

[Philippines]

Effect of the Global Financial Crisis on the Medical Profession

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When the news of a financial crisis hit the United States and some industrialized countries, preparations were made by the Philippine government to mitigate its effects in our country. Resources were mobilized in all branches of government to assess the situation and its possible implications particularly in the health sector. Aware of the fact that the crisis might bring about business closures, unemployment, decrease investment opportunities, weakening of the operational efficiency of all public health services, the Philippine government sought the support of the private sector particularly non-government entities like the PMA to come up with ideas and suggest possible solutions that will mitigate the effects of a crisis that is fast becoming global in scope.

Confounding the problem at hand are environmental concerns and the series of calamities that make health care delivery in an archipelago like the Philippines a daunting challenge. As the umbrella organization of all physicians in the country, the PMA actively participated in the public consultations organized by the government to assess the impact of these developments on the health care industry and to craft short and long term solutions to address the problem. The Philippines is well on track in attaining its MDGs or Millennium Development Goals but with the looming crisis and other problems besetting the country, all efforts in achieving our national objectives for health may be thrown off course by three to five years if nothing is done about it.

Role of Physicians in the Country's Economy

The Philippines, with a population of more than 80 million people, the two largest components of medical care are hospital services and physician

services, both accounting for over 35% and about 25% respectively of the total personal or “out-of-pocket” medical expenditures from 2005–2009. The relative proportions of expenditures, however, on hospitals, physicians and other medical services have been changing over time. Hospitals and professional health providers particularly in the private sector, at one point in time (1980–1990), represented more than 55% of the total personal medical expenditure. When the Philippine Health Insurance Program or Philhealth successfully covered 84% of the population under the National Health Insurance Program in 2005, out-of-pocket expenditures went down due to institutionalization of strategies that would hasten the “health-for-all objective” of government.

The PMA was tasked to help government, particularly the Philippine Health Insurance Corporation, in developing ways or strategies that would keep the country on track towards the attainment of our national objectives for health in the face of the looming global crisis. The idea is to put in place systems that would mitigate foreseeable and even unpredictable developments. The PMA has done the following:

1. Help government in rationalizing the distribution of health facilities and physicians throughout the country by actively participating in crafting the Implementing Rules and Guidelines of the Hospital Licensure Act to ensure the adequate distribution of our health manpower resources, particularly physicians throughout the country

The global financial crisis temporarily staved off the exodus of physicians to foreign lands particularly to the Middle East and the United States. This development afforded some relief to health planners, but the continued concentration of physicians and specialists in urban centers still continued to persist.

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By determining the standards required before a facility can operate, we can also influence and rationalize their distribution especially in an archipelagic country with a complex socio-economic, political, cultural and diverse religious beliefs. The level of care to be provided by these facilities also necessitated the enhancement of the referral system anchored on teamwork and the strengthening of the partnership between the public and the private sectors. It goes without saying therefore that an integrated approach or a *population-based* or a *denominator-based* approach in managing a network of services is necessary in order for government to equitably manage resource distribution across organizational boundaries.

New levels of care were organized and accredited under the National Health Insurance Program to draw end-users from the more expensive hospital care, i.e., ambulatory surgical clinics, free-standing dialysis clinics, maternity care centers and clinics for overseas contract workers. The incremental growth in the number of these facilities was noted from 2003 up to the present. Health planners projected that with these facilities in place, medical services can be adequately provided at a cost that majority of our people can well afford.

To entice medical practitioners and primary care physicians to work in government and in the rural communities, the PMA actively participated in crafting the implementing rules and guidelines of the Salary Standardization of physicians in the public sector.

2. Physician's Act of 2009

Many believe that the Medical Act of 1959 is already obsolete and needs to be amended to meet the changing needs and expectations of a new world order. The dawning of globalization and the liberalization of trade services particularly in the health sector constrained upon the PMA to ensure that only those with the competency at par with international standards will be allowed to practice medicine or in a field of specialization recognized by duly accredited specialty boards. The task is not easy because out of 109,000 physicians registered with the PRC or Professional Regulations Commission, only about 70,000 are members of the PMA and out of this only about 50% are in active practice and members in good standing in the PMA. Of this number, only 20,726 are actively participating in the National Health Insurance Program

(2009), 9,962 are general practitioners and 10,764 are medical specialists. In other words, there are still many physicians in the country who do not participate in programs designed to make medical care affordable and accessible. Given the magnitude of the problems and various tasks at hand, the PMA worked for the passage of the Physician's Act of 2009 which provide not only the Integration of the entire medical profession under the Philippine Medical Association (PMA) and to ensure that the level of competency of physicians entering the medical profession is at par with their counterparts in this region and the rest of the world.

3. A New Code of Ethics for Physicians

One important provision in the New Code of Ethics of the PMA is the prohibition of commercializing the practice of medicine. The Code is also meant to raise the level of professionalism among medical practitioners in our country. The PMA believes that setting the right attitude and behavior among medical professionals will be important in preparing not only for the challenges that lie ahead but also in preparing for the liberalization of trade services and the MRA or Mutual Recognition Agreement in the region. We firmly believe that the Filipino Physician must not only have the skills but also a high sense of professionalism to be competitive in the global market.

4. Active participation of the PMA in the Peer Review and in the Accreditation of Health Care Providers under the National Health Insurance Program which is managed by Philhealth

The Philippine Medical Association (PMA) is the only organization of physicians recognized by the government; and that recognition gives the PMA the privilege to sit as a member of the Accreditation Committee and the Peer Review or Quality Assurance Committee of Philhealth.

The implementation of Philhealth Benchbook standards on institutional healthcare providers and the clinical practice guidelines have slowly brought down the cost of medical care and hospital services. These developments are important in ensuring that even if the financial crisis will reach our shores, we will remain on course in the pursuit of our health-for-all objective.

5. Passage of the Cheaper Medicines Act of 2009 and the MDRP

The passage of the Cheaper Medicines Act of 2009 and the MDRP was a welcome develop-

ment for our countrymen. In a way, it was a welcome development for many practicing physicians because the costs of medicines during the last ten years comprise a substantial amount in what economist term as “market basket” or the budget of an ordinary Filipino family for its needs particularly the health care needs. With the medicines made more available and affordable, patients, particularly those belonging to the low income group, will have enough to pay for other expenses like professional fees of physicians.

Government initially mandated the reduction by as much as 50% of 30 essential drugs which was later expanded to more than 90 commonly used medicines. It should be noted that the PMA actively participated the deliberations up to the time it was signed into a law.

Conclusion

Health economists in the Philippines believe that the financial crisis affecting the USA and other highly industrialized countries like Japan and other European countries will surely impact on the economy of many countries like the Philippines. The degree of how it will affect the various economies throughout the world will depend on how well and how skillfully each country will manage its available resources in terms of manpower, finance, equipment, facilities and supplies. The PMA believes that the level of available health resources should be accurately determined and thus should be equitably, efficiently and properly allocated and distributed based on available information and data on the needs of the different strata of society and levels of care.



EFFECT OF THE GLOBAL FINANCIAL CRISIS ON THE MEDICAL PROFESSION



NATIONAL ACTION

- SITUATIONAL ANALYSIS ON MANPOWER RESOURCES OF THE HEALTH SECTOR
 - Business closures
 - Increase in unemployment
 - Decrease investment opportunities
 - Weakening operational policies on public health



NATIONAL ACTION

- SEEK PRIVATE SECTOR ASSISTANCE FOR HEALTH
 - PMA
- CONFOUNDERS
 - Environmental concerns
 - Natural & Manmade Calamities
 - Corruption
- MDG GOAL



ROLE OF PHYSICIANS: PMA

- ASSIST DOH/PHILHEALTH
 - Develop strategies to attain NOH
 - Rationalize health facility/manpower distribution
 - Strengthen public-private health mix
 - Organize new levels of healthcare facilities accredited under PhilHealth
 - Ambulatory surgical clinics
 - Free standing dialysis clinics
 - Clinics for OFW's
 - Active participation of the PMA in Peer Review and Accreditation of healthcare providers



ROLE OF PHYSICIANS: PMA

- IMPLEMENTATION OF SALARY STANDARDIZATION OF MD'S
- PHYSICIANS' ACT OF 2009
- AMENDMENT OF THE MEDICAL CODE OF ETHICS
- PASSAGE OF THE CHEAPERMEDICINE ACT OF 2009 (MDRP)



CONCLUSION

- DETERMINE HOW MUCH IS NEEDED TO KEEP MEDICAL CARE GOING AND HOW RESOURCES WILL BE ALLOTTED
- COMPETENCY DEVELOPMENT
- INCREASE LEVEL OF PROFESSIONALISM
- EQUITY IN THE USE & DISTRIBUTION OF HEALTH FACILITIES/RESOURCES/MANPOWER