

# Addressing the Challenges of Private Hospitals in the Philippines

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In a study published in this journal, Honda et al. analyzed healthcare purchasing arrangements in France and Japan, which have social health insurance-based systems.<sup>1</sup> They emphasized that payment rates and regulatory policy instruments are crucial in ensuring efficiency, equity, and quality in health systems that combine public and private providers.<sup>1</sup> Therefore, it may be imperative to address the financial and regulatory challenges faced by private hospitals, particularly in countries with a predominant presence of private hospitals, to improve the overall efficiency and quality of the healthcare system.

This paper aims to highlight the challenges faced by the private hospital sector and recommend policy reforms to improve the overall responsiveness of the healthcare system in the Philippines, where private hospitals are dominant. Notably, the private health sector in the Philippines plays a significant role in providing essential health services,<sup>2</sup> with 772 private hospitals among the 1195 total hospitals recorded by the Philippine Statistics Authority in 2022.<sup>3</sup> Private hospitals in the country encounter difficulties related to financing, organization, and regulation.

In 2023, the Private Hospitals Association of the Philippines urged the state-run national health insurance group, PhilHealth, to settle its PHP 27 billion (around USD 500 million) debt to health facilities by year-end.<sup>4</sup> Thus, efficient management of disbursement and payment within the national health insurance system is imperative. To support the operational efficiency of private hospitals, the government could consider enacting tax policies, such as tax cuts for delayed disbursements and incentives for serving the lower-income population.

As of 2023, Philippine private hospitals also suffer from a 50% nursing staff shortage, with many opting for better-paying opportunities elsewhere.<sup>5</sup> Hence, it is imperative to introduce policies and programs to improve the wages of healthcare workers and enhance the government's capacity to augment the private hospital workforce, especially during health crises

like the COVID-19 pandemic, where the healthcare system must respond to elevated demands for extended periods.

Furthermore, despite the substantial size and contribution of the private health sector to the Philippine health system, access to its information may not be unavailable.<sup>2</sup> Simultaneously, country's Department of Health and other government regulatory agencies contends with a deficient system for collecting and updating data, contributing to stagnant health policies.<sup>2</sup> Therefore, obtaining comprehensive hospital information can provide a clearer understanding of the country's healthcare landscape,<sup>2</sup> potentially facilitating well-informed decision-making, addressing existing challenges, and implementing targeted improvements within its health system.

In general, it is imperative to implement strategic policies to strengthen the private hospital sector and enhance the overall responsiveness of the Philippine healthcare system.

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## Author's Contribution

RA contributed substantially to the design, drafting, revision, and final approval of the data and work.

## Ethics Approval and Consent to Participate

Informed consent and ethical approval are not necessary for this study. No human participant was involved.

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