) technical supervision of district health office over RHUs, (d) personnel complement, (e) continuing education to ensure competent personnel, (f) district health board, (g) facilities and equipment, (h) partnership with LGUs, (i) community participation (j) health information system, and (k) CHD technical supervision over district hospitals.

The Baliuag Unified Local Health System (BULHS) is composed of the municipalities of Angat, Baliuag, Bustos, Dona Remedios Trinidad (DRT) and San Rafael. Baliuag and Bustos belong to the second congressional district while San Rafael, Angat and DRT are part of the third congressional district of Bulacan. The BULHS was organized in 1999 by virtue of a memorandum of agreement unifying the five municipalities, the province and the DOH Regional Health Office 3 (BUHLS, 2000). The unified health network includes the 75-bed Baliuag District Hospital in Baliuag, four RHUs in Baliuag, two RHUs in San Rafael and one RHU each in the towns of Bustos, Angat and DRT.

The Baliuag Unified Local Health System Board is made up of the Provincial Governor as chair, the District Health Hospital Director as vice-chair, the mayors of five participating municipalities (often represented by their municipal health officers), the provincial DOH representative, a representative from the Sangguniang Panlalawigan, and a representative from NGOs. The District health board meets quarterly and approves the Integrated BULHS health plans from disparate municipal and district

hospital plans. It prepares a strategic plan that becomes the basis of an investment plan. It also takes up ongoing concerns within its catchment area.

The municipality of Baliuag that serves as the core of the BULHS is a first class town with a land area of 4,505 hectares and a population of about 110,000 and 20,708 households. The Baliuag UHLS has a population coverage of approximately 277,384 people composed of 46,767 households in 1999 (BULHS,1999). Baliuag is the site of about 30 private clinics and 4 private hospitals.

After BULHS, the Sta. Maria Unified Local Health System was organized in 2000 and four more are being organized in the catchment areas of Malolos, Bulacan, Hagonoy and San Miguel to complete the organization of the province of Bulacan into interlocal health zones. Interlocal health zone workshops were held on July 4, 2002 and drafts of letter of commitment have been prepared. The stakeholders consider a letter of commitment as a document that has better chance of getting approved due to its flexibility and adaptability.

Roles and Functions of Key Players

The major stakeholders signed a Memorandum of Agreement in the Baliuag Unified Local Health System on July 21, 1999. The signatories were the mayors of the participating municipalities, the governor of Bulacan, Region 3 CHD director, the PHO, the Baliuag district hospital chief and the congressman for the first district of Bulacan. The document stipulates the roles and functions of the various stakeholders.

According to the MOA, the District Health Board is be the coordinating authority that shall perform the functions such as the identification and prioritization of health needs or problems of the catchment municipalities/ barangays and the district hospital; resolve problems emanating form health services; review and approve the work and financial plan of the Unified Local Health System; facilitate release of funds from the Governor's Office; approve requests for construction/ repair of the health facilities within the catchment areas and formulate or renew existing policies within the catchment areas.

It also serves as the source of funds for the system. The Municipal and Provincial Health Boards, on the other hand, maintain their functions. However, the policies, problems or issues that cannot find local solution shall be brought to the Provincial Health Board for discussion and action.

The Province under the governor is responsible for administrative supervision and guarantees the provision of the MOOE, the creation of policies and standards and performs monitoring and evaluation functions. Governor Josie de la Cruz matched the initial grant of P1 million from the CHD with a grant of P3 million to upgrade the Baliuag District Hospital. Her initiative was crucial to the start up of the unified local health system initiative in Bulacan. The fund was in addition to the regular budget that the province provides for the operation and maintenance of all hospitals.

The Provincial Health Office operates the Provincial Hospital and oversees the public health programs as well. The Provincial Health Officer acts as provincial hospital chief with two assistants, one for hospitals and another for public health. The PHO exercises supervisory functions over the unified local health system as the Assistant PHO for hospitals monitors hospital operations while the Assistant PHO for public health works

with the MHOs to monitor public health concerns. The Assistant PHO for public health is a new creation and came as a result of the Unified Local Health System (ULHS) initiative where the PHO involvement in public health has become an important area of concern for the province.

In the ULHS, the District Hospital/ District Health Office acts as the core of the catchment area. It provides hospital services to its clients, leads the training and continuing education of personnel at the district, municipal and barangay level. It is the coordinating center of activities in within the catchment area. The services at the district hospital include preventive, promotive, curative and rehabilitative functions. According to the respondents from the Baliuag district hospital, they perceived the services available as being geared towards the curative aspect. While Medical, Pediatric, OB-GYN services are commonly availed by in and out- patients, the hospital also renders surgical, family planning, laboratory and X-ray services.

The Municipal government, with its Barangay Health Stations and Rural Health Units, provide for basic and public health services and refer cases to the District Hospital or to other appropriate health facilities when needed. It is likewise responsible for networking with other stakeholders, social mobilization, monitoring and evaluation, creation of policies and standards, provision of the MOOE and other funds, and promotion of the Health Information system, research and development. The most common primary services availed by the clients at these levels include the following programs: Expanded Immunization, Maternal and Child Health, Nutrition and Family Planning. There are also other locally initiated programs that are participated in by the communities. Among these are the Zero Waste Management Project, Friendly Hearts' Club for the Cardio-Vascular Disease Control and Prevention Program and Stress Management.

The Center for Health Development of Region 3 played a crucial role in the establishment of the Unified Local Health System in Bulacan. Regional Director, Dr. Ethelyn Nieto championed the establishment of ULHS areas in the region in 1998 that included the provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales. Baliuag ULHS was one of six UHLS pilot areas in Region 3. The goal is to improve health care delivery systems in communities through community participation, sharing of resources and expertise and an effective collaboration among local government units. The objectives include the following:

- • To provide an efficient, workable district referral system
- • To develop a health information system suitable to the needs of the district hospital and catchment municipalities
- • To create a district health board to oversee ULHS implementation
- • To develop LGU capacity to improve health care delivery system through effective collaboration among LGUs
- • To strengthen the technical capability of district hospitals and RHUs in district catchment areas and
- • To upgrade district hospitals and RHUs through the provision of necessary equipment

The Department of Health as represented by the Regional Health Office 3 or the Center for Health Development 3 provides the technical supervision, training and planning. Its expansive role includes the monitoring and evaluation, formulation/ renewal of policies,

protocols and standards, promotion of Health Information System as well as research and development.

In 2000, CHD in Region 3 was able to extend assistance to 15 district hospitals and 49 municipalities by awarding P 6 million to the 6 pilot district hospitals as incentive for reorganizing their services to serve the district. In addition, P 10 million was provided to cover the costs of supplies. In terms of technical assistance, they have provided for staff training, facilitated the drafting and implementation of a MOA to create the BULHS, advocated for the need for the UHLS, facilitated planning for future activities of the UHLS and conducted orientation on the implementation of the referral system.

They have also advocated for the ULHS to provide financial, logistic and technical support to upgrade services in the local health facilities. The CHD has given P50,000 for each RHU in the ULHS to upgrade its facilities in addition to medicine to augment the supply available in the RHU. This has earned the recognition of the Sentrong Sigla movement. The CHD has also worked for the approval of a Regional Development Council (RDC) Executive Committee Resolution No. 03-16-99 endorsing the ULHS to the RDC.

Operations of the ILHZ

The Unified Local Health System District Health Board has conducted quarterly meetings since its establishment in July of 1999. Health officials including the District Chief of Hospital, DOH Representatives, Municipal Health Officers and Public Health Nurses and Hospital Administrative Officer regularly attended district health board meetings. These regular meetings resulted in forging bonds among the various health personnel. Whereas before, MHOs hardly knew and coordinated with one another, now at the district level, they discuss common health concerns and share resources.

Among the topics tackled during meetings were annual health plans, resource generation through fund raising activities, planning activities, presentation of results of health programs and accomplishment reviews of the performance of the ILHZ units. One effective means of raising funds is the sponsorship of Prince and Princess of Nutrition where parents of children candidates solicit monetary contribution for their children to earn the titles at stake.

During district board meetings, commitments also were forged to enhance the role of the Baliuag District Hospital in providing health services. In September 13, 2000, the members of the District Health Board identified the Nutrition Program as its flagship project for the Baliuag Unified Local Health System. In relation to this commitment, the Administrative Officer of BDH has pledged to support Bethlehem, a charitable institution in Baliuag, and its nutrition activities though monitoring of rehabilitation program and check-up of children by BDH doctors.

In the municipality of Bustos they have initiated a Sikap Angat Program, a primary health care partnership project between the local government and non-government organizations in the community. They targeted third degree malnourished children with the help of private organizations. Each organization adopts a family with a third degree malnourished child. The Catholic Women's League (CWL) and the Department of Education (DECS) have given support to the program in the form of food assistance to children and giving jobs to parents.

Volunteer health workers help implement the improvement of the health management system, one of the policies instituted by the municipality of Bustos. This is done through the barangay health workers (BHW) who monitor extensively the solid waste management program. RHU health programs such as EPI are also utilized as results are regularly reported to midwives. An RHU staff conference is conducted every Monday to discuss problems of every barangay within the municipality.

At the Provincial level, the Governor has appointed Dr. Manuel G. Roxas as over-all Health Consultant for Bulacan. The governor is committed to improving the health in Bulacan as manifested by the budget allocated to health, incentives given to provincial health professionals, support for District Hospitals, focused targeting of health beneficiaries, and PhilHealth benefits for indigents. This same commitment is not seen at the municipal level. Some mayors of municipalities under the BULHS are not actively participating in the health activities as evidenced by their frequent absences in meetings. Some local officials are not interested and are not familiar with concepts related to the formation of interlocal health zones. Thus, policy making in relation to health and the BULHS is perceived to be a difficult task, despite the initial steps to pursue the goals of the BULHS.

Common Funds and Resources

There is sharing of resources among member municipalities in the Baliuag ULHS in terms of sharing equipment, ambulance and a referral system. Financing that is provided at the local level from the municipalities seem to be provided in kind: medicines, transport money or donation of equipment. Local support in terms of line budget items i.e. MOOE support was not evident. Support for personnel services is provided by the municipalities and the province in terms of providing honoraria for contractual employees and volunteers, as well as salaries of personnel with plantilla items.

At the district hospital the various municipalities and the province also maintain an open account system where indigents referred by local officials are given the hospital care they require and the municipality concerned is later billed for the service. Senator Ople has set aside a portion of his Countryside Development Fund (CDF) for Hagonoy residents where Mayor Ople may charge the hospitalization of his constituents to this fund. Already, municipalities are entertaining the idea of reserving a number of beds for their indigents at the district or provincial hospital.

Human Resources in Public Health

The provincial government has created the position of PHO I for public health in 2001 to address public health concerns and take a leadership role for the implementation of public health programs. The newly created office also takes care of coordinating public health concerns as epidemics are monitored, and assistance in terms of medicines and equipment are provided by the province. The provincial thrust in public health is to improve the quality of care by encouraging Sentrong Sigla certification among RHUs and barangay health stations. In Bulacan, as of May 2002, 51 rural health units and 76 barangay health stations are Sentrong Sigla certified.

Table 13. Field Health Workers – Service Workers by Category, 1999.

Position	Number	Percent
MHO/Rural Health Physician	57	7.92
Public Health Nurse	68	9.44
Rural Health Midwife	440	61.11
Sanitary Inspector	47	6.53
Medical Technologist	27	3.75
Public Health Dentist	57	7.92
Dental Aide	23	3.19
Nutritionists	9	1.25
Non-Technical Personnel	19	2.64
TOTAL	720	100.00

Referral System

Workshops in the referral system have been conducted as part of the regular activities of a unified local health system. The referral system will help coordinate the work of the various parts of the system. Primary health care is provided at the barangay health stations and the rural health units, secondary care at the district hospital and tertiary care at the provincial hospital. There is now better understanding and implementation of the referral system as a result of the unified local health system concept.

The MSH has conducted the most recent referral system workshop with the end in view of developing a referral system manual. A technical working group has been identified and has been given the task of preparing the draft of the manual for Bulacan.

Management Information System

The Field Service Health Information System (FSHIS) is being utilized as a means of getting information from the various communities. The report is done monthly and consolidated quarterly to get updated information about health concerns. At the same time, the Provincial Epidemiology Service Unit (PESU) organized in 1995 continues to monitor epidemics through weekly gathering of information from hospitals.

Fostering Community Participation

The Baliuag District Hospital as well as the MHOs in the district actively solicits community participation. Support form NGOs come in terms of donations for medicines, equipment, and organizing medical missions. Good health has also become a community concern and various groups have organized aerobic sessions, ballroom dancing and disease awareness and prevention activities organized by groups like the Happy Hearts Club, Diabetic Club, etc.

At the province-wide level, civic organizations like the Rotary Club, Lions and other organizations adopt projects to help improve the health of people. Various types of

health facilities in the province become the beneficiaries of initiatives of civic organizations.

Updates on Bulacan Convergence Initiative

Table 14. Reform Area: Local Health System.

A. Strategy: Upgrading of all government facilities (SS Standards)		
Activities	**Expected Output**	**Status**
1. Inventory of health facilities and manpower capabilities	Master list of health facilities and manpower	On-going
2. Identification of resources (local and national)	Work and finished plan identified approved	Done
3. Allocation of funds by the LGUs in the Local Health System	Budget endorsed and approved by legislators	Not yet done, only budget from DOH
4. Upgrading of health facilities	Upgraded government facilities 57 RHUs 8 Hospitals	39 RHU Sentrong Sigla certified 7 Hospitals SS certified
B. Establishment and strengthening of ULHS		
Activities	**Expected Output**	**Status**
1. Total participation of LGUs in LHS	Advocacy on ULHS	2 ULHS district functional Advocacy on 4 ULHS on-going
2. Local health planning per district	LHP	Conducted plans for 6 districts, medium-term planning two weeks ago
3. Endorse local health plans and budget to SP/SB	Local health board resolution signed by LCE	Only 2 municipalities signed the LHB plan
4. Implementation of functional referral system in all districts	Referral system in place	2 district referrals in place
5. Establishment of health management information system in all systems	Established guidelines for HMIS	Not yet done
6. Development of maintenance of database of health facilities	Established guidelines for HMIS	On-going
C. Strategy: Sustaining quality health service in Bulacan		
Activities	**Expected Output**	**Status**
1. Development of performance indicators	Protocol for performance indicator system	Done
2. Ordinance from SP/SB earmarking income from PHIC (health)	Resource generation from social insurance for quality service	Done (province and 2 towns)

Table 15. Reform Area: Social Health Insurance.

A. Strategy: Social marketing and advocacy		
Activities	**Expected Output**	**Status**
1. Issuance of MCs from LGUs	>LGU compliance >Budget allocated	Done in at least 6 towns/city
2. Conduct of IEC/Seminars	>70% LGUs under servicing >90% clientele awareness >100% congressmen >75% NGOs/COs	>On-going (at least for LGUs, congressmen and clientele, not yet measured)
B. Strategy: Expansion of resources		
Activities	**Expected Output**	**Status**
1. 1. Lobbying for more sponsorship a. NGOs b. Private corporations	a. a. 3 NGOs/municipalities to 5 indigent families/year b. b. 10 corporation	No private/NGO sponsorship yet
2. Partial subsidy scheme	9300 indigent HH starting to pay partial subsidy	--
C. Upgrade health facilities (Quantity and Quality)		
Activities	**Expected Output**	**Status**
1. Government health facilities SS certified	8 RHUs SS certified	Done
2. Regular monitoring by PHIC and DOH	All PHIC facilities and HC Providers accredited	>Done in all PHIC facilities >PHIC conducted inspection in the HCs/RHUs but no accreditation yet
3. Comprehensive referral system	MOU between RHUs, private clinics and hospitals fully implemented	Task force established

Table 16. Reform Area: Hospital Reforms.

A. Strategy: Enactment of local ordinance on financial flexibility		
Activities	**Expected Output**	**Status**
1. Formulate proposal	Draft proposal	Done
2. Policy advocacy to local health board	Statement of support by LHB	Done in the province
B. Strategy: System Improvement		
Activities	**Expected Output**	**Status**
1. Train budget officer on RA (Responsibility Accounting Tools)	Budget officer trained	--
2. Advocate/Echo RA	Concerned staff knowledge on RA	--
C. Strategy: Strategic plan for Infra development for Bulacan hospital		

Activities	Expected Output	Status
1. Organize TWG	TWG organized	Done
2. Review of related plans	Plans reviewed	Done
3. Data gathering	Data gathered processed and analyzed	On-going
4. Hold planning sessions	Framework plan developed	On-going

Table 17. Reform Area: Drug Management.

Target 1: Availability of low cost, quality, essential drugs. **Strategy: Operational/Functional Committees in all government health facilities**		
Activities	**Expected Output**	**Status**
1. Strict compliance to standard treatment protocols in all government health facilities	STG completed at provincial district level	Done
2. Creation and maintenance of provincial formulary	Provincial formulary created and maintained	On-going
3. Establishment unified procurement system	Trained on new system of all existing districts of ULHS	On-going
Target 2: Improve drug use **Strategy: Established drug distribution center**		
Activities	**Expected Output**	**Status**
1. Advocate for local ordinance resolution for proper drug distribution	Local ordinance resolution passed and implemented	Not yet done
Strategy: 50% Increased awareness of community on rational drug use		
Activities	**Expected Output**	**Status**
1. KAP/QRS on drugs	Baseline data on level of awareness	Not yet done
2. Massive mass-based IEC	Conducted	Not yet done
3. Reproduction, distribution of IEC materials	IEC materials produced	Not yet done
4. Community assembly	Class/well reformed community	Not yet done
5. Mother's class	Assembly of mothers	On-going
6. Media	Local media promotions	Not yet done

Table 18. Reform Area: Public Health.

A. Strategy: A properly managed Unified Public Health System		
Activities	**Expected Output**	**Status**
1. Advocacy to LGUs, Pos, OGOs, and NGOs	Increase in budget for public health promotion	Done

	Proper management of public health Functional Local Health Board	On-going Functional- Provincial Health Board and 2 Local Health Board
2. 2. Capability building of health implementors Reorientation of health workers Rewards/Incentives/Recognition given	 HWs reoriented, competent and motivated Outstanding health implementor recognized	On-going Done, on-going Budgeted for this year (2002)
3. Formulation of one Bulacan health plan	One plan formulated and adopted	Conducted a medium-term plan for Bulacan recently, not yet integrated though
4.Establish MIS inventory of computers Development of system computerization of health data	MIS in place	On-going
B. Strategy: Coordinated operations by health care providers		
Activities	**Expected Output**	**Status**
Establishment of linkages/networking Advocacy/Fund sourcing/Service coordination	Networking established Additional funds generated Health activities coordinated	On-going
2. Monitoring/evaluation of health workers	Monitoring and evaluation done Health workers rated	Performance indicators developed
3. Strengthening of referral system	Functional referral system established	Functional in two districts
4.Disease reduction services	Mortality and Morbidity from communicable diseases reduced	On-going
C. Strategy: Health programs acceptable to all		
Activities	**Expected Output**	**Status**
1. Improve health services	Health services improved Objectives attained	On-going
2. Information, education, communication (IEC) development	IEC disseminated	On-going
3. Exit interview of RHU clients	Clients satisfaction gauged	None
4. Evaluation of health indicators	Health indicators evaluated	On-going

Best Practices

Hospital Reforms

Bulacan represents a different model from other convergence areas because it has a different socio-economic profile. The province has a high rate of urbanization, high population growth, high population density, and lower poverty incidence compared with the national average. It has a very strong private sector and provision of health care is a viable enterprise in the province. As privatization of public services has become a recurrent theme due to the limited financial capacity of government to provide for basic services, Bulacan serves as a good model of cooperation between the public and private sector in the provision of health care. Both sectors realize that they serve to benefit from each other's areas of strengths and weaknesses.

The Bulacan Provincial Hospital is able to face the challenge of being competitive with private hospitals in terms of quality facilities and competent medical staff. The new building that houses the private wards is able to offer the convenience and comfort of private health care facility at a cheaper price. It is able to generate income from the private wards to enable it to upgrade its physical plant, facilities, equipment as well as availability of drugs. The concept of socialized care becomes possible with income generated from user fees being used for improved operations to benefit the indigent patients as well. The provincial government watches the financial bottom line of hospital operations and makes a conscious effort to make hospital operations viable by setting income targets that hospital chiefs are encouraged to achieve. Hospital chiefs are better prepared to become good financial managers who should be effective in terms of quality health care delivery and efficient in terms of being able to augment their budgets with income from hospital operations.

The provincial government has allowed some mix of market forces to influence hospital operations through an incentive system. Operating heads are provided with incentives to achieve their targets. As a profit center in a limited sense, the hospital chief is given some leeway in the purchase of supplies and equipment badly needed by the hospital.

The hospital develops a client friendly atmosphere as client suggestion boxes are distributed in the various departments. Exit surveys and interviews of patients are conducted regularly. Patients with complaints may also inform the governor through the website created for the purpose. Client satisfaction becomes an important factor as the hospital staff tries to improve its services to increase its patient load and correspondingly its income.

Non-government organizations like medical societies and health cooperatives make their services available to the public sector under a networking arrangement with the hospitals. Indigents are provided the service at reduced fees while those who can afford to pay are charged the regular rates. Private

clinics and hospitals also make some of their facilities available to public hospital clients.

Inter-local Health Systems

Bulacan health officials realize that the formation of Unified Local Health System will provide the infrastructure towards the achievement of the goals of health sector reform. As the expansion of social insurance coverage proceeds at a slow pace, they hope that the formation of ULHS will hasten the Sentrong Sigla and eventual PhilHealth accreditation of hospitals and RHUs. As of May 2002, 51 RHUs and 76 barangay health stations have been Sentrong Sigla certified. Bulacan could be considered a model in the improvement of public health facilities. The political leadership in the province and many municipalities give priority to the development of primary care facilities to improve people's health. At the same time, CHD has been creative in providing monetary incentives to push for facility improvement.

There is conscious effort to promote a healthy lifestyle in communities through the support given by MHOs and district hospitals for private health clubs, like the Happy Hearts Club and the Diabetic Club. Doctors and their staff from both the hospital and public health sectors initiate activities to promote health as well as educate people about health hazards and healthy lifestyle. Health promotion posters, videos and other materials are readily available in various health centers.

While a common fund does not exist, Bulacan has been innovative in sharing resources in terms of an open account system in the district hospital to serve the needs of indigent patients. Service for indigent patients are charged to LGUs that use funds from various sources including municipal budget and CDF to pay the hospitals. Municipalities are already looking at the possibility of buying into hospital operations by reserving and paying for a number of beds for their respective indigents.

Drug Management Systems

The Bulacan provincial government has allowed retention of 80% of sales generated from drugs for the use of the hospital for its drug and other requirements. The income that is retained will go a long way to augment the budget of the hospital. The mechanism is another form of financial flexibility to improve hospital operations. Hospital officials are making use of the practice to develop models for income retention. With lessons that they will learn from the drug experience, they hope that they will be able to evolve good practices of financial accountability towards expansion of fiscal autonomy, which the provincial government has allowed them to enjoy.

Convergence Concerns

At a PhilHealth workshop conducted on April 11-12, 2002, Bulacan Governor Josie de la Cruz expressed her apprehension about making further contributions to the indigent program. According to her account, Bulacan paid 8.5 million to PhilHealth but the Bulacan health service only got 2.5 million in reimbursement. She then cited the

experience of the municipality of Las Piñas that put their money into facilities development of their health centers rather than to PhilHealth and got better infrastructure. They linked with their private hospitals in the area and set aside a fund that can be used by indigents with some co-payment. They have karaoke for the patients who are waiting to be seen in their centers leading to greater patient satisfaction and perceived better health services. Considering that Bulacan was shortchanged by P6 million, the governor is seriously considering alternative means of spending money to provide for health.

In Bulacan, the researchers also found out that while RHUs are Sentrong Sigla certified, they are not yet PhilHealth accredited as of May 2002 and Bulacan indigents cannot avail of the out patient package despite the fact that some of them are card bearing PhilHealth members. Their package of benefits is still limited to hospital benefits while PhilHealth indigent members are already able to avail of the outpatient package in areas like Pasay and Bukidnon. It seems that despite the convergence strategy, there is a communication gap in terms of informing the health sector about requirements of the RHU PhilHealth accreditation.

Convergence advocates in Bulacan in a way feel burdened about the additional responsibility of implementing the convergence strategy. Convergence is seen as a separate and additional program that has to be implemented separate from regular programs. The health staff feels burdened with additional forms and reports that have to be made and meetings that have to be attended. The provincial hospital staff in particular thinks that they are quite adequate and capable in the performance of their functions and they do not learn anything new in the hospital reform component of convergence. At the regional CHD, a staff has observed that there are important programs that have been left out by the convergence strategy. The convergence strategy advocates have conveniently left out the national public health programs that comprise the health sector reform agenda.

Bulacan health officials think that the health sector reform agenda is important and the convergence strategy is an effective means to achieve it. They also believe that convergence should be customized to meet the needs of each province. They suggest that some form of social preparation should first be undertaken and preparatory communication should be sent to each province identifying information that will be needed for the workshop. While the convergence strategy puts emphasis on the need for data, they felt that they were just made to recall their experiences during the workshop. The timing of the workshop should also be considered to enable the maximum participation of various stakeholders. Pre-convergence workshops would better prepare the stakeholders to make a commitment to the convergence idea.

Conclusion and Recommendations

Bulacan has complied with the basic requirements of the convergence strategy. It has initiated the establishment of the unified local health system in Baliuag where reintegration and networking within an identified catchment area is evident. Sta. Maria has likewise been organized and other four sites are being organized. Bulacan is at the forefront of hospital reform initiatives as it has undertaken moves for financial flexibility, facility and quality service improvement even before the convergence strategy. It is also

trying to rationalize its drug management program and its officials have allocated funds to enroll Bulacan indigents into PhilHealth.

The convergence concept is being introduced ten years after the devolution of health services. Admittedly, it has been ten years late in addressing the problems and implementation issues that resulted from devolution. The health sector leadership has flip-flopped for long on whether to continue devolution or to change gear and revert back to renationalization. Finally, the convergence strategy is an attempt to address the fragmentation of the health sector. It takes political will from all sectors involved in health to support the objectives of convergence. It requires social marketing to sell the concept and to convince key players like PhilHealth and the LGUs that convergence will serve their institutional agenda. Convergence has laudable objectives but its implementation should be customized to suit local conditions. What will work in Mindanao or Visayas will not necessarily work in Bulacan. The policy environment should be properly analyzed to identify factors that will work in favor of convergence and factors that will delay its implementation.

Social insurance is an important factor to make convergence successful. The universal coverage by PhilHealth will oil the convergence machinery, as indigents who need it will be covered through enrollment in the PhilHealth indigent program. PhilHealth additional benefits (both hospital and outpatient package) will make it attractive for health stakeholders to toe the convergence line. Stakeholders will always ask, "What is in convergence that will benefit me?" Local governments will be attracted by the possibility of being able to access the 50% share of the national government for the health of their indigent population. Admittedly, poor provinces have more to gain than rich provinces, as poor LGUs require smaller contribution during the first three years before a 50-50% sharing is required. Poor LGUs have made the suggestion that their PhilHealth contribution should be pegged to the classification of municipality based on income. Rich LGUs should pay more and poor municipalities should pay less. But PhilHealth regional and provincial bureaucrats should do social marketing and be proactive in doing their work in Bulacan. While many RHUs and BHS have been Sentrong Sigla certified, there are no indications that PhilHealth is fast tracking their PhilHealth accreditation. Health officials in Bulacan complain about the slow pace of work among the PhilHealth bureaucracy.

The convergence cycle begins with PhilHealth as LGUs are required to upgrade their health facilities to access the capitation fund for RHUs. The sum of PhP300 per indigent enrolled would go a long way to improve the supply of medicines in RHUS, as well as provide additional income to the professional staff. However, enrollment of indigents with PhilHealth should go hand in hand with the start of PhilHealth accreditation process so as not to shortchange LGUs that enrolled their indigents. PhilHealth should be more proactive in promoting their indigent program and work double time to hasten the accreditation process. PhilHealth should also develop a more client friendly orientation to gain supporters of its programs.

The drug importation scheme of the Department of Trade also needs to improve its service delivery schedules for LGUs to make repeat orders and for the program to really create an impact in the reduction of prices of medicines. The organization of unified local health systems in the remaining areas of Bulacan should be hastened as donor and funding agencies tie up grants to the inter-local health zone approach. Already, the Matching Grant Program of USAID makes the organization into inter-local health zones a pre-requisite to access their funds. The ULHS provides the organizational structure to coordinate the various areas of HSRA.

References

The Arayat United Health System in Pampanga. 2001. Management Sciences for Health – Health Sector Reform Technical Assistance Program (HSRTAP). Manila.

The Baliuag Unified Local Health System in Bulacan. 2001. Management Sciences for Health – Health Sector Reform Technical Assistance Program (HSRTAP). Manila.

Community-Based Monitoring and Information System: A User's Manual. 2001. Management Sciences of Health – Integrated Family Planning and Maternal Health Program (IFPMHP). Manila.

Comparative Analysis of Five Inter-Local Health Zones: Current Practices, Policy and Program Directions. 2001. Management Sciences of Health - Health Sector Reform Technical Assistance Program (HSRTAP). Manila.

Convergence Orientation and Planning Workshop, 19 September 2001, Cebu Plaza Hotel, Cebu City. Philippine Health Insurance Corporation and Department of Health. Philippines.

Establishing the Inter-Local Health System in South Cotabato. Integrated Community Health Services Project (AUSAID Assisted). 2000. Department of Health.

Health Referral System Manual, Province of South Cotabato, Philippines 2001. Integrated, Integrated Provincial Health Office, South Cotabato. Philippines.

Health Sector Reform Agenda, Philippines (1999-2004), Monograph Series No. 2. 1999. Department of Health. Manila, Philippines.

The Integrated Health Planning System (IHPS) Manual. No date. Department of Health, Manila. Philippines.

King, T.L. No date. *Drug Management Systems Reforms*. Bureau of Food and Drugs.

Quality Standards List for Rural Health Units and Health Centers Level 1, Certification and Recognition Program. 2000. Sentrong Sigla Movement. Department of Health, Manila, Philippines.

Sta. Bayabas and CVGLJ: Inter-LGU Health Systems in Negros Oriental. 2001, Management Sciences of Health – Health Sector Reform Technical Assistance Program (HSRTAP). Manila

Updates from the Field: Best Practices, Using the Community-Based Monitoring and Information System to Help Reduce Unmet Needs. No. 4 Series of 2001. <<http://www.msh.org.ph>>

Updates from the Field: Technical Notes, Pooled Pharmaceutical Procurement in Pangasinan. No. 2 Series of 2001. << http://www.msh.org.ph>>

Updates from the Field: Technical Notes, Setting Up a Community-Based Disease Surveillance System. No. 4 Series of 2001. <<http://www.msh.org.ph>>.

Vicente, W.C. No date. *Referral System Protocol*.