

# **Monitoring and Evaluation Tool for Health Care Financing**

## **I. INTRODUCTION**

This report presents the framework and tools for the monitoring and evaluation of health care financing activities in the Integrated Community Health Services Project (ICHSP) pilot and replication provinces. It is intended as a guide for the central office and regional office replication teams in assessing the progress of work in the implementation of health care financing reforms in the ICHSP provinces.

Section II of this report describes the monitoring and evaluation framework for the implementation of the health care financing (HCF) component of ICHSP. This includes a succinct and brief presentation of the purposes and goals of the HCF component of ICHSP, the specific objectives, the project inputs and processes as well as the expected outputs. This section also includes a summary, in matrix format, of the logical framework of the HCF component of ICHSP detailing the target indicators of accomplishment of the goals, objectives, inputs, processes, and outputs of the health care financing component of ICHSP. Also presented in the matrix are the means of measurement of each target indicator and suggested frequency of collection or reporting of information on said indicators.

Section III of this report describes the key steps and activities that need to be undertaken at the LGU level to implement the HCF component of ICHSP. This includes steps and procedures in implementing preferred HCF options.

Section IV of this report presents the suggested monitoring and evaluation tools for collecting and reporting the information on the progress and/or results of implementation of the various health care financing schemes or models being tested and/or replicated in the ICHSP provinces.

## **II. HCF MONITORING AND EVALUATION FRAMEWORK**

The HCF monitoring and evaluation framework follows the simplified log frame for the implementation of the HCF component of ICHSP. For this purpose, the statements of purposes and goals, objectives, inputs, processes, and expected outputs of the HCF components are reviewed and recapitulated as basis for the development of suitable monitoring and evaluation tools that could be used to measure project performance in health care financing.

### ***Statement of Purposes and Goals***

The implicit purposes and goals of the Philippine health care financing policy that the HCF component of ICHSP is supportive of are summarized below. These are:

1. To increase total health care spending to approximate the ideals and standards prescribed by international authorities such as the World Health Organization and the World Bank as adequate and necessary for meeting basic human welfare needs;
2. To reduce government spending or subsidies for personal health care in keeping with allocative efficiency criteria and considerations;
3. To substantially increase the proportion and levels of public spending or subsidies for public health care to meet basic human welfare needs for health protection, prevention of diseases, injuries, and longevity; and

4. To promote efficiency, equity, and adequacy in health care spending.

### ***Statement of Project Objectives***

The primary objective of the health care financing component of the ICHSP is to demonstrate effective means of achieving national policy goals in the pilot and replication provinces by focusing on the following specific objectives:

1. Expanding the sources of health care funds in order to increase total amounts available for health care spending in the pilot and replication provinces;
2. Increasing the contribution of social health insurance in total health care spending to more appropriate levels;
3. Improving the structure and efficiency of health care spending in the pilot and replication provinces by progressively shifting the burden of paying for personal health care from government and household out-of-pocket to social health insurance and other private sources; and
4. Rationalizing government spending for health care by progressively shifting towards more public appropriations for public health services and less for personal health care.

### ***Project Inputs and Processes***

The health care financing component of ICHSP is designed to provide technical and other resource support to facilitate and fast-track the attainment of the policy goals and project objectives in the pilot and replication provinces.

The principal inputs provided by the project include technical assistance, training support, and provision of other resource support necessary for the development, testing, and replication of promising HCF models that could be adopted and/or adapted at national and local levels.

In particular, the following specific developmental activities shall be supported:

1. Setting up local health accounts and promoting its use by LGUs as the primary tool for HCF policy and program development and analysis
  - 1.1. LHA estimations to be coordinated and managed by NSCB
  - 1.2. LHA dissemination seminars for LGU stakeholders and LCEs
  - 1.3. LHA-based policy formulation and program development for HCF reforms as needed
2. Promoting progressive cost-recovery for personal health care services provided in public hospitals and RHUs/BHSs through the development of the following alternative HCF models:
  - 2.1. HCF models for affordable drugs and medicines
    - 2.1.1. Cooperative Pharmacy
    - 2.1.2. Revolving Drug Fund through Social Franchising (Famus/NPF)
    - 2.1.3. Parallel Drug Importation

- 2.2. Setting up affordable fixed user-fees system in public hospitals and RHUs/BHSs and enhance cost-recovery through health insurance
  - 2.2.1. Collection of fixed, graduated fees for admission/consultation in public hospitals/rural health units (RHU) for selected personal health care services as a regulatory measure to promote rational use of facilities and services and control unnecessary use of costly services and facilities
  - 2.2.2. Participation in social health insurance schemes to recover actual cost of personal health care services rendered and to generate funds to replenish consumables and maintain facilities and services
  - 2.2.3. Retention of proceeds from user fees and social health insurance payments in the health sector for use in upgrading of facilities and services and progressively re-allocating more resources for public health services
  - 2.2.4. Adoption of rational planning and programming of health care funds for essential public health and clinical services
- 2.3. Expanding health insurance membership/enrolment among users of public hospitals and RHUs/BHSs
  - 2.3.1. Enrolling indigents and self-employed in NHIP Indigent and Individually Paying Programs
  - 2.3.2. Expanding coverage and upgrading benefits of other local or community-based health insurance programs
  - 2.3.3. Setting up affordable local or community-based health insurance programs and other risk-sharing schemes as parallel or complementary programs to NHIP
- 3. Promoting reforms in the public finance system for health through:
  - 3.1. Progressive reduction and elimination of government subsidy for personal health care (by introducing fixed user fees and cost-recovery schemes in government health facilities)
  - 3.2. Advocacy for public hospital autonomy
  - 3.3. Progressive increase in allocation of government funds for essential public health services
    - 3.3.1. Raising per capita allocation or proportionate share in total public expenditures or GDP based on recommended international standards
    - 3.3.2. Zero-based planning and programming of public health investments
    - 3.3.3. Balancing appropriations between personal services, MOOE, and capital outlay for more effective service delivery
    - 3.3.4. Contracting of seasonal public health services (e.g. malaria spraying operation, environmental sanitation, etc.)

- 3.4. Identification and development of alternative sources of funds for public health programs
  - 3.4.1. Bonds
  - 3.4.2. Foreign grants and loans
  - 3.4.3. Proceeds from national and local lotteries
  - 3.4.4. Proceeds from LGU income-generating enterprise (e.g. public market, slaughterhouse, bus terminal, sports center, etc.)

**Project Expected Outputs**

The following are the major expected outputs:

- o LHA estimates done and results disseminated to LGU stakeholders;
- o LHA used by LGUs in formulating policies and introducing HCF reforms;
- o Cost-recovery policy adopted in public hospitals and RHUs;
- o User fees system implemented and operational in public hospitals and RHUs;
- o Income retention system adopted and in place in public hospitals and RHUs implementing the user fees system;
- o Cooperative Pharmacy operational and financially viable;
- o Revolving drug funds or botica sa barangay linked to NPF social franchising program established and operational;
- o Parallel drug importation program successfully implemented in provincial/district hospitals
- o Social health insurance program (SHIP) enrolment expanded (NHIP and private or local SHIP)
- o Local or community-based health insurance system operational and enrolling a significant proportion of previously un-insured population (either as a parallel or supplementary health insurance scheme to NHIP)
- o Reforms in public health financing successfully implemented and sustained.

**Table 1: HCF Component Log Frame**

Particulars	Target Indicators	Means of Measurement	Frequency
Purpose/Goals	Increased total health care expenditure Reduce % govt HCE personal health Increase % govt HCE public health Reduce % HCE from HH-OOP Increase % HCE from SHI	Local Health Accounts LHA/COA report LHA/COA report LHA LHA	Annual, or every 3 years
Objectives	Cost-recovery policy in public hosp/RHU Increased SHI enrolment/membership Develop alternative HCF schemes	HCF Forms 1 & 2 HCF Forms 8 HCF Forms 2	Upon effect Quarterly Upon effect
Inputs/Processes	Advisory Services extended to LGUs Training/Seminars/Fellowships conducted No. LGU participants in HCF training Social marketing activities done Information/reference materials dissem. Improved systems adopted/installed	HCF Form 1 HCF Form 1 HCF Form 1 HCF Form 1 HCF Form 1 HCF Form 1 & 2	Quarterly Quarterly Quarterly Quarterly Quarterly Quarterly
Outputs	LHA results available & disseminated Coop pharma operational and viable Revolving drug fund oper. And viable	LHA HCF Form 1-6 HCF Form 1-6	Annual Quarterly Quarterly

	PDI successfully implemented User fee system oper. And viable Increased NHIP enrolment Other SHI operational and viable Public Finance Reform adopted and oper.	HCF Form 1-6 HCF Form 1-4, 7, 10 HCF Form 8 HCF Form 1-4, 8-9 HCF Form 1-2	Quarterly Quarterly Quarterly Quarterly Quarterly
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### III. KEY ACTIVITIES AND STEPS IN IMPLEMENTATION OF HCF COMPONENT

The implementation of the health care financing component of ICHSP requires the extension of both social marketing and promotion inputs coupled with technical assistance and monitoring/supervision inputs to targeted LGUs. More important, it requires strategic actions and decision by LGUs themselves to adopt and implement the needed HCF reforms. Not all the identified HCF reforms are expected to be adopted in toto in all LGUs. Instead, LGUs are given a free hand in selecting their desired HCF reform options. There are, however, expected synergies that could be gained by implementing the proper combination of HCF reform options. This means that LGUs who implement more HCF reform options gain more benefits than those who only implement a single option.

The key activities and steps in the implementation of the HCF component are as follows:

1. HCF Orientation Seminars and one-on-one information dissemination to LGU stakeholders about health care financing, why it is important, and how HCF reforms can improve the quality and reach of essential health services.
2. Conduct of LHA estimation by NSCB and dissemination of results to LGU stakeholders.
3. LGU adoption of HCF reform packages, through SB resolution or Executive Order. This could include one or more of the following:
  - 3.1. Cost-recovery schemes for financing personal health care in public hospitals and RHUs
    - 3.1.1. Cooperative Pharmacy
    - 3.1.2. Revolving Drug Fund (Famus-NPF)
    - 3.1.3. Parallel Drug Import
    - 3.1.4. Graduated User Fee System
    - 3.1.5. Public Hospital Participation in Social Health Insurance (SHI)
    - 3.1.6. Policy on Retention of Proceeds of User Fees and SHI
    - 3.1.7. Expansion of National Health Insurance Program coverage (for indigent and self-employed) and benefits support value
    - 3.1.8. Local Health Insurance organization and operation as parallel or supplementary schemes to NHIP
  - 3.2. Public finance reform schemes (in tandem with Integrated Health Planning System)
    - 3.2.1. Performance budgeting system (based on rational planning)
    - 3.2.2. Increased allocation for essential public health services
    - 3.2.3. Contracting/subcontracting of selected public health works
4. Organization and appointment of responsible persons and institutions to implement HCF reform package
  - 4.1. Designation of chief executing officer
  - 4.2. Creation of HCF Task Force

- 4.3. Linkage with NGO partners
- 5. Preliminary technical assistance to LGU to facilitate implementation of HCF reform package
  - 5.1. Advisory services (by CHD and CORT or consultant)
  - 5.2. Short courses (to be designed by ICHSP or commissioned to suitable training institution)
  - 5.3. Study tours (foreign and domestic)
  - 5.4. Monitoring/supervision and on-site coaching by CORT/CHD/consultant
- 6. Get started on implementation of HCF reform packages (Refer to Handbook on Health Care Financing for ideas and guidelines)
  - 6.1. For cooperative-based management systems (e.g. cooperative pharmacy, cooperative hospital, etc.)
    - 6.1.1. Comply with registration procedures with CDA
    - 6.1.2. Recruit cooperators and raise capital requirements
    - 6.1.3. Formulate articles of cooperation, bylaws and policies
    - 6.1.4. Elect officers
    - 6.1.5. Hire staff
    - 6.1.6. Set up office
    - 6.1.7. Procure and install equipment, furniture, fixtures
    - 6.1.8. Set up operating systems (recording, accounting, financial management, etc.)
    - 6.1.9. Start Operation
  - 6.2. For corporate management systems, including NGOs, foundations, etc.
    - 6.2.1. Comply with registration procedures (SEC, etc)
    - 6.2.2. Formulate policies and plans
    - 6.2.3. Draw up systems and procedures
    - 6.2.4. Recruit and train staff
    - 6.2.5. Elect/Select officers
    - 6.2.6. Set up office
    - 6.2.7. Procure and install equipment, furniture, fixtures
    - 6.2.8. Set up operating systems and procedures
    - 6.2.9. Start operation
  - 6.3. For government-based management systems
    - 6.3.1. Secure proper authorizations (MOA, SB resolution, Executive Order, etc) to initiate program and set-up a corresponding trust fund
    - 6.3.2. Appoint responsible officers, staff and institutions
    - 6.3.3. Formulate operating plans and procedures
    - 6.3.4. Set up office and install needed equipment, furniture, fixtures
    - 6.3.5. Draft guidelines and have them approved by appropriate authorities
    - 6.3.6. Set up public information system
    - 6.3.7. Start operation
- 7. Monitoring HCF reform operations

#### **IV. HCF MONITORING TOOLS**

The basic HCF monitoring tool for determining the status of health care financing in the pilot and replication LGUs is the local health accounts (LHA). The LHA provides information on the total health expenditures in the province for the given calendar year. It also provides information on the sources of health care funds, or the buyers of health care services, and the specific health services paid for. By looking at the LHA statistics, LGUs can assess the adequacy, efficiency and equity of health care delivery and utilization in the locality. It also helps them identify potential areas for reform, and track progress over time in the achievement of desired results.

The monitoring tools to measure HCF status, determine the progress of work on the HCF work plans, and assess the continuing viability and usefulness of the adopted HCF reform packages are listed below.

- o Local Health Accounts
- o HCF Monitoring Form 1: Progress of Implementation of HCF Work Plan
- o HCF Monitoring Form 2: Basic Description of HCF Reform Package and General Information Sheet on Each Reform Package (HCF Option)
- o HCF Monitoring Form 3: Trial Balance, Balance Sheet and Income Statement
- o HCF Monitoring Form 4: Cash Flow Statement
- o HCF Monitoring Form 5: Sales Report (for Coop pharmacy, PDI, Revolving Drug)
- o HCF Monitoring Form 6: Stock Purchase, Sales and Inventory Report (ditto)
- o HCF Monitoring Form 7: Updated User Fees Schedule (for user fee systems)
- o HCF Monitoring Form 8: Updated Membership Enrolment and Status (for health insurance systems)
- o HCF Monitoring Form 9: Updated Benefit Utilization Report (ditto)
- o HCF Monitoring Form 10: Updates Service Utilization Report (for user fee systems)
- o HCF Monitoring Form 11: Leading Causes of Consultation and Hospitalization (for user fee systems and health insurance)

## **V. DUMMY MONITORING FORMS**

The HCF monitoring and evaluation forms presented below are intended to be flexible. They could be modified based on the needs of the users. Each form serves a particular purpose. For example, the local health accounts matrix is designed to provide policy makers and analysts with updated information on the total health care expenditure for a given calendar year and the various uses and sources of health care funds. Such information could then be used to analyze trends over time, assess the adequacy of funds and the efficiency of their use, and other uses.

**Local Health Accounts**

USES OF FUNDS	SOURCES OF FUNDS								
	PUBLIC/GOV'T			Social Health Insurance		PRIVATE			TOTAL
	Nat'l	Prov'l	Mun./ City	PHIC	EC	Insu-Rance	HH Out of Pocket	Others	
<b>Personal Health Care</b>  Gov't Hosp Private Hosp Other M.D. Dental Traditional Retail Outlets									
<b>Public Health</b>									
<b>Others</b>  Admin Training Research									
<b>Total</b>									

**HCF Monitoring Form 1: Progress of Implementation of HCF Work Plan**

Milestones/Activities (per Work Plan)	Expected Outputs	Target Date of Completion	Status to Date	Remarks
Problems and Opportunities				

**HCF Monitoring Form 2: Basic Description of HCF Reform Package and General Information Sheet on Each Reform Package (HCF Option)**

Project Title/Reference Name:

HCF Option Category/Type: \_\_\_\_\_ Date Started:

Implementing Organization: \_\_\_\_\_ Address:

Type of Organization:  Cooperative  Corporation  Public Service  Others

Authorized Capital: \_\_\_\_\_ Paid-Up Capital:

Brief Description of the HCF Scheme:

Attachments:

1. Name of Principal Officers and Staff
2. Legal Documents, e.g., charter, registration paper, bylaws, etc.
3. Organization Structure
4. Operating Manual, if any
5. Policies and Procedures
6. Others

**HCF Monitoring Form 3: Trial Balance, Balance Sheet and Income Statement**

	TRIAL BLANCE		BALANCE SHEET		INCOME STATEMENT	
	Debit	Credit	Debit	Credit	Debit	Credit
<b>ASSETS</b>						
Cash in Bank						
Petty Cash						
Office Furniture/Fixtures						
Office Equipment						
Building and Office						
Accounts Receivable						
Others						
<b>LIABILITIES and EQUITY</b>						
Accounts Payable						
Shareholder's Equity						
<b>INCOME</b>						
<b>EXPENSES</b>						

**HCF Monitoring Form 4: Cash Flow Statement**

<b>CASH INFLOW/RECEIPTS</b>		
From whom received	Official Receipt Number	Amount
<i><b>Sub-Total</b></i>		
<b>CASH OUTFLOW/DISBURSEMENTS</b>		
Payee	Voucher Number	Amount
<i><b>Sub-Total</b></i>		
<b>NET INFLOW (OUTFLOW)</b>		

**HCF Monitoring Form 5: Sales Report (for Coop pharmacy, PDI, Revolving Drug)**

<b>COMMODITIES SOLD</b>	<b>UNIT OF MEASURE</b>	<b>QUANTITY SOLD</b>	<b>AMOUNT</b>

**HCF Monitoring Form 6: Stock Purchase, Sales and Inventory Report  
(For Coop Pharmacy, PDI, Revolving Drug)**

<b>COMMODITY</b>	<b>UNIT OF MEASURE</b>	<b>INITIAL STOCK (Number of units)</b>	<b>Number of Units Sold</b>	<b>FINAL INVENTORY</b>

**SUMMARY OF LOSSES**

<b>COMMODITY</b>	<b>UNIT OF MEASURE</b>	<b>Number of units</b>	<b>Unit Price</b>	<b>TOTAL PRICE</b>

**HCF Monitoring Form 7: Updated User Fees Schedule (for user fee systems)**

Particulars	Schedule of Fees Charged		
	Primary	Secondary	Tertiary
Fixed Fees (Out-of-Pocket Charges)			
Admission Fees			
Consultation Fees			
Variable Fees (Charged to Social Health Insurance)			
Room and Board			
Ward			
Semi-Private			
Private			
Suite			
Operating Room			
Delivery Room			
Laboratory Procedures			
Radiology Procedures			
Ancillary Services			
Others			

**HCF Monitoring Form 8: Updated Membership Enrolment and Status (for health insurance systems)**

<b>Particulars</b>	<b>Number Last Month/Quarter</b>	<b>Number This Month/Quarter</b>
New enrollees/members		
Continuing members of good standing		
Reinstated/re-enrolled		
Total active members		
Delinquent members		
Drop out		

**List of members due for renewal next month/quarter** (to be sent notices of payments due)

**Name of Member**                      **Date of Renewal**                      **Amount for Collection/Payment**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.

**HCF Monitoring Form 9: Updated Benefit Utilization Report  
(for health insurance systems)**

Particulars	Previous Month/Quarter		This Month/Quarter	
	No.	Value (Pesos)	No.	Value (Pesos)
Claims Filed:				
Out-patient Care				
Inpatient Paid				
Claims Paid:				
Out-patient Care				
Inpatient Paid				
Total				

**List of Members Who Filed Hospitalization Claims**

Name of Member      Dates Confined      Date Filed      Amount Claimed      Date Paid

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
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- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.

**HCF Monitoring Form 10: Updates Service Utilization Report (for user fee systems)**

	Previous Month/Quarter		This Month/Quarter	
	No.	Fees Paid	No.	Fees Paid
Outpatient Care  Fixed Consultation Fees Capitation Payments Variable Charges (Health Insurance) Chemotherapy Rehabilitation Psychiatric Care				
Inpatient Care  Fixed Admission Charges (Health Insurance) Variable Charges (Health Insurance) Room and Board Drugs and Medicines Professional Fees Laboratory Procedures  Radiology Procedures  Ancillary Services  Others				

**HCF Monitoring Form 11: Leading Causes of Consultation and Hospitalization**

<b>LEADING CAUSES OF CONSULTATION</b>	<b>Number</b>	<b>Rate</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

<b>LEADING CAUSES OF HOSPITALIZATION</b>	<b>Number</b>	<b>Rate</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		