



TECHNICAL NOTES

2014-2019 Philippine National Health Accounts

I. Introduction

The Philippine National Health Accounts (PNHA) provides information on health care spending in the country. It provides data in determining whether the aggregate health care spending from all sources is adequate to meet basic requirements and identifies probable areas as inefficiencies in allocating health care resources.

In 2016, the Philippine Statistics Authority (PSA) adopted the 2011 System of Health Accounts (SHA 2011) methodology in compiling the PNHA. The SHA 2011 provides a standard for classifying health expenditure according to three (3) axes: consumption, provision, and financing. It gives guidance and methodological support for the compilation of health accounts, which seeks to describe the health care system from an expenditure perspective both for international and national purposes. The SHA 2011 is the international standard for health accounting that presents a multi-dimensional approach to analyze the structure of health in a country.

On 15 October 2020, the PSA released the revised 2014 to 2018 and the 2019 PNHA preliminary estimates following the release of the revised and rebased Philippine System of National Accounts.

Sources:

(1) Racelis, R. H. (2014). "Study to Support Improvement of the Philippine National Health Accounts (PNHA): Update on Expenditures for Employer-Provided Health Care and Private Schools Health Services", Makati City: Philippine Institute for Development Studies, Discussion Paper Series No. 2014-44, April 2014.

(2) World Health Organization. (2011). "A System of Health Accounts 2011" Edition: 2011 Edition (Vol. 2011). OECD Publishing.

II. Data and Data Sources

Health expenditure in the PNHA-SHA is compiled by component. Components generally correspond to financing agents (FA) or subcategories of FAs. The components have been primarily defined to correspond to expenditure core data sets. These are the same core data sources used in the previous version of the PNHA. The succeeding notes describe the data and data sources by component of the health expenditure of the PNHA-SHA.

II.1. National Government (Department of Health)/Domestic Revenue Based

Source Agency and Publication/Data Inputs:

- *Commission on Audit (COA)*: Annual Financial Report of the National Government, Annual Financial Report of the Government Owned and/or Controlled Corporations, Financial Statements of the four (4) Specialty Hospitals (i.e., Philippine Heart Center (PHC), Philippine Children’s Medical Center (PCMC), Lung Center of the Philippines (LCP), and National Kidney and Transplant Institute (NKTI))
- *Department of Budget and Management (DBM)*: National Expenditure Program (NEP), Budget of Expenditures and Sources of Financing (BESF)

Distribution keys:

- Distribution of the general population by income quintile from the Family Income and Expenditure Survey (2015 and 2018)
- Distribution of total billing by disease from PhilHealth database for users of government hospitals
- Distribution of total billing by age/sex from PhilHealth database for users of government hospitals
- Distribution of general population by age/sex from Census of Population and Housing

II.2. National Government (Other Agencies)

Source Agency and Publication/Data Inputs:

- *COA*: Annual Financial Report of the National Government
- *DBM*: NEP, BESF

Distribution keys:

- Distribution of the general population by income quintile from the Family Income and Expenditure Survey (2015 and 2018)
- Distribution of total billing by disease from PhilHealth database for users of government hospitals
- Distribution of total billing by age/sex from PhilHealth database for users of government hospitals
- Distribution of general population by age/sex from Census of Population and Housing

II.3. Foreign-Assisted Projects (FAPs)

Source Agency and Publication/Data Inputs:

- *DOH-BIHC*: Profile and Status of FAPs

- *NEDA*: Report of ODA Availments by Implementing Agency

II.4. Local Government

Source Agency and Publication/Data Inputs:

- *COA*: Annual Financial Report for Local Government, Financial Statements of LGUs
- *DOF*: Bureau of Local Government Finance (BLGF), Statement of Receipts and Expenditures by LGU

Distribution keys:

- Distribution of the general population by income quintile from the Family Income and Expenditure Survey (2015 and 2018)
- Distribution of total billing by disease for users of government hospitals from PhilHealth database
- Distribution of visits by disease using Field Health Service Information System (FHSIS) data
- Distribution of total billing by age/sex for users of government hospitals from PhilHealth database
- Distribution of population age/sex from Census of Population and Housing

II.5. Social Security Agencies/PhilHealth

Source Agency and Publication/Data Inputs:

- *PhilHealth*: Annual Report, Claims Database Tabulations

Distribution keys:

- Distributions of PhilHealth contributions according to the contribution schemes of the members by PhilHealth programs
- Distributions of PhilHealth contributions according to the contribution schemes of the government, private, and sponsored programs (by institutional type) – one distribution key per program
- Distribution of PhilHealth claims paid by region from PhilHealth database
- Distribution of primary and intermediate inputs from the 2018 Supply and Use Tables (SUT)

II.6. Social Security Agencies/ SSS, GSIS (Employees' Compensation Insurance Fund)

Source Agency and Publication/Data Inputs:

- *Government Service Insurance System (GSIS)*: Statement of Claims and Benefits Paid – Employees Compensation Insurance Fund, Optional Life Insurance

Business/Hospitalization Insurance Plan, and Pre-Need Business/Family Hospitalization Plus Plan (submission upon the request of PSA)

- *Social Security System (SSS)*: Computation of EC Health Expenditures (submission upon the request of PSA)

Distribution keys:

- Distribution of the workers by income quintile from the Family Income and Expenditure Survey (2015 and 2018)
- Distribution of ill persons or injured at work by age/sex group from APIS or other survey

II.7. Social Security Agencies/GSIS-government based voluntary insurance

Source Agency and Publication/Data Inputs:

- *GSIS*: Statement of Claims and Benefits Paid – Employees’ Compensation Insurance Fund, Optional Life Insurance Business/Hospitalization Insurance Plan, and Pre-Need Business/Family Hospitalization Plus Plan (submission upon the request of PSA)

II.8. Insurance Corporations/Life and Non-Life Insurance Corporations

Source Agency and Publication/Data Inputs:

- *Insurance Commission (IC)*: Annual Report, financial data on insurance operations and health benefit payments

Distribution keys:

- Distribution of persons covered by private health insurance by quintile from the FIES (2015 and 2018)
- Distribution of benefit claims of the Private Sector Program by disease from PhilHealth database
- Distribution of benefit claims for the Private Sector Program by age/sex from PhilHealth database

II.9. Insurance Corporations/Health Maintenance Organizations (HMOs)

Source Agency and Publication/Data Inputs:

- *Insurance Commission (IC)*: Annual Report on HMOs, health benefits payments and administration costs.

- Association of Health Maintenance Organizations of the Philippines, Inc. (AHMOPI): financial statements (FS) of member HMOs.
- Securities and Exchange Commission (SEC): financial statements (FS) of HMOs

Distribution keys:

- Distribution of persons covered by private health insurance by income quintile from FIES (2015 and 2018)
- Distribution of benefit claims of the Private Sector Program by disease from PhilHealth database
- Distribution of benefit claims for the Private Sector Program by age/sex from PhilHealth database
- Distribution of primary and intermediate inputs from the 2018 Supply and Use Tables (SUT)

II.10. Households

Source Agency and Publication/Data Inputs:

- *Philippine Statistics Authority (PSA)*: Family Income and Expenditure Survey (FIES), data on the proportion of medical care expenditure to total household expenditure
- *PSA*: data on household final consumption expenditure (HFCE) from the national accounts

Distribution keys:

- Distribution of primary and intermediate inputs from the 2018 Supply and Use Tables (SUT).
- Distribution of total billing of users of government and private hospitals by age/sex from PhilHealth database
- Distribution of private clinic users by age/sex from APIS or other survey
- Distribution of total billing of users of government and private hospitals by disease from PhilHealth database
- Distribution of Out-Patient Department (OPD) visits by disease using data from the Hospital Operations and Management Information System or HOMIS (sample hospitals only), or using data from other sources
- Combined distribution of government hospital, private hospital and private clinic expenditures by disease (with the distribution for each health facility weighted by out-of-pocket spending on the facility)

II.11. Corporation (Other than Providers of Health Care)/ Government Corporations

Source Agency and Publication/Data Inputs:

- COA: Philippine Charity Sweepstakes Office (PCSO) Annual Audit Report

- PCSO: Report of Health Expenditures (issued upon request)
- *Philippine Amusement and Gaming Corporation (PAGCOR)*: Report of Health Expenditures (issued upon request)

II.12. Corporations (Other than Providers of Health Care)/ Private Corporations (Employee Health Care)

Source Agency and Publication/Data Inputs:

- PSA: 2018 Supply and Use Tables
- Average expenditures per establishment by employment size and industry group from *Racelis (2014)* study on private establishments health spending for employees

Distribution keys:

- Distribution of ill persons or injured at work by income quintile from APIS or other survey
- Distribution of ill persons or injured at work by age/sex group from APIS or other survey

III. Methodology

- 1) The Philippine National Health Accounts, based on SHA 2011, measures expenditure for the final consumption of health goods and services. It covers expenditure on activities with the primary purpose of improving, maintaining, and preventing the deterioration of health and mitigating the consequences of ill-health of individuals through the application of qualified health knowledge in the Philippines for a given year. The health accounts boundary is determined based on the following criteria: (a) primary purpose, (b) use of qualified health knowledge, (c) expenditure for resident persons (spatial boundary), (d) expenditure incurred in a specified year (time boundary), and (e) transacted (produced and paid for).
- 2) Current health expenditure (CHE) and health capital formation (HK) are estimated as two separate aggregates of the PNHA-SHA.
- 3) The expenditure classifications under each of the three (3) major health accounting dimensions of SHA 2011 are listed as follows:

Financing Dimension

- *Financing sources (FS)*;
- *Institutional units of financing sources (FS.RI)*;
- *Financing schemes (HF)*; and
- *Financing agents (FA)*.

Provision Dimension

- Providers (HP);
- Factors of provision (FP); and
- Capital formation (HK).

Consumption Dimension

- Functions (HC); and
- Beneficiary characteristics.

- 4) There are particular health expenditure items that could not be classified into the given health accounting dimensions above due to lack of detail in the existing data. The breakdowns of these expenditure items are estimated using percentage distributions referred to as distribution keys. Distribution keys may be prepared using data from research studies, statistical reports, administrative reports, censuses, household survey tabulations, and other data sources, or either.
- 5) Health expenditures classified under the health accounting dimensions mentioned above are reported and summarized in a series of two-dimensional tables.

The sections below discuss the coverage and estimation methodology by component of the health expenditure of the PNHA-SHA.

III.1. National Government (Department of Health)/Domestic Revenue Based

Coverage: These are the expenditures of national government agencies for health-related activities funded by appropriations, with health activities identified based on agency mandate or activity descriptions.

Estimation methodology:

- Activities under the DOH in the NEP is scaled up using the ratio between the agency-level obligations incurred stated in the COA-AFR and agency-level programmed expenditures stated in the NEP.
- In the estimation of the national government spending on the four specialty hospitals, the amount of subsidy reported in their individual Statement of Income and Expenditures is used.
- In the estimation of the health capital formation of national government, actual health expenditure on capital outlays reported in the BESF is used.

III.2. National Government (Other Agencies)

Coverage: These are the expenditures (loans or grants proceeds) of all FAPs of the DOH and other national government agencies whose mandates are entirely health-related (e.g., Food and Nutrition Research Institute (FNRI), Philippine Council

for Health Research and Development (PCHRD), etc.); and expenditures from FAPs of other government agencies identified as health-related based on stated purpose.

Estimation methodology:

- All health-related activities from identified government agencies in the NEP is scaled up using the ratio between the agency-level obligations incurred stated in the COA-AFR and agency-level programmed expenditure stated in the NEP.
- In the estimation of the national government spending on the four (4) specialty hospitals, the amount of subsidy reported in their individual *Statement of Income and Expenditures* is used.
- In the estimation of the health capital formation of national government, actual health expenditures on capital outlays reported in the BESF are used.

III.3. Foreign-Assisted Projects (FAPs)

Coverage: Expenditures (loans or grants proceeds) from all Foreign Assisted Projects of the DOH and other national government agencies whose mandates are entirely health-related.

Estimation methodology:

- Current health expenditures of government on FAPS are estimated using actual expenditures data of projects provided in the DOH Report. Expenditures for health projects reported in the NEDA Report, not found in the DOH Report, are also included in the estimation subject for validation.
- Data provided by NEDA for loans and grants already includes actual loan disbursements/drawdowns and grants actual utilization rates as of the current year (in USD). These are then converted to Philippine Peso (PhP) using the average annual buying and selling rate from the Bangko Sentral ng Pilipinas (BSP).

III.4. Local Government

Coverage: These are the expenditures of provincial, city, and municipal hospitals, as well as expenditures of local governments for health, nutrition, family planning services, health governance and general administration.

Estimation methodology:

- Health expenditures of provinces, cities, and municipalities are estimated by applying the health proportions to the total expenditures of each level of LGUs reported in the COA Annual Report.

- The health proportions are computed using BLGF data. The health expenditure (Health, Nutrition and Population Control) is divided by the total expenditure for each level of LGU.
- The expenditures for hospitals, health services (health centers), and general administration for health are estimated using distributions detailed data from the BLGF. The detailed information is scaled up to match the estimated health expenditure of LGUs.

III.5. Social Security Agencies/PhilHealth

Coverage: These are the benefit payments of PhilHealth and all its other expenditures.

Estimation methodology:

- Detailed tabulations of benefit payments from the Claims Database Data for each type of PhilHealth program are adjusted according to the totals by program reported in the PhilHealth Annual Report. General administrative and operating costs from the Annual Report are used directly without adjustments.

III.6. Social Security Agencies/SSS, GSIS (Employees' Compensation Insurance Fund)

Coverage: These are the benefit claims payments from the ECIF of SSS and GSIS that are for medical and rehabilitation services.

Estimation methodology:

- EC benefit claims payments data, specifically the claims for medical and rehabilitation services, from reports provided by GSIS and SSS, are used as reported without adjustments.

III.7. Social Security Agencies/GSIS-Government Based Voluntary Insurance

Coverage: These are the benefit claims payments from the GSIS optional health insurance plans. Existing optional plans include the Optional Life Insurance Fund/Hospitalization Insurance Plan (HIP) and the Pre-Need Insurance Fund/Family Hospitalization Plus Plan (FHPP).

Estimation methodology:

- Data on benefit claims payments of the GSIS-HIP and GSIS-FHPP taken from the submission of the GSIS are used as reported without adjustments.

III.8. Insurance Corporations / Life and Non-Life Insurance Corporations

Coverage: These are the health benefits payments by both life and non-life insurance companies and the administrative costs attributed with health insurance activities.

Estimation methodology:

- Expenditures of private insurance companies for health and accident benefit payments are sourced directly from the IC annual report.
- General administration and operating costs of health and accident insurance activities are estimated by multiplying the proportion of health and accident premiums to the total general and other operating expenditures of the same company.

III.9. Insurance Corporations / Health Maintenance Organizations (HMOs)

Coverage: Total expenditures of HMOs are provided (a) through the Insurance Commission (IC), (b) through the Association of Health Maintenance Organizations of the Philippines, Inc. (AHMOPI), or the Securities and Exchange Commission (SEC).

Estimation methodology:

- Expenditures of HMOs for health benefit payments and for general administration are taken directly from the IC annual report. If the said report is not available, the health expenditures will be taken from the individual financial statements of HMOs.

III.10. Households

Coverage: These are the out-of-pocket expenditure of households for goods and services within the health accounts boundary. In the Family Income and Expenditure Survey (FIES), these include the following: medicines, food supplements, other medical products, therapeutic appliances, outpatient medical care, dental care, diagnostic services, and private and public hospital care.

Estimation methodology:

- The private household out-of-pocket health expenditures are estimated by applying the proportion of health expenditure derived from the FIES to the HFCE level from the national accounts. HFCE levels were adjusted from the proportion of health expenditure to total expenditures.
- For non-FIES years, household expenditures are estimated by extrapolating the FIES-year estimate with the trend of the HFCE Health less benefits from PHIC, Insurance, and HMOs.

III.11. Corporation (Other than Providers of Health Care)/Government Corporations

Coverage: These are the expenditures for health care by the Philippine Charity Sweepstakes Office (PCSO) and the Philippine Amusement and Gaming Corporation (PAGCOR). PCSO health expenditures include those of the Individual Medical Assistance Program (IMAP) and the Charity Clinic Department. PAGCOR health expenditure includes subsidies for health (individual medical assistance and assistance to hospitals, NGOs and foundations), hospitalization (paid directly to hospitals), medical missions, wheelchairs, medical/laboratory equipment and medicines.

Estimation methodology:

- Data from the reports and submissions of the PCSO and PAGCOR are used as reported without adjustments.

III.12. Corporations (Other than Providers of Health Care) / Private Corporations (Employee Health Care)

Coverage: These are the expenditures of private establishments for employee health care through, among others, (a) in-house provision of health care (personnel and other facility costs), (b) in-house provision of drugs and medicines, (c) cost of retained health care providers, and (d) fitness/health programs.

Estimation methodology:

- For the benchmark estimate, health expenditures of private corporations are estimated by multiplying the average health expenditure per establishment with the number of firms by employment size and by industry group for the current year. Total expenditure is estimated as the sum of all expenditures of private establishments across all industries.
- For non-benchmark years, the estimates from the benchmark year is extrapolated with the trend of health inputs by industry, derived by multiplying Gross Value Added with the technical Coefficient of Human Health Intermediate inputs in the 2018 SUT.

IV. Concepts and Definition of Terms

The SHA-based Philippine National Health Accounts (PNHA-SHA) not only provides the Total Health Expenditures (THE) of the country, but it also differentiates between two (2) aggregates of health, namely Current Health Expenditures (CHE) and Health Capital Formation (HK). PNHA-SHA consists of 12 table-groups: 11 table-groups providing various disaggregation of CHE, and one (1) on HK.

Institutional units of financing sources (FSRI): Institutional units that provide revenues to health financing schemes (a “Reporting Item” or RI under the Financing Sources or FS dimension).

CODE	DESCRIPTION
------	-------------

FS.RI.1.1	Government
FS.RI.1.2	Corporations
FS.RI.1.3	Households
FS.RI.1.5	Rest of the world
FS.RI.1.nec	Unspecified institutional units providing revenues to financing schemes (n.e.c.)

Financing sources (FS): The revenues of the health financing schemes received or collected through specific contribution mechanisms.

CODE	DESCRIPTION
FS.1	Transfers from government domestic revenue (allocated to health purposes)
FS.2	Transfers distributed by government from foreign origin
FS.3	Social insurance contributions
FS.5	Voluntary pre-payment
FS.6	Other domestic revenues

Financing schemes (HF): Components of a country's health financial system that channel revenues received and use those funds to pay for, or purchase health care goods, services, and activities.

CODE	DESCRIPTION
HF.1	Government schemes and compulsory contributory health care financing schemes
HF.2	Voluntary health care payment schemes
HF.3	Household out-of-pocket payment

Financing agents (FA): Institutional units that manage health financing schemes.

CODE	DESCRIPTION
FA.1	General government
FA.2	Insurance corporations
FA.3	Corporations (Other than insurance corporations)
FA.5	Households

Providers (HP): Entities that receive money in exchange for or in anticipation of producing the activities inside the health accounts boundary.

CODE	DESCRIPTION
HP.1	Hospitals
HP.2	Mental health and substance abuse facilities
HP.3	Providers of ambulatory health care
HP.4	Providers of ancillary services
HP.5	Retailers and other providers of medical goods

HP.6	Providers of preventive care
HP.7	Providers of health care system administration and financing
HP.nec	Unspecified health care providers (n.e.c.)

Factors of provision (FP): The types of inputs used in producing the goods and services or activities covered by the health accounts boundary.

CODE	DESCRIPTION
FP.1	Compensation of employees
FP.3	Materials and services used
FP.4	Consumption of fixed capital
FP.5	Other items of spending on inputs
FP.nec	Unspecified factors of health care provision (n.e.c.)

Functions (HC): The types of goods and services provided and activities performed within the health accounts boundary.

CODE	DESCRIPTION
HC.1	Curative care
HC.2	Rehabilitative care
HC.4	Ancillary services (non-specified by function)
HC.5	Medical goods (non-specified by function)
HC.6	Preventive care
HC.nec	Governance, and health system and financing administration

Beneficiary characteristics: The attributes of those who receive health care goods and services or benefit from health activities. There are four (4) classifications of characteristics in the PNHA-SHA. These include: disease group (**DIS**), income quintile group (**INC**), age/sex group (**AGE**), and region of residence (**REG**).

CODE	DESCRIPTION
DIS.1	Infectious and parasitic group
DIS.2	Reproductive health
DIS.3	Nutritional deficiencies
DIS.4	Noncommunicable diseases
DIS.5	Injuries
DIS.6	Non-disease specific
DIS.nec	Other and unspecified diseases/conditions (n.e.c.)

CODE	DESCRIPTION
INC.1	First quintile
INC.2	Second quintile
INC.3	Third quintile

INC.4	Fourth quintile
INC.5	Fifth quintile

CODE	DESCRIPTION
AGE.1	0 Male
AGE.2	0 Female
AGE.3	1-4 Male
AGE.4	1-4 Female
AGE.5	5-9 Male
AGE.6	5-9 Female
AGE.7	10-14 Male
AGE.8	10-14 Female
AGE.9	15-19 Male
AGE.10	15-19 Female
AGE.11	20-29 Male
AGE.12	20-29 Female
AGE.13	30-39 Male
AGE.14	30-39 Female
AGE.15	40-49 Male
AGE.16	40-49 Female
AGE.17	50-59 Male
AGE.18	50-59 Female
AGE.19	60-64 Male
AGE.20	60-64 Female
AGE.21	65 over Male
AGE.22	65 over Female
AGE.nec	Age/Sex not specified

CODE	DESCRIPTION
REG.1	I-ILOCOS
REG.2	II-CAGAYAN
REG.3	III-CENTRAL LUZON
REG.4	IVA-CALABARZON
REG.5	V-BICOL
REG.6	VI-WESTERN VISAYAS
REG.7	VII-CENTRAL VISAYAS
REG.8	VIII-EASTERN VISAYAS
REG.9	IX-ZAMBOANGA PENINSULA
REG.10	X-NORTHERN MINDANAO
REG.11	XI-DAVAO REGION
REG.12	XII-SOCCSKSARGEN
REG.13	NCR-NATIONAL CAPITAL REGION
REG.14	CAR-CORDILLERA ADMINISTRATIVE REGION
REG.15	BARMM-BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO
REG.16	XIII-CARAGA

REG.17	MIMAROPA
REG.99	NATIONWIDE
REG.999	Region not specified

Capital formation (HK): The type of assets that health providers have acquired during the accounting period and that are used repeatedly or continuously for more than one year in the production of health services; memorandum items (HKR) reported under the capital formation account include health research and training.

CODE	DESCRIPTION
HK.1	Gross capital formation
HK.1.1	Gross fixed capital formation
HK.1.1.1	Infrastructure
HK.1.1.2	Machinery and equipment
HK.1.1.3	Intellectual property products
HKR.4	Research and development in health
HKR.5	Education and training of health personnel

V. Dissemination of Results

The Philippine National Health Accounts is released in the PSA website every October of the current year. The web release materials include: Press Release, Statistical Tables, Infographics and Report.

VI. Citation

Philippine Statistics Authority. (2020). *Technical Notes on 2014-2019 Philippine National Health Accounts*. <https://psa.gov.ph/technical-notes/pnha-2014-2019>

VII. Contact Information

Mr. Gerald Junne L. Clariño

Chief Statistical Specialist
 Satellite Accounts Division
 (02) 8374-1996
g.clarino@psa.gov.ph

For data request, you may contact:
 Knowledge Management and Communications Division
 (02) 8462-6600 loc. 820
info@psa.gov.ph | kmcd.staff@psa.gov.ph