

Health(s)care Philippines



■ Roel A. Andag¹

THE PHILIPPINES witnessed scary health events in the second half of 2006. We were jolted about the death of seven newborns due to anomalous situations inside a hospital's delivery room where four laboring mothers shared a bed. We kept close watch on the double threats of dengue and avian flu. Typhoons Reming and Melinyo uprooted entire communities. A community of 3,000 in Bulacan fled noxious fumes while 60 were hospitalized when a truckload of toxic waste from a plastics factory was dumped into a nearby river.

JPEPA (Japan-Philippines Economic Partnership Agreement) alarmed many when environmentalist groups discovered that the Philippine government agreed to accept Japan's toxic and hazardous medical wastes in exchange for the entry of Filipino nurses to the Land of the Rising Sun. The highly irregular nursing board exams of July continued to haunt us.

We were told that high school is no longer a period of innocence and juvenile fun. A national urine study by the Treatment and Rehabilitation Center of the Department of Health (DOH) revealed that 160,000 of the Philippines' 20 million high school students use marijuana and rugby, among others.

Government reported the low probability of addressing malnutrition, ensuring maternal health and ensuring access to



reproductive health services in accordance with the Millennium Development Goals. On the other hand, government is confident that it can provide access to clean water, address child mortality, HIV/AIDS and malaria, and dietary energy requirement. Six of the eight targets may be achieved by 2015.

Malnutrition is a scourge on children. Twenty-eight (28) percent of the total children population is malnourished. Of children 0-5 years old, 27 percent are underweight while 30.4 percent are stunted. Malnutrition adversely affects a child's learning potential, predisposing him to dropping out of school and ultimately to a lifetime of hard knocks.

While many of us were merrily counting down to Christmas, a survey of the Social Weather Stations revealed that 3.3 million households or 19 percent of the proportion of all families experienced involuntary hunger from September to November. Hunger was at a record high.

Another note on the Philippines' struggle to meet the MDGs: there are now 11,299 HIV positive Filipinos among whom 558 are children. It is always said that statistics are conservative because many sufferers either are apprehensive about reporting their condition or completely unaware of their real ailment or have no access to laboratories.

A sadder note is that Filipinos are largely ignorant about the dreaded disease. The result of a Unicef-commissioned study showed that about 52 percent of the 26 million Filipinos age 12 to 20 believe that only promiscuous individuals contract the HIV/AIDS. Ignorance of a social plague is not bliss, especially if the ignoramuses are the ones primarily expected to know the disease and to help in taking care of those afflicted. Two out of 10 doctors and 14 percent of nurses believe in the existence of a cure to HIV/AIDS.

These are just some of the year-ender health facts of 2006 – all symptomatic of serious and pervasive health realities in the country. Three major health issues were consistently in the public mind during that period: expensive medicines and health services, runaway

population growth and health professionals' exodus. All of which dim the probability of the Philippines' ability to accomplish the health-related targets in the MDGs.

Expensive Medicines and Health Services

The werewolf cries "Wolf!"

Essential drugs are sold in the Philippines at scandalous prices compared to selling prices in other Asian countries. At the minimum, they are sold at three to four times higher than the international price index scale; some can reach 25 times higher. The World Health Organization (WHO) reports that less than 30 percent of Filipinos could afford to buy badly needed medicines regularly and that only two out of 10 Filipinos have access to essential medicines. Among the poor, it is normal practice to split a tablet or skip a dosage to economize. Recovery from a disease is directly tied to the patient's compliance to prescription. Expensive drugs undermine one's prognosis.

Government passed the Generics Act in 1988 to address this problem. But multinational pharmaceutical companies that control 70 percent of the country's drug market instigated a bogus generics phobia, claiming that generics are most likely counterfeit medicine. Clearly, the werewolf cried "Wolf!"

Government pursued a new tack: parallel drug importation implemented by the Philippine International Trading Corporation (PITC). PITC procures from other countries the same drugs that pharmaceutical companies sell at stratospheric prices in the Philippines. Even at marked up retail prices, the medicine from Bangkok will still be cheaper than the same drug sold in the Philippines through the Botika ng Bayan and Botika ng Barangay networks launched in December 2004.

With parallel drug importation, PITC projects a growth of generic drugs usage among Filipinos to reach 60 percent in 2010 from the measly four percent today. By that time, PITC would have imported 75 brands from 45 brands today, mostly for asthma, hypertension and diabetes. Even if four percent is too small a dent in the Php100-





billion pharmaceutical industry, it is already significant considering that generics' market share was a percentage point less in 2004 and 2005.

Parallel drug importation so threatened to impact on multinational pharmaceutical companies' sales quotas that they sat up and listened. Pfizer's star product, hypertensive drug Norvasc, is now the face to corporate denial of social realities. Norvasc is priced ten times higher in the Philippines than elsewhere in Asia. PITC initiated the parallel importation of cheaper Norvasc from India. Pfizer is suing PITC for patent infringement. The case, widely believed to be baseless, is pending.

Medicines in the Philippines are expensive for four reasons: market dominance of multinational pharmaceutical companies, drug distribution cartel by Zuellig and Mercury Drug, public's heavy reliance on branded drugs, and prohibitive patent laws. Bills known as Access to Medicine Act are pending at the House of Representatives and the Senate. They seek to address these anomalies. If passed into law, Access to Medicine Act may be the silver bullet that will slay the werewolf.

Complementarily, PITC is in the right track by committing to demolish the cartelized system, expand government's product range and distribution network (PITC target: one Botika ng Barangay in every two barangays), and intensify its advocacy for cheap medicines.

It will also be worth for government and nongovernment organizations to appeal to the corporate social responsibility of pharmaceutical companies to bring down the prices of essential drugs or regularly set aside a portion of volume produced as subsidized medicine, or free during times of emergency. Target 15 of the MDGs is to "provide access to affordable essential drugs, in cooperation with pharmaceutical companies."

Running for cover

The Seniors Citizens Act was passed to protect the rights of and grant privileges to the country's elderly, now numbering 5.2 million. Among these privileges is a 20 percent discount on medical

expenses and medicine purchases. Business shrewdness is defeating this entitlement. Certain drugstores deduct the 12 percent VAT from the 20 percent senior citizen discount; thus the elderly avail of only an eight percent discount. Making them bear the tax burden deprives them of this privilege.

The government's health insurance program – Philhealth – covers only 64 percent of the total population. Meaning government is 36 percent behind its goal of universal health insurance coverage. Only six percent of its 12.5 million members are poor. Forty-four (44) percent of a member's health spending comes from his own pockets. Philhealth's current structure places the burden of catastrophic expenses² on the member, rather than being shared between the member and the insurance. Again appealing to their corporate social responsibility, private health management organizations (HMOs) should be encouraged to introduce affordable health insurance products.

Malice was imputed on Philhealth cards when they were distributed in earnest in the 2004 presidential elections to boost the chances of President Gloria Macapagal Arroyo. Pressed to correct the controversy during the Congressional hearing on the proposed 2007 budget, DOH Secretary Francisco Duque agreed to a 90-day moratorium on Philhealth card distribution prior to the election. The dilemma: what will happen to individuals who will get sick during the moratorium?

Processing 55,000 claims annually, the State Insurance Fund (SIF) of the Social Security System reported the uptrend in claims to cover occupational diseases. SIF forecasts that its Php22 billion-reserve may get depleted by year 2026 if current trends continue. What solutions are available other than increasing premiums? One solution is to strengthen the monitoring for occupational health safety in workplaces. It will boost productivity and reduce the strain on the SIF and related government health agencies. Another is to optimize SSS resources by spending them only on necessary expenses.

Population Growth

The Filipino population now stands at 85.5 million, growing at a





rate of 2.11 percent per year³. This translates to four newborns per minute. Poverty stands at 30.4 percent of the total population, accounting for four million families.

These trends are critical determinants to government's ability of accomplishing key socioeconomic targets. Shortfalls in the reproductive health (RH) targets are expected to worsen poverty and cause shortages in social services.

In accordance with the reproductive health component of the MDGs, the Philippines aims to "increase access to reproductive health (RH) services to 60 percent by 2005, 80 percent by 2010, and 100 percent by 2010." The overarching goal is to slash poverty by 50 percent by 2015."

Catholic rabbits

Though not to be singled out as the most grievous cause of poverty, unmitigated population growth has adverse effects at the national, household and individual levels. Population management measures have to be instituted for the Philippines to accomplish the MDG goals and to effectively combat poverty. Three principal factors, however, compromise the potential of achieving this particular goal.

First is the absence of a comprehensive policy governing population management. Congress' boldest move so far is the passage of House Bill 3773 otherwise known as the Reproductive Health Act. HB 3773 is popularly known as "two-child policy" as it advocates that ideal number of children for couples to have.

Fortunately, local government units (LGUs), nongovernmental organizations (NGOs), individual policymakers, media and schools that are advocating RH are filling the void created by the absence of such a policy. It was in the final quarter of 2006 that Ifugao passed its local RH policy, the second LGU to do so after Aurora. At almost the same time, 70 congresspersons representing 25 provinces banded to form the Local Legislators' League for Population, Health, Environment and Development (3LPHED). Among its objectives is to champion population management.









Second is government's bias for natural family planning (NFP). During the 2005 UN Summit, President Arroyo, currying the favor of the Catholic Church that propped her administration during a perilous standoff with resigned cabinet officials, declared her administration's preference for NFP citing its advantages over modern FP methods. Her claims, however, were refuted by experts. In the same statement, Arroyo urged the United Nations and donor countries to funnel their funds to the Philippines for the popularization of NFP methods. Secretary Duque recently met with Catholic Bishops' Conference of the Philippines (CBCP) officials to communicate government's population program. The CBCP reiterated its promotion of NFP, especially the Billings Ovulation Method.

Third is the pullout from the Philippines of the United States Agency for International Development (USAID). In 2003, the USAID declared it would end in 2007 its \$3.5-million annual population management support to the Philippines. USAID has been helping government in this aspect for the past 30 years. The phaseout started in 2005.

Progressive local government units whose leaders are not intimidated by glowering bishops implement contraceptive self reliance programs.

Clearly, the solution to the population woe is the passage of HB3773 into law.

Health Professionals' Exodus

In 2006, around 3,000 doctors were toiling to earn a nursing degree. "Doctored nurses" account for a thousand of the 12,000 nurses that leave the country each year. A hundred thousand up and left from 2002 to 2006, with the biggest exodus in 2003 when 18,000 nurses added to the Filipino diaspora. Government is interested in profiting from the talents of its doctors, nurses and other skilled Filipinos. But not here in the country, because their contributions – measured in dollars – get pricier as they move farther away. In the first ten months of 2006, overseas Filipino workers (OFWs) remitted \$10.3 billion – a 16.6 percentage increase compared to the same period last year. OFW money

consistently buoys the peso against the dollar.

The DOH revealed that every year, the country produces two doctors for every one that leaves. It is interpreted as a net drain of one doctor per annum. But this data is untenable since the number of medical students is declining. In the provinces, one surgeon serves 300,000.

Beautification program

Seeing 20 years henceforth that doctors and nurses will continue to flee the country and work abroad, the DOH crafted a human resource master plan to convert the brain drain into a brain gain by enticing expatriated nurses and doctors to come home to apply what they learned abroad. The centerpiece of this master plan is government's much vaunted medical tourism program.

The medical tourism program earned \$200 million on its first year alone. Tourists came for cosmetic surgeries and spa treatments. DOH targets 20-30 million medical tourists from 2007 to 2012, resulting in \$2 billion cumulative revenue. This could mean much in tax revenues, if honestly remitted to government. But the Bureau of Internal Revenue reported low VAT compliance among doctors. Only Php137.4 billion of the Php876.3 billion forecast for the January-August 2006 period was paid. VAT proceeds are purportedly used to finance social services such as health, honestly spent. There is the catch. VAT forces doctors to increase fees, rendering healthcare more inaccessible.

If the price is right

Government invites foreigners to savor medical breakthroughs, vacation spots and the distinct Pinoy hospitality. Why, a kidney surgery that costs Php7 million abroad costs just Php3 million in the Philippines! The poor Pinoy is so desperate and hospitable that he sells his kidney for as low as Php50,000.

This unreasonable cheapness of a human organ so revolted a DOH undersecretary that he proposed that foreigners with ailed kidneys pay Php150,000 to Php200,000 to the organ donor. He went on





to say that middlemen give only as much as Php50,000 to the donor who ends up shortchanged. His statements caused uproar for it appeared that government condones the commoditization of body organs. Of course not, said the Philippine Organ Donation Program (PODP), a DOH unit that regulates body organ trade and prevents backdoor operations and illegal procurement. It clarified that government does not allow payments to organ donors – only gratitudinal gifts: a package that includes Php20,000 for each months' loss of income up to three months, free hospital testing post-operation, health insurance and livelihood training. PODP computes that the entirety of the gift amounts to Php400,000. But are poor organ donors, nay sellers, who are exploited by middlemen aware of this package?

Another way of enticing government doctors, nurses and other health workers to stay in service is to lure them with a salary increase. Government doctors get anywhere from Php12,546 to Php20,823 a month while nurses receive Pph7,606 to Php9,939 a month. So, if all works well and government's proposal is approved, an additional Php1,000 will be given monthly starting in 2007. There are 4,292 government doctors, 7,907 nurses, 421 midwives and 260 x-ray technicians who will benefit from this salary boost.

For whatever it's worth, First Gentleman Mike Arroyo provided incentives to Doctors to the Barrios, a DOH program that sends physicians to remote areas in the country where they are most needed. The incentives varied from roundtrip tickets for two to any Asian country, communications gadget, cash and medical supplies.

Nigging Hope

Yes, Filipinos live in a scary world, if health statistics are any indication. But there are reassuring signs.

Integrated health

The Department of Science and Technology is proposing a Philippine National Health Research System. The idea is for Philhealth, National Statistics Office, Land Transportation Office and Department of Environment of Natural Resources to allocate

a portion of their gross annual income to health research. If passed into law, it will ensure sustainable financing for health research – a worthy investment in these times of dengue, avian flu, HIV/AIDS and other pandemics. Government and the private sector should support health researchers and inventors by devising meaningful incentive schemes.

There is a proposal to integrate the specialty hospitals – Heart Center, National Kidney and Transplant Institute, Lung Center, Orthopedic Center, and Children’s Hospital. Couple this with proposals to rationalize the bureaucracy. These will mean purging of non-performers in government agencies. If this integration will pave the way for better health service and the rationalization will free up precious resources for social services, then so be it.

Marikina City and Tagaytay City were among eight cities in Asia Pacific commended by the WHO for improving the health conditions of their populations. Marikina was cited for its health emergency preparedness and response while Tagaytay was recognized for its housing improvement proposal. Other awardees were cities in Australia, Japan, China and South Korea. The best practices exemplified by Marikina and Tagaytay should be replicated in local governments nationwide.

Follow the money

Moody’s, the international credit rating agency, lifted its “negative” investment grade on the Philippines, buoying investor confidence. “A sign of better things to come,” according to the president, who was quick to announce that gains, especially from her government’s economic reforms, will go to social spending including health.

The WHO prescribes that developing countries like the Philippines allocate not less than five percent of its national budget to health. The DOH got Php11.7 billion in the 2007 budget. The Department of National Defense got Php54.5 billion. Automatic payments to foreign and domestic debts got way more than that.

In a five-year agreement with government, the USAID donated \$125





million or Php6.25 billion for access to maternal and child health and family planning services, TB prevention, control of HIV/AIDS, avian flu and other emerging diseases. Free from corruption, the money can go a long way. A note on this is that separate surveys conducted by the Presidential Anti-Graft Commission and the SWS declared DOH as the most effective government agency in the fight against graft and corruption.

Breakthroughs

It was in the final quarter that government, like a territorial mother, bared its fangs in protecting its babies. The DOH amended the Milk Code to regulate marketing activities for infant formula and to require milk labels to contain a warning that the product might possibly be contaminated with bacteria.

Breastfeeding advocates scored big time.

Flexing its muscles to intimidate government, the US Chamber of Commerce wrote to President Arroyo pointing out a possible dip in investor confidence as an “unintended consequence.” Again, it’s about sales quotas. Pharmaceutical companies that produce infant formula provide incentives to pediatricians and midwives who endorse their product to mothers. Government has not blinked in the face of the US threat. It is advisable for Mother Philippines to not retract her fangs. If it defied the US government when the Philippines pulled out its troops in Iraq to preserve the life of a hostage Filipino driver, there is no reason to backtrack on protecting the lives of millions of babies in the country.

WHO reported that babies who are not breastfed are 10 times more likely to die of diarrhea, 3.6 times more likely to die of pneumonia, and 2.5 times more likely to suffer from other infections. There are now 1.5 million children suckling on infant formula, and spending for this stands at Php21.5 billion annually. The switch to breastfeeding can mean a lot of savings for the family.

The labeling provision of the Tobacco Regulation Act of 2003 (R.A. 9211) took effect in July 2006. It requires cigarette manufacturers to print a health warning occupying not less than 30 percent of the

face of the packaging. Tobacco companies lobbied for a reschedule of the effectivity of the packaging provision to November 1, 2006. After that date, Philip Morris continued to print the warning on the side of its packaging, immediately violating the law. NGOs are keeping the pressure on Philip Morris.

But in the United States the company is a seeming example of responsible corporate citizenship. For whatever intents, the company implored Hollywood to refrain from showing its cigarette brands, including its top-seller Marlboro, in movies. Philip Morris points for inspiration to results of various studies saying that cinematic portrayal of tobacco use entice children to smoke.

About a thousand guest relations officers (GROs), their handlers and club owners attended an HIV/AIDS convention in Baguio. This should be replicated in areas of the country with sex-for-fee services.

In what could be a breakthrough in the global fight against HIV/AIDS, the Vatican announced that a study commissioned by no less than Pope Benedict XVI on the efficacy of condom use against the disease has hurdled the scientific level. It will now be submitted to a Vatican body that will study the subject from a theological and doctrinal prism. If the study clears this stage, the Pope is likely to issue a document revolutionizing the Church's view of the condom, which usage, whether for contraceptive or HIV prevention, is considered violative of Church teachings. The Pope's imprimatur, however, will be within the bounds of a heterosexual marriage where one partner is already afflicted with the disease.

Ten Filipino women die from cervical cancer daily. It is a boon that Gardasil, the first anti-cervical cancer vaccine, has been introduced in the Philippines.

Interest in complementary alternative medicine (CAM) is resurging, as indicated by the popularity of virgin coconut oil and herbal health supplements. Provided the necessary research and development and marketing support, the CAM industry will boost the economy and offer options to health- and cost-conscious Filipinos.





There is still time

The cornerstone of a strong republic is a healthy citizenry. Every individual should be empowered to exercise his right to health. Poverty – at the national and household levels – hinders the enjoyment of this right. Poverty causes and complicates the country's health crisis.

Taken together, these facts illustrate that the Filipinos' collective health is in a precarious condition. It is scary but not entirely hopeless. There is still time to act before the country implodes from its follies and suffers a massive stroke, is hooked to a life-support system, deteriorates rapidly, anticipates sure death and screams for euthanasia.

NOTES

- ¹ The author consults for Chevron, Manila Doctors Hospital, COSE and other clients. Feedback at r_andag@yahoo.com.
- ² Huge medical bills arising from serious illnesses.
- ³ Second Philippine Progress Report on the MDGs, 2005