**Sources of Funds for Health**

**Health benefit payments from social insurance exhibit the highest growth**

Health benefit payments from social insurance showed the highest growth rate at 24.9 percent or around P4.0 billion increase in 2005. This resulted from the big hike in payments from Employees' Compensation at 42.4 percent and PhilHealth (Medicare) at  24.4 percent.

National government expenditure on health exhibited a 10.1 percent growth while local government expenditure posted a 6.1 percent decline.

Among the private sources, out-of-pocket expenditures registered the highest growth at 12.9 percent, followed by private schools and private insurance with 6.5 and 6.4 percent, respectively, and HMOs with a very minimal increase. On the other hand, employer-based plans showed a decrease of 2.5 percent in 2005.

|  |  |  |
| --- | --- | --- |
| **SOURCE OF FUNDS** | **AMOUNT (in million pesos)** | **Growth Rate(in percent)** |
| **2004 1/** | **2005** |
| **GOVERNMENT** | **50,792** | **51,922** | **2.2** |
|    National | 26,019 | 28,651 |             10.1 |
|    Local | 24,772 | 23,271 |             (6.1) |
| **SOCIAL INSURANCE** | **15,935** | **19,899** | **24.9** |
|    PhilHealth (Medicare) | 15,481 | 19,253 |             24.4 |
|    Employees' Compensation | 454 | 646 |             42.4 |
| **PRIVATE SOURCES** | **96,616** | **106,848** | **10.6** |
|    Out-of-Pocket | 77,524 | 87,508 |             12.9 |
|    Private Insurance | 4,084 | 4,344 |               6.4 |
|    HMOs | 7,079 | 7,082 |  \*  |
|    Employer-Based Plans | 5,903 | 5,755 |             (2.5) |
|    Private Schools | 2,026 | 2,158 |               6.5 |
| **OTHERS** | **1,953** | **2,102** | **7.7** |
| **ALL SOURCES** | **165,295** | **180,772** | **9.4** |

1/ Revised
\* Less than 0.1 percent

Source: National Statistical Coordination Board

**Share of social insurance and private sources in health expenditure increases**

In 2005, social insurance and private sources' share to the country's total health expenditure increased to 11.0 and 59.1 percent, respectively. On the other hand, the share of government in health expenditure declined to 28.7 percent. The share of other sources of health expenditure remained at 1.2 percent.



**Per capita health expenditure from all sources of funds increases**

With the large increase in expenditure from social insurance, its per capita health expenditure went up by 22.4 percent, from P191 in 2004 to P233 in 2005.  Likewise, private and other sources and the government exhibited growths of 8.4 percent, 7.7 percent and 0.2 percent, respectively.

In real terms, there was an increase of 17.1 percent in social insurance, 7.7 percent in other sources and 3.7 percent in private sources.  On the other hand, decrease in per capita health expenditure was reflected in government at 4.1 percent.

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| **SOURCE OF FUNDS** | **Amount(in pesos)** | Growth Rate (in percent) |
| **2004 1/** | **2005** |
| **At Current Prices** |   |   |   |
| Government | 608 | 609 |         0.2 |
| Social Insurance | 191 | 233 |       22.4 |
| Private Sources | 1,156 | 1,253 |         8.4 |
| Others | 31 | 34 |         7.7 |
| **At Constant 1985 Prices 2/** |   |   |   |
| Government | 152 | 146 |        (4.1) |
| Social Insurance | 48 | 56 |       17.1 |
| Private Sources | 289 | 300 |         3.7 |
| Others | 18 | 20 |         7.7 |

1/ Revised
2/ Derived using the consumer price index (CPI) for all items