

Summary of Health Reforms in the 8 Convergence Sites

PANGASINAN

Health reform in Pangasinan focuses on four areas:

a) Health Financing. The aim is to expand coverage of social health insurance. This will be done through a shared payment scheme between the LGU and the National Government for the premium payments of indigent patients. In Pangasinan, a target of 85% indigents have been set for coverage by year 2004. To achieve this, the PhilHealth Regional Office and LGU are developing an integrated marketing approach to establish partnerships with the municipalities. The immediate target is to increase indigent coverage in five municipalities and accredit their five Rural Health Units (RHU).

b) Hospital Reforms. The aim is to improve the quality of services of public hospitals and decrease their dependence on government subsidies to support their operations and development. The approach is to convert the provincial hospital into a government foundation. To achieve this, reforms in quality assurance, financial management, and revenue enhancement have been implemented. A study of the legal basis for the conversion has been pursued also.

c) Local Health System Integration. The aim is to establish an inter-local health zone composed of a group of municipalities. The municipality of Bayambang is the focus area. This zone will have the capacity to plan and implement public health programs in an integrated way having the district hospital as the central point of coordination. The enabling mechanism will be through various memoranda of agreement among the participating LGU.

d) Drug Management. The aim is to decrease the purchase cost of medicines by 50% and improve drug utilization by the different providers. This involves the establishment of hospital as well as provincial therapeutics committees, the purchase of "exclusive" drugs from PITC, and to have the ILHZ municipalities to join the pooled procurement.

Accomplishments as of 1st Quarter 2002

a) Social Health Insurance:

The PhilHealth Regional Office has conducted a vigorous campaign covering all the municipalities of Pangasinan. This campaign sought to convince the Mayors to share in the premium payments of their indigent constituents. Parallel to this, a re-assessment of RHUs was conducted to determine those that could qualify for PhilHealth accreditation. Thereafter, the provincial government earmarked a budget for premium payment.

A meeting to discuss specific strategies to increase enrollment in the social health insurance program was held on January 15, 2002 at the PhilHealth Office. Governor Victor Agbayani, his senior staff members, and Dr. Francisco T. Duque III, PhilHealth President, attended the discussion meeting. This was followed on February 21, 2002 by a consultative meeting with mayors from 18 municipalities who were interested in supporting the social health insurance (SHI) program. A total of 12,000 families were pledged to be enrolled in the SHI program.

b) Hospital Reforms:

The reforms focused on sustaining quality improvement measures in the provincial hospital and extending these to the different district hospitals. In the provincial hospital, a system to pre-classify their indigent patients according to their ability to pay was pilot tested. Upon classification, they will be given a card, which will be applicable for one year. When they are admitted, the patient will no longer undergo the process of re-classification and will automatically be given the appropriate discount or waivers.

Another innovation was to issue color-coded visitor's pass. This will prevent visitors to loiter around the hospital easing up security and janitorial requirements.

The hospital too is in the process of implementing an expenditure and budget allocation system on a per cost center level. In this scheme, a cost center will be given a pre-determined budget based on historical data. The unit will manage this fund to carry out its operations. A monitoring system will be set in place to monitor expenses. Expenses above the budget ceiling will then be noted.

A preventive and promotive health program plan has been formulated and is now being implemented in the hospital.

For the district hospitals, the Bayambang District Hospital and the Western Pangasinan District Hospital were given Total Quality Management (TQM) training. They were able to tackle improvement areas such as decreasing tardiness, improving completion of medical records, billing and collection procedures and other standard operating procedures.

The project also was able to convince the Governor to allow the hospitals to use their income. However, with the budget cuts of the internal revenue allotment, the LGU would have very little to share with the hospitals. A study of the Negros Oriental income utilization scheme is being undertaken and is slated for presentation to the Governor for his consideration.

c) Local Health Systems:

The HSRA advocacy group was convened and formalized through an order from the Provincial Health Office. Likewise, another group of advocates were formed composed mainly of NGO representatives to form the Local Advocacy Network for FP-RH. Subsequently, a forum to discuss health sector issues and concerns was conducted in February 1, 2002. The output was a detailed plan of action to advocate for the different policy changes required to address the health problems. This forum was conducted with the Futures Group Inc.

In the Bayambang Health Zone, an orientation of the local chief executives was conducted and initial discussion of the Memorandum of Agreement was done. This MOA is undergoing processing in the Provincial Capitol.

d) Drug Management Systems:

The Provincial Therapeutics Committee was established and was used as a vehicle for carrying out reforms in drug management. In the last quarter, the Pangasinan province successfully completed module two of the Drug Utilization Review. They were able to conduct research on drug use and made plans to correct the problems identified. With regard to the Parallel Drug Importation, the province was able to issue purchase orders with a total worth P143,000.

Next Steps

- Most of the technical assistance packages that HSRTAP can offer have already been completed. It will just require for the LGU to adopt it in its systems. At this stage the HSRTAP may want to clarify /reiterate to the LGU leadership of the interconnectedness of the reform areas. The project may need to strategize along this line.
- Continue addressing specific problems in the areas of reform. Those reforms that have been adopted by the LGU should have a maintenance program planned and in place before the project ends. This will hopefully prevent backsliding.
- Come up with a good exit plan for the HSRTAP. The project has raised many expectations. We will need to handle projects caught in mid-implementation.

NUEVA VIZCAYA

Background

Nueva Vizcaya is one of the selected advanced implementation sites for health sector reforms. In the Convergence Planning Workshop cum Health Summit held last July 26-27 2001, the following critical targets were agreed upon by 2004:

- 100% of indigents in the 15 municipalities enrolled with PhilHealth
- Cost-efficient procurement system established
- All RHUs Sentrong Sigla certified and PhilHealth accredited,
- One Inter-Local Health Zone functional
- All public hospital PHIC accredited with income generation and utilization

Accomplishments as of 1st Quarter of 2002

a) Social Health Insurance:

Around 7,000 households have been enrolled in the Indigent program covering 14 municipalities. Only the town of Solano has not actually enrolled, although it has promised to enroll by the end of 2002. The provincial desk of PhilHealth in Nueva Vizcaya has been beefed up with 11 personnel. It has finished inspecting all the rural health units and has furnished all the local chief executives with the deficiencies for accreditation.

b) Hospital Reforms:

Five S training was conducted for the provincial and district hospital personnel during the quarter. This was in continuation of the quality service improvement program (QSIP) of the province. It is worth noting that the QSIP was a Galing-Pook awardee for the province.

c) Drug Management:

- A drug procurement workshop was conducted wherein the therapeutic committee was organized and the pooled procurement program was developed.
- A drug use review was also conducted wherein an assessment of rational drug use for the hospitals was done.

d) Local Health System:

The Lakbay-Aral of the health advocates of Nueva Vizcaya to Capiz was supposed to be conducted this quarter, but because of the hectic schedule for

the "patak-polio" campaign, this was postponed to a later date in April. The advocates will be visiting Capiz to learn more about the implementation of the social health insurance, the parallel drug imports, and the inter-local health zones. Another planned activity is the strengthening of the referral system.

Next Steps

The lakbay-Aral to Capiz in April hopefully will be a good experience for the advocates to learn more about reforms in the health sector. This will not only offer time for them to reflect on their experiences but also plan out doable reforms when they go back to Nueva Vizcaya.

BULACAN

Background and Accomplishments

Bulacan province was the last of the original convergence sites to hold a Health Summit. The Summit itself attracted a few mayors who arrived and left at various times during the meeting. In terms of reform targets, there has been agreement among the advocates, who met twice during the quarter, to scale down to realizable activities and to coordinate with other efforts already initiated in the province. This led to the identification of 2 districts for the implementation of the unified local health zones (ULHZ), namely:

- Sta Maria District- compose of Bocaue, Marilao, Meycauayan, Norzagaray, Pandi and Sta Maria
- Baliuag District – Angat, Baliuag, Bustos, Don Remedios Trinidad (DRT), and San Rafael

The advocates' agreed that the referral system be further examined in these two areas and requested technical assistance in support for its discussion and implementation.

In Social Health Insurance, Bulacan advocates view that the informal sector would be more fitting subjects for coverage because of the industrial profile of the province and the recent lay-offs due to the economic crisis. A proposal they prepared would require P5 million across a 36 months period. However, determining its number would be difficult and would not be in tune with PhilHealth's current focus on the indigent program, and the following targets were agreed on: 50% indigent sector, 25% informal and 90% formal.

Up until April, none of the district sites are implementing the outpatient benefit package in its indigent program.

The province is awaiting delivery of drugs and medicines procured under the Parallel Drug Importation Program (PDI). It is feared that the savings that are expected to be realized from this program would all be for nought if they have to make emergency purchases to cover for the delivery delay. There is also a request that the imports be expanded to cover essential inpatient supplies and drugs like IV fluids.

Many hospital improvements have been initiated by the Bulacan Provincial Hospital through the assistance of a Japanese grant. These improvements touch on quality improvements, revolving funds for the pharmacy, etc. Of the different technical areas proposed by MSH, they are interested and are currently

undertaking hospital costing through the Hospical Tool. They have set an April 30 presentation of their preliminary results.

Next Steps

- The last advocates meeting directed PhilHealth to conduct an intense (10-day) campaign to follow-up commitments with the mayors in the affected districts. The Consultant for the Governor also volunteered to follow-up 4 mayors as part of their commitment.
- The discussion on the referral systems needs to be tabled. They have an existing referral system but a review on this is imperative.
- The data encoding for the Hospical Tool is to be completed in mid-April and results to be presented by April 30.

PASAY CITY

Accomplishments as of 1st Quarter 2002

a) Social Health Insurance

- The PHIC outpatient benefits (OPB) monitoring system was pilot-tested in Pasay City. This was a computer-based system of capturing operational information from the city health centers. With more data being collected, better analysis of the OPB package could be done.
- One problem encountered was the increase in workload on the computer encoders in the City Health Office. As a result, these staff asked for salary increases.
- However, on the whole, the OPB monitoring system was determined to be effective and could, therefore, be implemented in other areas.

b) Local Health Systems

The major activity of the LHS in Pasay City was the strengthening of the referral system among the different health facilities. Through a workshop involving representatives of the City Health Office, the city health centers, the Pasay City General Hospital, and the UP-PGH, the problems and expectations associated with the present referral system were identified. A revised referral system based on the level of services that can be provided by each level of health facility was developed. A plan of action and forms were also developed. In the future, a referral manual will also be developed to guide health facility staff.

c) Hospital Reforms

- The objectives of the HR during this quarter were: to improve the quality of services and operational efficiency, to generate additional revenues so that PCGH can become self-sustaining over time, and to provide a legal, policy, and regulatory climate that permits and supports the retention and use of hospital revenues.
- The activities that were undertaken to achieve these objectives were the conduct of a workshop on the 5S technique, an orientation-workshop on total quality management, and the use of the HOSPICAL costing software.
- On the whole, the HR team successfully implemented the activities. A major problem was the lack of a unified leadership in the Pasay City General

Hospital, which hampered decision-making. Also, progress on the policy climate is slow due to the inattention of the political leadership.

d) Drug Management System

The major accomplishment of the DMS in Pasay City during this quarter was the conduct of a Therapeutic Committee Training Course for representatives of the Pasay City General Hospital and the city health centers. The course attempted to impart to the participants skills in formulary development and in improving drug use. At the end of the course, the participants developed action plans for the revitalization of their therapeutic committees, the development of their formularies, and the strategies to improve drug use.

Next Steps

- The city should continue its IEC activities to generate more interest in enrollment by indigents. It should also continue to look for alternative premium funding sources, e.g., their congressman, private companies, etc. It should also continue to dialogue with barangays to increase enrollment and utilization.
- The city should also continue to negotiate with other donor agencies, like JICA, PCSO, etc., to generate funds for the purchase of equipment for its health centers.
- The PCGH should expand its revenue centers, cut on costs, and conduct income-generating activities. These activities will complement other schemes of increasing the hospital's revenue, e.g., increasing referrals to the hospital by the health centers.
- Finally, to move the DMS reforms forward, these activities should be linked to the benefits of the other reform areas. For example, the city can be encouraged to revitalize its therapeutic committees and to develop its formulary as a way of cutting down on inventory holding costs and increasing pharmacy revenues. In addition, improved drug use can be related to fewer denied claims by PhilHealth.
- It is hoped that the continued implementation of these activities can lead Pasay City to the achievement of its Health Sector Reform 2004 Goals.

CAPIZ

Background

Social Health Insurance. Target is to achieve 60%-85% coverage of the population by year 2004 (50% informal sector, 75% indigent, and 100% formal sector). The province also aims to have all hospitals and RHUs accredited by PhilHealth. The province aims to have all municipalities enter into Memorandums of Agreement on the Indigent Program. The province also wants to expand the benefits provided by PhilHealth to include diagnostics. Finally, by the year 2004, the province aims to have all RHUs receiving their capitation funds.

Hospital Reform. The aims is to strategically position all hospitals. This means that each hospital will be within an integrated management system or Inter-Local Health Zones (ILHZ) and with fiscal autonomy wherein 50% of the MOOE revenue is generated. Their second objective was for all the eight (8) hospitals in the province to become SS and PHIC Accredited.

In the area of Drug Management Systems, they planned to setup a provincial pooled procurement system that will be participated by all the sixteen (16) municipalities of the province and one (1) city. They also envisioned that the Therapeutics Committees of the eight (8) hospitals in the province are to become functional meaning they are performing all their functions and duties as members of the TC. The province planned to continue availing of the parallel imported drug products for the outlets setup in three (3) hospitals.

For the Local Health System reform, the province planned to establish five (5) functional Inter-Local Health Zones (ILHZs). One of the primary areas they are focusing on here is on the setting-up of the referral system.

Accomplishments and Constraints

For Social Health Insurance, to increase PHIC coverage, the local PHIC together with the PHO have launched advocacy campaigns targeted to local chief executives (LCEs) and have initiated information and education campaign (IEC) to promote enrollment to the program. They also promoted the capitation funds as sort of incentives for the LGUs once they are able to enroll their people to the program. The major hindrance to this will be the lack of budget and support being given by the PHIC itself. The PHO is even complaining that they are having difficulty requesting for assistance (financial or otherwise) in promoting the program from the Provincial PHIC office. Another step undertaken by the province to add convenience and facilitate the enrollment process is to establish a PHIC Help Desk in the Bailan District Hospital (BDH). This was done with prior approval of the Zone Action Team (ZAT). However, they had difficulties

particularly with the lack of personnel from PHIC. Another problem that surfaced was with the collection of payments. The enrollees were having difficulty paying PHIC because the payment centers are located in areas that are quite distant from where they are located.

In the area of Hospital Reforms, the provincial hospital is already SS Certified. Other hospitals are having difficulty complying with SS requirements. In their efforts to upgrade their hospitals, they have complied with the various identified deficiencies. The main constraint in this effort is the inadequate support being provided by the DOH. In keeping the local doctors up-to-date with recent developments in the medical field, Continuing Medical Education (CME) Seminars are regularly conducted by UP-PGH. This is an on going circuit course at the provincial hospital. The constraint here is on the limited access to certain resources. Also, regular surgical missions are conducted by the UP-PGH team together with Team Capiznon sa Maynila, and other International groups. As with the earlier CME courses, limited access to certain resources needed to conduct these medical missions is a hindrance. On obtaining fiscal autonomy, the provincial governor is already allowing the use of all their income with the exception of those coming from accommodations and food. The rest goes to a trust fund. An orientation to the new patient classification system was conducted for the medical social workers. Another workshop was held on improving the billing and collection system and was followed by a workshop on costing for hospital services.

On Drug Management Systems, the plan to setup a pooled procurement program is on hold because they are waiting for "seed money" from the provincial fund worth Php 6M. The Philippine Charity Sweepstakes Office (PCSO) is also donating funds that will be used for the pooled procurement program. In the ILHZ level, they have already identified the District Health Zone (DHZ) TC which has been discussed by the District Health Zone Action Team (DHZAT). The HSR Advocates are also motivating the LGUs to join the provincial bulk procurement program. They are also continuously lobbying for an increase in the budget for drug procurement. The main constraint in this aspect is still the limited budget. In the procurement of PDIs, they have expanded sales to six (6) outlets including Jamindan Hospital. The major obstacle to this effort is that some hospitals do not have their own pharmacists. They have also proposed to DOH to use private hospital pharmacies as outlets and they are still waiting for their approval. One of the most noteworthy accomplishments of the province is their ability to negotiate with local representatives of multinational pharmaceutical firms to lower their prices and match those of the PDI drugs. They have procured cheap Cefuroxime IV and Metoprolol locally. One of the major constraints here is that most drugs on the importation list are not priority medicines identified in their hospital procurement plans.

Progress should be noted in the area of Inter-Local Health Zones (ILHZ). The province has created five (5) ILHZs: Roxas City, Bailan, Mambusao, Dao, and Tapaz ILHZ. Management structure has been organized and MOA signing of all LGUs in the province has been accomplished. The Integrated Community Health Services Project (ICHSP) Replication plan has been formulated and the priority areas have been identified for RMPH. Budgetary constraints are still a major hindrance to this effort. The ILHZ Action Team is monitoring progress in this area.

Assessment

Based on the various activities and accomplishments of the province of Capiz, it seems that an irreversible momentum has been created in the province. Local reform initiatives are in place and are moving on their own. One of the strongest basis for this statement is the fact that majority of these activities have occurred through the initiatives of the LGU and the various key officials identified as members of the Health Sector Reform Advocates Team. All of this was undertaken with technical assistance from the MSH-HSRTAP. Continuous monitoring and technical assistance is necessary to ensure that their efforts do not deviate from the main objectives of the HSRA and that the activities leading towards full implementation of the HSRA will be properly implemented.

Capiz is still ahead of the other convergence sites with regards to the implementation of the PhilHealth Plus. Close to 9,000 indigents have already been enrolled to the program and this constitutes about 7% of the entire population of the province. Moves to increase coverage among the informal sector are underway. The main constraint they are facing here is the weak support being given to the LGU by the local PHIC office. The DOH representatives are also busy following up the commitments of several mayors to provide their counterpart.

Hospital reforms are also moving quite well. The recent trainings and workshops conducted were much appreciated by the hospital staff and they have already started planning the implementation of the tools they have learned. Their ability to utilize part of their income is another plus factor for the province's efforts to improve hospital services.

Access to essential medicines has been greatly improved with the current influx of parallel imported drug products to the province. They have even increased their bargaining capability with local drug companies because of the presence of PDI. Pending the release of the funds from the provincial government and from the PCSO, the pooled procurement program will also be implemented. Ongoing drug use review activities will be necessary to ensure that drugs available in the different hospitals are used rationally.

With the establishment of five (5) ILHZs, it is quite evident that local health system reforms have already commenced. The ILHZ Action Team, in charge of overseeing the activities of the different ILHZs, continuously monitors their progress through monthly meetings. ILHZ Boards, on the other hand, meet quarterly to set policy and guidelines for implementation.

Next Steps

To increase coverage of the PHIC, continuous lobbying for the LGU counterpart, targeting of the informal groups, and expansion of outpatient services is recommended. PHIC must also increase their support to the efforts of the LGU by establishing Help Desks and extending PHIC offices to collect payments in the different district health zones.

For the area of hospital reforms, continuous follow-up of the different hospitals for compliance to SS accreditation guidelines must be done. This could be included in the agenda for the regular ILHZ meetings. Technical assistance must also be provided in the implementation of the various tools that were provided through the workshops conducted by the Hospital Reform team.

Development of a provincial drug formulary is necessary once the provincial pooled procurement program is started. The provincial hospital already has their own formulary. Recommendations from the Procurement Workshop conducted last February of 2001 must also be considered so as to come up with mechanisms that will simplify the procurement procedures. Continuous follow-up of the commitment of some LGUs to join the bulk procurement is also recommended.

With the creation of the five (5) ILHZs, close monitoring and evaluation of their progress is recommended to ensure their efforts won't be futile. The plan for the replication of ICHSP must be applied in order to improve delivery of quality health services. Additional priority areas to other departments of the provincial hospital is recommended.

NEGROS ORIENTAL

Background

Negros Oriental is one of the first eight provinces selected for the Convergence Strategy of the Health Sector Reform Agenda. It was chosen because of the strong political support to health and the presence of health reform initiatives in the field of sustaining hospital operations, local health systems development and bulk procurement for drugs at the provincial level.

The HSRA Convergence Planning Workshop was conducted in the province last April 19-20, 2001. A Convergence Plan covering the five health reform areas on health insurance, drug management, hospital, local health systems and public health was formulated. The HSRA advocates were also organized to ensure the implementation of the plan. Furthermore, the plan was presented to the political leaders in a "Health Summit" to gain popular political support and concrete commitments.

The targets in health insurance envisioned to cover 70% of the population will be health cardholders through participation of all LGUs in the Indigency program of PhilHealth. In hospital reforms, they targeted all hospitals to be "Sentrong Sigla" (SS)- certified and PhilHealth-accredited, presence of quality assurance committees, financial flexibility through the sub-allotment system and to generate income 40% of the MOOE. In drug reform, they envision to have an effective and efficient drug management systems by having pooled/bulk procurement system, adequate budget for drugs and procurement of parallel drug import drugs. In local health systems, the province has already an existing three organized ILHZ but they wanted to have 100% organized and functional ILHZ.

A quarterly meeting with the HSRA advocates, both at the provincial and ILHZ level (BINATA), were regularly conducted to know the progress in the implementation of the planned targets of the health reforms as well as constraints encountered.

Accomplishments as of 1st quarter 2002

a) Health Insurance

Increased number of Indigent HHs enrolled from 2,000 to 4,917
Increased number of municipalities/cities signed MOA to participate in the Indigency program from two to ten: Zamboanguita, Amlan, Bindoy, Mabinay, Dauin, Canlaon, Bais City, Ayungon, Tayasan and Jimalalud.

Bindoy RHU, a catchment of BINATA ILHZ, is the first to be accredited in region VII for the outpatient benefit package.

Major constraints include the following:

- PhilHealth has limited manpower to do regular follow up of interested LGUs on the Indigency program.
- Difficulty of LGUs to sustain premium payments.

b) Hospital Reforms

SS certified hospitals increased from one to three: NOPH, Bayawan and Siaton District Hospital.

Downgraded District Hospitals to primary are now upgraded to secondary except for Bindoy. However, Bindoy is currently complying with all the requirements.

Five S training completed in all hospitals with initial implementation.

Costing process for the diagnostic center of NOPH completed. The results will be applied to other departments.

Hospital generated income estimated at 45% of MOOE.

Documentation on the utilization of hospital income completed.

Major constraints include the following:

- Sub-allotment system no longer applicable in the present set up wherein accountants at the District Hospital are now assigned at the provincial capitol.

c) Drug Management Reform

- Provincial Therapeutics committee has been organized. This committee will be responsible in rational drug selection for procurement.
- Bulk procurement process accelerated. Recommendations and guidelines will be endorsed to the Sanggunian Panlalawigan to ensure compliance.
- Drug use review started.

Major constraints include the following:

- Difficulty in the implementation of the bulk procurement process due to disagreements on some procurement guidelines among members.
- Delayed delivery of PDI drugs.

d) Local Health Systems

Since ILHZ was already organized province wide, the activities in the quarter were centered on strengthening the referral system and the financing aspect particularly at BINATA ILHZ, and the formation of the Provincial Advocacy Network for FP/RH. There activities were on:

- workshop on strengthening referral system

- launching of the outpatient benefit package for Bindoy. Premium payment of Bindoy is tripartite sharing of the Provincial government, municipal LGU, and barangay through a 1% share of their IRA.
- MOA signing of Tayasan and Ayungon for the Indigency Program
- transfer of funds for the Matching Grant Program from the province and counterpart funds of catchment municipalities to the depository LGU (Bindoy).
- Formation of the Provincial Advocacy Network (PAN)

Major constraints include the following:

- Upgrading of Bindoy district hospital to secondary.
- Management structures of the newly organized ILHZ shall be put in placed.

Assessment

The strengths of Negros Oriental in the implementation of HSRA Convergence strategy is in the organization of the ILHZ and more advance initiative on hospital revenue enhancement and utilization of hospital income. The ILHZs have also a mechanism of cost sharing and management of the common fund. The pilot ILHZ (BINATA) has the strong support of the mayors and the political will to enroll indigents and avail of the capitation scheme. Two of the RHUs, out of three, are Sentrong Sigla- certified and PhilHealth has recently accredited one for the out patient benefit package.

The weak areas of implementation are in health insurance and bulk procurement. Province wide, only 50% of the municipalities have commitments to enroll indigents. Others are still apprehensive of not being able to sustain the premium payments. And some are saying that they did not fully understand the program especially the capitation scheme. However, the experience of Bindoy for the capitation scheme and BINATA ILHZ as a whole hopefully will create a ripple effect so that more LGUs will now enroll in PhilHealth.

The bulk procurement of the province has difficulty in taking off because of some internal problems they still need to resolve. The Governor is now closely tracking the progress of this endeavor. The Governor showed willingness to purchase more PDI drugs; however, there is a long delay in the delivery of the first order.

The greatest opportunity of the province in implementing the health reforms is the strong political support of the Governor, presence of NGOs/private sector supportive of health and the support of the CHD. This is one province where the Matching Grant Program was availed of by all organized ILHZ. The major threat as of the moment is the strong opposition of the Sanggunian Panlalawigan to the Indigency Program of PhilHealth.

Next Steps

Health Insurance.

- Strengthen capacity of the PhilHealth Provincial Service Office to be able to respond immediately to issues on Indigency Program, enrollment, accreditation and capitation and other concerns normally responded to by the Regional Offices.
- Frequent and regular follow-up of LGUs interested to enroll indigents.
- Prompt release of reimbursements and capitation payments.

Hospital Reforms.

- Monitor the implementation of the five S training and other hospital quality assurance programs
- Expand costing procedures to other departments
- Complete all requirements to upgrade Bindoy District Hospital to secondary.

Drug Management

- Complete the drug use review process
- Develop the Provincial Drug Formulary
- Fast track the bulk procurement program

Local Health Systems

- Finalize the inputs and content of the referral system to develop a manual
- Organize management structures in all ILHZ
- Conduct quarterly meeting for HSRA advocates and BINATA ILHZ
- Training in LAP and HSRA for the health advocates.

MISAMIS OCCIDENTAL

Background

The province of Misamis Occidental is one of the two pilot sites of the Health Sector Reform Technical Assistance Project in Mindanao. It was selected because of the exhibited determination of the provincial government to initiate and support health sector reforms, presence of an equally supportive and progressive local health officials, and existence of some health reform activities in the locality.

Like the other HSRTAP sites, the reforms implemented in Misamis Occidental revolved around four main concerns: health finance (social health insurance), public hospitals, drug management systems, and local health systems.

Ever since the HSRA's launching activity—the convergence workshop—was held in the province in August 2001, the local officials and staff have initiated numerous undertakings in the different reform areas.

Accomplishments and Constraints

a) Social Health Insurance

Enrollment of Indigents. The target number of households for enrollment for this year remains at 22,700. Of this number, 7,440 households are already enrolled. PhilHealth identification cards have been issued to 6,625 of the indigent HHs enrolled.

During the latter half of March 2002, the local PhilHealth office in Misamis Occidental was able to get a commitment from a congressional representative to enroll 10,000 additional indigents within the year.

The Ozamiz city government has also expressed support to the programs of PhilHealth. A city council resolution has been passed allowing the enrollment of 1,000 indigents. Ozamiz city's manifestation of support is a positive development considering that three months ago the LGU still has doubts on joining the PhilHealth indigent program.

Accreditation of RHUs. The rural health units of Bonifacio, Tangub, and Oroquieta have already received their accreditation from PhilHealth. In April 2002, the Bonifacio RHU is expected to get its first quarter capitation payment in the amount of P127,000. Tangub and Oroquieta are expected to receive theirs within the second quarter of 2002.

The RHUs of Calamba and Plaridel, on the other hand, have been inspected and their PhilHealth accreditation is now being processed. Five RHUs (Tudela, Clarin, Aloran, Ozamis, and Jimenez) are scheduled for inspection in April and May.

Constraints. There are field reports that politicians in the province are once again divided according to their political party affiliation. The recent murder of a provincial board member, belonging to a prominent clan, may have triggered the polarization of political leaders and followers. It has adversely affected local projects, as politicians tend to avoid collaborative undertakings with members of the opposing parties. For example, in enrolling indigents in the PhilHealth, a cooperative sharing scheme between the province and the cities/municipalities is ideal. But reports tend to indicate that some LGU officials are avoiding joint projects with the opposition.

The local PhilHealth office has also expressed concern about the inadequacy of drug supply in the hospital pharmacy. PhilHealth enrolled patients have complained of the unavailability of drugs in the pharmacy. The situation has forced the patients to shell out funds from their own pockets. Unfortunately, the situation does not augur well to the PhilHealth image. It is contrary to PhilHealth pronouncements that adequate support will be provided to its members, particularly those enrolled in the indigent program. The situation calls for immediate, concerted action to prove that reforms are sincerely being undertaken.

b) Public Hospitals

Orientation on cost allocation tool. A core group has been organized in the provincial hospital. The core group has been tasked to lead the facility in implementing the HOSPICAL or hospital cost allocation tool. The core group has been oriented on the principles and strategies on building the database for the cost allocation tool. As of the middle of March 2002, the provincial hospital staff has already managed to complete 80% of the required information for the database.

Update on 5S quality improvement program. The 5S quality improvement training has also resulted in minor changes within the hospital. A number of unserviceable equipment has already been disposed, allowing the hospital to free some of its spaces. These additional spaces will be very important as the hospital begins to plan out its operations and define strategies on how to effectively maximize its resources.

Some units have also initiated clean-up drives within their respective areas. The initiative further enhances the already clean and beautiful surroundings of the hospital. The 5S committee is planning of holding regular contests among its

staff and units as part of its campaign to gain wider support for quality improvement initiatives in the hospital.

DOH's capital outlay support to the province. The DOH has likewise conducted an assessment and inventory of facilities within the public hospitals in the province. The health department is planning of providing support to the local health facilities needing additional capital outlay.

Constraints. While the MOPH has recognized the need for the HOSPICAL tool in determining the real cost of services, the facility itself is severely undermanned and could not provide a regular staff support for the database building. In fact, some of the activities within the hospital have been adversely affected by the lack of personnel. The release of medical supplies, for example, is sometimes delayed as the CSR staff also double as ECG operators.

It would definitely help if the hospital would be able to assess its internal systems and identify areas for improvements. It has been noticed that government hospitals, aside from being understaffed, have antiquated systems. The systems no longer contribute to an efficient and effective health care delivery. To a certain extent, such a move would allow the hospital staff to cope up and focus only on the important aspects of their assignments.

c) Drug Management Systems

Establishment of a public pharmacy. The public pharmacy of the Oroquieta district health zone has already been constructed. As mentioned in the convergence site report last quarter, the public pharmacy is a joint undertaking of the Center for Health Development (DOH regional office) 10, the provincial government of Misamis Occidental, the city government of Oroquieta, and the municipalities under the district health zone.

It has not been operational, though. Medicines ordered from the Pharma 50 project of the DOH have not yet arrived. Unfortunately, since the purchase request has already been submitted, capital funds, in the amount of P700,000, has been earmarked as payment for the drugs.

Drug use review. Although the HSRTAP-Drug Management team was able to orient the public hospital therapeutic committees (TCs) on module 1 of the drug use review, the TCs have not been able to conduct researches. In a follow-up meeting, the HSRTAP team decided to help the TCs formulate a new drug use review form. Hopefully, the TCs will be able to perform their assigned tasks and report on the drug usage in their respective facilities.

The members of the various therapeutic committees have also committed to develop their own respective drug formularies. The drug use review 2, which should have been a review of the assigned tasks of DUR 1, was re-scheduled for sometime in May or June 2002.

A recurring issue for several months already is the unavailability of injectable antibiotics in the hospital pharmacy. The purchase request and purchase order have been submitted to the provincial General Services Office (GSO) but no purchase have actually been reported to date.

d) Local Health Systems

MOA on inter-LGU cooperation signed among members of Oroquieta district health zone members. Representatives of the local government units comprising the Oroquieta district health zone signed a memorandum of agreement on inter-LGU cooperation.

Referral system consultative workshop. A referral system consultative workshop, participated in by health professionals working in barangay health stations, RHUs, and government hospitals from the province, was held last quarter. The referral system workshop was designed to strengthen the referral systems in the province. It reviewed the existing systems, formulated guidelines, and resulted in agreements on the forms to be used

Assessment

The building blocks for health reforms are difficult to lay down. Understandably, numerous concerns and interests come into play as changes are introduced in each health sub-sector. The province of Misamis Occidental is no exception. There are instances when the implementation of reforms slow down due to conflicting views of the stakeholders.

Compared to the last quarter of 2001, the first three months of this year produced not too many results. It is probably because some of the interventions during the first quarter were, as mentioned earlier, springboards for the attainment of bigger objectives. Except for a handful of workshops and the Oroquieta district health zone MOA signing, the actual enrollment of more indigents did not materialize and the researches in the area of drug use review and public hospital costing exercise were not finished within the desired timeframes.

It is hoped that the change in pace is not a manifestation of the decreasing interest among the local health staff, the DOH, the LGUs, and the HSRTAP.

Next Steps

- Provincial HSR advocates need to provide a venue for continuous update and planning.

There appears to be a growing concern that the local officials (e.g. governor, sanggunian panlalawigan members, mayors) are not regularly oriented on the developments within the health sector. The provincial HSR advocates are encouraged to hold meetings often to discuss problems related to project implementation. The meetings should also include a discussion on how to present progress reports to LGU officials and the general public. The advocates are currently holding quarterly meetings. It may be necessary to hold the meetings much more often than the present practice. The meetings may be held in the different municipalities or districts, and may also involve LGU officials to keep them informed on the developments within the health sector.

Visits to the project sites must also be done not only by the project implementers but by the policy makers as well. It will definitely give them a better grasp of the problems and achievements.

The provincial HSR advocates should also invite the PhilHealth and DOH central and regional offices to their quarterly meetings to at least keep them informed of developments within the local health sector.

- The DOH and DTI need to accelerate the purchase and delivery of Pharma 50 drugs

Drugs are urgently needed in the public hospital pharmacies of Misamis Occidental. With the support generated by the marketing campaigns of the Parallel Drug Import Project and Pharma 50, it is now important for the DOH and DTI to deliver promptly to ensure the continuous support from the LGUs. Provincial governments are presently forced to hold emergency purchases as a result of the delays in the delivery. Sadly, emergency purchases turn out to be more expensive and local governments end up paying more.

- The provincial government may want to consider adopting strategies to augment the hospital budget

The continuing government budgetary deficits have severely limited the capability of public offices to extend quality basic services. However, the local government code has given LGUs some latitude in exploring innovative ways to expand their resource base. One successful strategy, which has aroused the interest of many an LGU, is the granting of authority to hospitals to use their income. Provincial hospitals have demonstrated its capabilities to generate

revenues. By allowing these health facilities to utilize its income, additional resources will be available for drugs and medical supplies. It may also be tapped to hire additional manpower and upgrade or purchase new equipment to better serve its clientele.

- The DOH, HSR advocates, and the HSRTAP should clearly define the roles of the different stakeholders in an integrated health zone

Inter-local health systems are viewed as the concept that would unify all local health sub-sectors into an organized manner. However, several concerns have been raised regarding the roles and responsibilities of the different stakeholders. The hospital officials, for example, are afraid that public health people would continuously expect them to provide staff support for field activities when the health facilities themselves are severely understaffed. The need for regular dialogues among the affected units has already been underscored earlier. However, it is also essential for the stakeholders to draw up viable strategies that take into serious consideration field realities. The mechanics should also be well defined to guide the implementers.

- The DOH and HSRTAP need to devise ways to continuously stir the interest of project implementers and policy makers

The project proponents, namely the LGUs, DOH and HSRTAP will have to regularly find ways of stimulating the interest of the field staff in implementing health sector reforms. Study tours or exposure trips will greatly help the staff learn new ideas. It also gives them the opportunity to share and gauge their work in relation to the developments in other communities.

SOUTH COTABATO

Background and Accomplishments

Following the provincial and district advocates meeting in November 2001, the province has moved ahead in accomplishing its plans for the different reform areas. The first quarter saw the implementation of the Outpatient Benefit Package for the Indigent Program with the accreditation of the Norala District RHU. The necessary documentation requirements from the LGUs were also accomplished. Norala is just awaiting the release of the capitation payment from PhilHealth. There are however five more RHUs that have not been accredited due to the failure of the LGUs to submit documentary requirements, particularly the PCF ordinance.

The procurement for PDI drugs has been consolidated for the province and they are now awaiting delivery. For the general procurement, they planned not to pool procurement, and instead set up an index price and allowed flexibility for individual hospitals' procurement. The provincial formulary is still being developed. On rational drug use, the first module for drug review has been initiated. The second module, an assessment on the baseline and planned activities for intervention to improve RDU, was completed this quarter. Post intervention assessment will be made this April as part of the third module of the drug use review.

There has been no intervention in the Hospital sector this quarter, following the 5S activity in the last quarter. There has been difficulty in communication with the Chief of Hospital on the matter.

Assessment

There is now a momentum developed for the implementation of the health sector reform agenda in South Cotabato. Local health systems are being developed in two more areas – Koronadal and Tantaran. There is now an inventory or assessment of the 11 rural health units in the province for quality improvement interventions and PhilHealth accreditation. Follow-up on five more RHUs for PhilHealth accreditation is underway.

Next steps

LGUs who have not paid their premiums with PhilHealth will have to be followed up and the regional office of PhilHealth is working out whether a certificate of budget availability is sufficient for the capitation payment release.

The hospital group has to speed up its intervention in the next quarter. Three sessions are scheduled this April: TQM, procedures writing and flow-charting, documentation of the billing and collection system.

The drug use review final module is scheduled April. This will assess the interventions that have been in place arising from the second module lessons.

The South Cotabato group will also be involved in the study exchange and will be observing the implementation of the HSRA convergence in Capiz.