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Makati Health Program (Yellow Card)

Philippines

Best Practice

New for 2002

Categories: Social Services:
- health and welfare

Level of Activity:

Ecosystem:

Summary

The Makati Health Programme (MHP) was designed to provide residents of the city of Makati with monthly incomes not exceeding PhP8,000 (US\$156) access to quality health care. The cost of health care in Philippine urban centers is so prohibitive that it is beyond the reach of citizens belonging to this income bracket. Also included, as programme beneficiaries are the elderly and city government employees including public school teachers, policemen and firemen. Makati is one of the few cities in the Philippines that provide subsidized quality health care to its constituents.

The local government of Makati has as its private sector partner the Makati Medical Centre. The programme has two non-governmental organization (NGO) partners: the Ospital ng Makati Foundation and Bagong Ina ng Bayan.

The program has given beneficiaries the opportunity to avail of services such as major surgeries in one of the best private hospitals in the Philippines. In 2000, 50,042 cardholders were treated at the Makati Medical Center, with total billings of PhP170 million (US\$3.3 million). Under the terms of the expenses sharing scheme, the city government of Makati shouldered PhP96 million (US\$1.9 million), and Makati Medical Center, P74 million (US\$1.4 million).

Taken together with the local government's initiatives in preventive health care, the Makati Health Programme has contributed to declines in the mortality rate and improvements in morbidity rates across all ages.

Narrative

SITUATION BEFORE THE INITIATIVE BEGAN

The municipal government rented one floor of the Makati Medical Center, where residents of Makati can get free medical treatment. To qualify, a resident had to be earning less than P1,000 (US\$19.50) a month. However, most of the patients were either non-residents or came from higher income brackets.

ESTABLISHMENT OF PRIORITIES

A review of the programme was undertaken by the office of the Mayor, the Makati Health Department, and representatives of Makati Medical Center immediately after the change in leadership following the February 1986 Revolution. The review focused on ways to broaden the number of beneficiaries and ensure that only legitimate residents are admitted to the programme. A decision was reached to increase the income ceiling from PhP1, 000 (US\$19.50) a month to PhP5,000 (US\$97.70). A decision was also made to include all municipal employees and their families, all members of the Makati police force and their families, members of the Makati Fire Department and their families, and all public school teachers and their families.

The programme's coverage would again be expanded to include residents earning PhP8,000 (US\$156) and below, based on the results of the 1997 Family Income and Expenditure survey of the National Statistics Office. Out of 108,613 families in Makati, the survey said 616 families were earning incomes below PhP8,000 (US\$156). Makati's senior citizens regardless of their economic status were also included.

FORMULATION OF OBJECTIVES AND STRATEGIES

The Makati Health Programme places quality health care within reach of the city's low-income residents by providing subsidized hospitalization services in one of the best private hospitals in the Philippines. Designed and approved by the municipal leadership, the Makati Health Department and the Makati Medical Centre, the programme entitles beneficiaries to the full range of medical services at the hospital. By easing their financial burden, the programme helps beneficiaries save on their medical expenses, allowing them to use their income for other basic needs such as food, shelter, and clothing. The programme also seeks to enhance the private sector's participation in and commitment to the local government's efforts to provide quality service to the local populace.

MOBILISATION OF RESOURCES

The city government of Makati and Makati Medical Center implements the programme through a contract of services which stipulates the availability of medical services and rental of 75 beds for cardholders. The contract is renewed every six (6) months. The share of the local government is appropriated by the Makati City Council through a council resolution. Makati Medical Center shares in the programme cost. The most recent contract specifies an expense-sharing scheme of 46 per cent for the local government, 53 per cent for Makati Medical Center, and one (1) per cent for the patients.

Doctors, nurses and the medical staff of the Makati Medical Center provide medical services, while the city government, through the Makati Health Programme Office, is in charge of processing applications, monitoring the implementation of the programme and getting feedback from the beneficiaries. The Makati Health Department, another office of the local government, provides necessary inputs on medical concerns. The NGO partners assist by providing free medicine and verifying the identities of applicants through home visits. They also help the Program Office in monitoring the programme's implementation.

PROCESS

The Programme Office requires applicants to submit several documents, which includes Voter's Affidavit or Voter's Registration Receipt, Certificate of Employment, Barangay Clearance (issued by the barangay (village) chairman), Community Tax Certificate, Latest Income Tax Return, Marriage Contract, and Birth Certificate of Children (as dependents).

A classification system determines the category of applicants based on the family's gross monthly income. The income bracket sets the maximum service fee that cardholders are required to give to the program.

Family cards are issued to heads of families with dependents aged not more than 18 years , while solo

cards are issued to individuals who are 18 years old and above. These yellow cards are renewed every six (6) months, and the cards of those who are no longer residents are revoked and confiscated.

The following are the problems encountered, and the solutions:

Increased number of beneficiaries: In 1989, the municipal leadership opened the Ospital ng Makati (Makati Hospital), to accommodate cardholders with non-critical ailments like low risk pregnancies/deliveries, and minor surgery. New lying-in clinics and health centers were constructed and existing ones rehabilitated and provided with modern equipment and adequate supply of medicine.

Rising cost of medicine and medical supplies, depletion of stock at the city-managed Ospital ng Makati: The Ospital ng Makati Foundation, a private foundation, was established to assist the most needy cardholders by providing them with free medicine. The Programme Office and Ospital ng Makati management also imposed a policy asking patients whose incomes fall within the PhP2,000 (US\$39) to PhP2,999 (US\$59) bracket to replace the medicines they have used. The hospital management and the foundation also solicits donations from drug companies particularly Makati-based companies, corporations and individuals.

Expired yellow cards due to non-application and/or renewal. Outreach Programmes are conducted regularly, in coordination with the Makati Health Department, Makati Action Center, barangay (village) councils, NGOs, and church groups. The outreach programme includes screening of applicants and renewal of yellow cards.

Submission of fraudulent documents. In some cases, social workers discover that the patients are no longer residents of Makati or their monthly incomes are already above the ceiling of PhP 8,000 (US\$156). As a solution, social workers, program staff and NGO workers conduct regular home visits, assisted by barangay (village) health workers and officials. The visits are intended to verify the residency of cardholders and applicants.

RESULTS ACHIEVED

From January to December 2000, a total of 50,402 cardholders were treated at the Makati Medical Center and the Ospital ng Makati. A review of the patient's records show that the beneficiaries received much-needed medical treatment, which normally they could not afford. Josefa Castro, a resident of barangay Sta. Cruz, is an example. Mrs. Castro underwent neuro-surgery in 1997. Her bill totaled PhP558,000 (US\$10,900), but she paid a service fee of only PhP200 (US\$3.10). Marilou Laus of barangay Poblacion was born in 1997, but had to be confined for observation. Her bill totaled over PhP181,000 (US\$3,500) but her parents paid only PhP500 (US\$10). The availability of quality health service at subsidized cost has allowed the beneficiaries, who belong to the low-income bracket, to allocate their income for other concerns such as food, clothing, shelter and transportation. The cost of hospitalization has become less of a concern.

To measure direct impact, beneficiaries are required to answer customer satisfaction survey forms before they are discharged from the hospital. The beneficiary is asked to evaluate the services, and provide suggestions to improve the programme. These survey forms were instituted in 1986 and have provided the local government and its partners' valuable inputs in evaluating and introducing changes in the program. The Programme Office staff, health workers, barangay (village) officials and NGO volunteers also conduct home visits to check the progress of patients recently discharged from the hospitals. These visits provide opportunities for gathering additional feedback from beneficiaries regarding the programme and its services. Home visits are also done to check if the beneficiary is still qualified under the residency and income requirements of the programme.

The Mayor of Makati, Jejomar C. Binay, conducts monthly dialogues with residents from Makati's barangays. Known as "Ugnayan sa Barangay," these dialogues provide the mayor and key city officials present with feedback from residents regarding government programmes and services. The yellow card programme has received high marks from the residents. The results of the customer

satisfaction surveys, the home visits, and the mayor's dialogues with residents guide the local government and its partners during the programme's evaluation, which precedes the signing of a new six-month contract. It directly influences the terms of the contract, which stipulates the obligations of each partner institution.

SUSTAINABILITY

The pre-1986 municipal administration left behind a municipality deep in debt. After setting right Makati's financial situation through fiscal discipline and harnessing the support of the business community, who contribute a large share of the city's revenues, the administration of Jejomar C. Binay adopted a policy of using city resources to meet the needs of its lower-income residents. Health care was identified as a key concern. At that time, lower-income residents had no access to quality health service. Existing health facilities of the local government were ill equipped to meet the needs of residents.

As the financial and commercial capital of the Philippines, funding for the programme was not considered an area for concern. However, the local government initiated talks with a private sector partner - Makati Medical Center - which agreed to share the cost of the programme. Makati-based NGOs were also tapped to provide technical and manpower support for the programme.

The partnership has allowed the local government to allocate more resources to upgrading existing health facilities, building new health centers and a tertiary hospital. The city government of Makati has also entered into a partnership with a national government agency (Philippine Health Insurance Corp.) to expand the programme's coverage and meet the growing medical needs of the target beneficiaries.

The programme categorizes beneficiaries as "medically indigent" meaning they are unable to meet the medical needs of their families. However, in the same way that the local government has tapped the private sector and the NGOs, the beneficiaries were also made to participate in the programme by paying service fees based on their income classification. The amounts involved, however, are merely token amounts. The scheme was adopted to first, discourage overdependence on government; second, make the beneficiary aware of his obligations and the importance of sharing in the programme's sustainability and third, remove the public stigma of being labeled a mendicant, and instead be considered both as beneficiary and programme partner.

LESSONS LEARNED

Despite the availability and accessibility of primary, secondary and tertiary health services to residents of Makati, particularly low-income residents, the Makati Health Program often finds itself unable to meet the ever-growing need of residents. The number of reserved beds (75 under the contract with Makati Medical Center plus the 200 beds of the Ospital ng Makati) and the number of cardholders (187,796 as of 2000) is far from ideal.

In response, the local government decided to augment the services by enrolling cardholders and new applicants in the Philippine Health Insurance (PhilHealth) programme of the national government. Implemented in 2000, yellow cardholders who cannot be accommodated by the private sector partner under the Makati Health Programme can be admitted by the hospital as PhilHealth card holders. They also enjoy other benefits of regular membership in PhilHealth, including admission in any PhilHealth-accredited hospital or clinic nationwide. At present, 16,834 families are members of PhilHealth. The city government pays PhilHealth PhP10 million (US\$195,580) a year. To influence the number of cardholders needing hospitalization, emphasis should also be placed on preventative health care. The city government maintains health centers in 29 of the city's 32 barangays. It also has four (4) lying-in clinics. Facilities and the technical skills of the staff at these health centers and clinics are regularly upgraded. The medical staff conducts regular information drives in their barangays on ways to keep healthy, maintain a healthy environment and prevent the outbreak of communicable diseases. Barangay-level medical staff participate in multi-agency medical missions and outreach programmes.

Opportunities for partnerships with the private sector and NGOs must always be explored. The participation of a private hospital (Makati Medical Center) and NGOs (Ospital ng Makati Foundation and Bagong Ina ng Bayan) have allowed the local government of Makati to free up its resources for other health-related programmes, particularly preventive health care, the construction and upgrading of public health facilities such as the Ospital ng Makati and the network of health centers. Such partnership arrangements have been replicated in other programs of the city government, particularly in social welfare, cultural promotion, livelihood assistance, and technical skills training.

TRANSFERABILITY

The Programme Office and the Makati Health Department responds to requests from local governments, national government offices, international agencies and foreign governments for extensive briefings on the program. The indispensability of partnership arrangements with the private sector and NGOs is emphasized, along with the responsibility of the local government to ensure stability in meeting funding requirements.

Among the local governments that have indicated their desire to replicate the Makati Health Programme are the local governments of Las Pias, Pasig, Mandaluyong, and Paraaue, all in Metro Manila, and San Fernando, Pampanga province.

In October 2001, the Programme Office gave a briefing to health and social services officials from Indonesia looking for applicable models of health programs managed by local governments and private companies. Aside from ensuring fund availability on a long-term basis and securing partnerships, it would be advisable for the implementing local governments or institutions to determine at the onset the ideal balance between the number of beneficiaries and the availability of facilities. An inventory of target beneficiaries would be helpful at the onset. This would help avoid instances of backlogs in the processing of hospital admissions owing to the lack of vacant beds or depletions in medicines and supplies, as in the case of the Ospital ng Makati. Based on the proponent's experience, it had to construct its own hospital to accommodate cardholders. Not all local governments would have the financial capability to immediately build a new hospital or construct additional health facilities to attend to cardholders and residents, in general. Such an inventory, regularly updated and maintained, would also help immediately ferret out false residency and income claims.

Key Dates

May 1986 - Signing of contract with Makati Medical Center

1989 - Establishment of local government-owned Ospital ng Makati

1989 - ongoing - Construction of health centers, upgrading of facilities

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Type of Organization: Local Authority

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Type of Partner Support: Technical Support, Administrative Support

Financial Profile

Year	Total Budget (US\$)	Local Government City of Makati (% of the budget)	Private Makati Medical Center (% of the budget)
2000	3,314,528.60	57% (\$1,873,902.01)	43% (\$1,440,626.59)
1999	3,637,966.04	39% (\$1,405,426.51)	61% (\$2,232,539.53)
1998	4,016,552.80	30% (\$1,194,612.53)	70% (\$2,821,940.27)

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