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Annex H-3.1

BeSag District Social Health Insurance Program

The BeSag District Social Health Insurance Program is one plan that evolved to suit local realities. The initial concept is captured here to serve as a snapshot of the formative stage that community-based programs undergo. The desire for stronger municipal-level financial control and logistical considerations favored the organization of two SHIPs instead -- the Besao Og-ogbo for Health and the Sagada Health Insurance Program. Nevertheless, the BeSag District SHIP concept was instrumental in making the decision makers of the local governments of Besao and Sagada participate in formulating a favorable mechanism for the delivery of health service in their respective areas.

BeSag Social Health Insurance Program

Area of Coverage:

Besao Municipality
Sagada Municipality

Vision:

To enable health care/medical expenses no longer a burden to member constituents of the BeSag District Health Zone.

Mission:

To have a healthy population for more productive community which brings about a greater economic and political return?

Goal:

80% of the BeSag District Health Zone constituents shall become members to this health insurance program within 10 years of operation.

Specific Objectives:

1. To enhance traditional indigenous culture of “Ob-obbo” geared towards health care program.
2. To motivate and raise public awareness towards raising public health care.
3. Shared responsibility for health care.

Scheme:

It is an interim local social health insurance scheme in the locality with a goal to move quickly to achieve universal coverage.

It is a pre-paid risk-sharing scheme where-in a 20 pesos monthly premiums are regularly collected from each house hold member in the locality and a yearly subsidy from the municipal government which is 1 peso per capita as well as a barangay subsidy of 25 centavos per capita monthly to cover unexpected calamity or epidemic and to build up reserves.

From the pooled funds the medical bills/charges (e.g. illness, injury) of a member can be paid with the identified Health Benefit.

It is therefore a dedicated source of fund for Health Care and can not be re-appropriated for anything else.

Benefits to Society:

1. Creates a pool of funds dedicated to financing health care.
2. There is an assurance of financial assistance in times of illness which is although a relatively unlikely and unpredictable event, occurs often enough to cause serious financial hardships.
3. Equity is served because the healthy subsidized the sick.

Mechanism:

1. Introduce deductible or cost sharing.
2. Target for universal coverage (compulsory membership)
3. Establish quality assurance programs or protocols.
4. Streamline systems and procedures.
5. Formation of TOR and signing of MOA between the Municipal Government, barangay government and the BeSag Social Health Insurance Program

Health Plans:

1. Premiums-Benefit packages
2. Actuarially determined

Source of Fund:

1. Membership (HH) premiums
2. Municipal Government and barangay government annual appropriations.
3. National and Regional Health centers assistance.
4. ICHSP technical or in kind assistance.
5. Others.

Key Elements of the Program:

I. Administrative System

1. Collection of premiums and dues
2. Members servicing
3. Cost and quality control

II. Monitoring and Evaluation

1. Membership growth (universal coverage)
2. Benefit utilization
3. Support value
4. Financial soundness (audited financial statement per municipality)

Operating Procedures

Business Management

1. This Health Insurance Program shall be co managed and operated by the LGU and LGU health Care Providers.
2. Each municipality will manage its own, but shall be guided with the same guidelines and policies of the BeSag Social Health Insurance Program
3. For the first year of operation there shall be no honoraria given to this BeSag Health Insurance Program Management Group except they will be given meal allowances when they convene as a group to discuss operations and management. Except for the Treasurer and Bookkeeper who shall receive an honoraria of 500 pesos a month.
4. The Operations Management shall be composed of the following:
 1. Technical Working Group
 2. Operations Managers
 - Besao- Dr. Doris Dicdican
 - Sagada- Dr. Evelyn Capuyan
 3. Treasurers
 - Besao-Dr. Florence Tabur
 - Sagada-Mrs. Esther Kollin
 4. Bookkeepers
 - Besao- Mrs. Victoria Gaengan
 - Sagada-Mrs. Emelia Inso
 5. Auditors
 - Besao- Accountant Marcia Clemente
 - Sagada- Accountant Richard Aragon
5. Barangay Coordinating team which is composed of the following:
 1. Barangay Midwives
 2. Barangay Captain
 3. Barangay Health Worker

Functions and Responsibilities

I. Technical Working Group

1. Formulates policies for this program for the Besag District Health Board approval.
2. Formulates resolutions for signing by the BeSag District Health Board
3. Source out and mobilizes resources for the BeSag health insurance
4. Conducts semi annual performance assessment of the program
5. Plans activities of the program for BeSag District Health Board approval
6. Monitors and evaluate the program and makes report to the BeSag District Health Board.

II. Operations Manager

1. Oversees the management and operations of the program
2. Prepares strategic and operational plans
3. Approves claims after the treasurer signs that the recipient has fund balance and the claim is legitimate.

III. Treasurer

1. Accountable for the funds of the program
2. Receives Besag SHIP payments and contributions and issues OR
3. Deposits funds to bank
4. Disburses claims to recipients
5. Prepares monthly cash flow
6. Process claims and disburse
7. Maintains per HH benefits utilization record claims paid out against health benefit balance

IV. Bookkeeper

1. Maintains book of accounts
2. Prepares financial statements
3. Updates membership status and send out confirmation notices to members.
4. Notifies members of premiums dues
5. Maintains benefits utilization record claims paid out and benefit balance and reconciles with the treasurer's records.

V. Barangay Coordinating Team

1. Updating of HH list
2. In-charge of promotions leg work and membership recruitment
3. Distributes application forms, collects and remits payments to treasurer
4. Issues provisional receipt
5. Distributes notices
6. Distributes SHIP cards to members

Incentive for Recruiting Barangay Coordinating Team

1. P5.00 per recruit
2. Total to be given at the end of the year as additional; Christmas Bonus
3. Certification of Appreciation
4. Priority to undergo trainings e.g. IGP

Fund Management

1. All funds of this program are to be deposited in the bank and treated as trust fund to improve future benefit package.
2. Income-expense balance must always be maintained.
3. All books are to be audited annually
4. Financial statement report is to be made and presented quarterly to the TWG for them to report to the BeSag Health Board
5. Establish petty cash fund for the treasurer in the amount of P5,000.00
6. Replenish petty cash when 75% is disbursed
7. Net surplus will be allotted for higher health benefits packages

General Policies and Guidelines

I. Membership

1. Bonafide resident of Besao District
2. Onetime membership fee is P50.00
3. Monthly HH premium of P20.00 pesos annually
4. Full pledge member are those who has fully paid their membership fee and monthly premiums and has been issued health cards.
5. Criteria for the issuance of health card:
 - a. Applied for membership
 - b. Fully paid premiums with 3 months residency as a member
 - c. Has attained health/sanitation/environment activity such as seminars, clinics and orientations on ecosystems preservation
6. Failure to pay annual dues with a grace period of one month means drop from membership
7. Drop member could re-apply or re-activate its membership and be treated as new member
8. Members who did not utilize their health benefit for ten years continuously will become honorary member.

II. Steps on How to Become a Member

1. Fill up application form, pay membership fee and submit 1x1 ID picture
2. Pay annual premiums
3. Attain seminars on health, sanitation, environment, ecosystem orientations or clinics. Submit certifications of attendance together with application form.

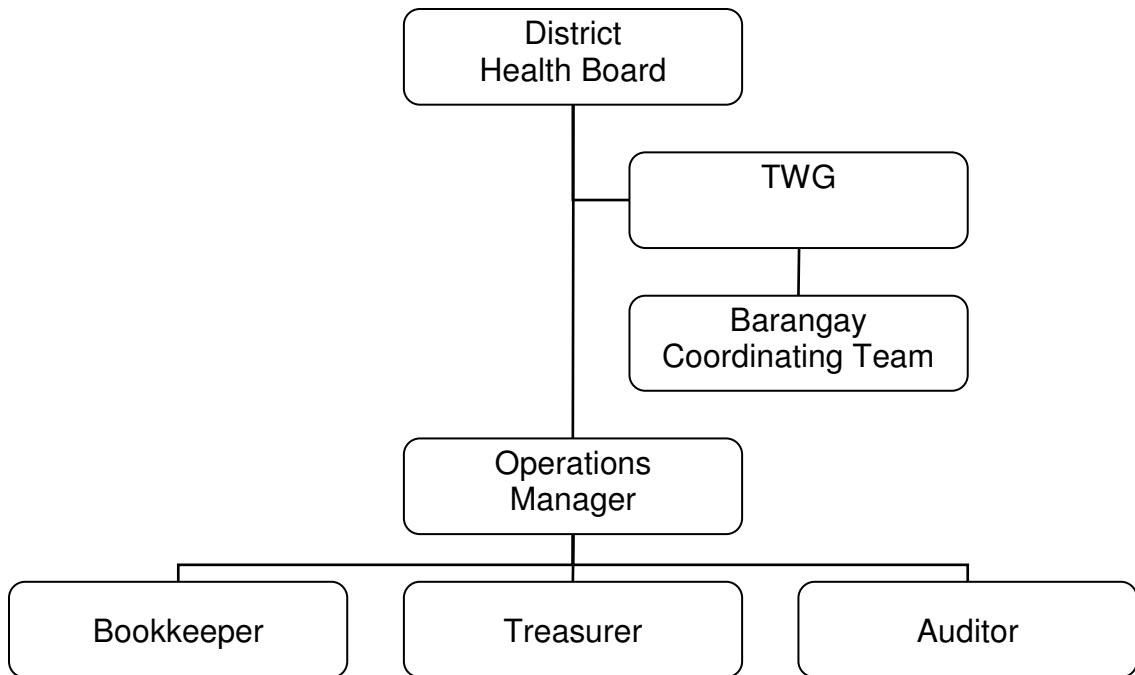
III. Health Benefit Package

1. For the first two years a maximum of 500.00 pesos per HH per year.
2. This covers health related charges such as OPD drugs and medicines, Drugs and medicines not covered by PHIC example take home meds when hospitalized.
3. If ever there will be yearly excess on pooled funds Health Benefit package will increase.

IV. Benefit Availment Procedure

1. Submit drugs receipt and prescription with Health Card always to the treasurer.
2. Or in the event that member doesn't have money to pay first the medicines, submit first priced prescription for the release or required amount then receipt will follow after the medicine has been bought. This are only allowed for extreme case.

Organizational Framework



Management Information System
(Recording, Monitoring and Reporting)

I. Recording

Responsible Staff	Records Kept
Bookkeeper	<p>A. Membership Status Record</p> <ol style="list-style-type: none"> 1. List of active members or members of good standing updated monthly, quarterly or annually based on mode of payments 2. List of delinquent members 3. List of drop-outs 4. List of new members
Treasurer	<p>B. Benefits Utilization Record</p> <ol style="list-style-type: none"> 5. Claims filed 6. Claims paid
Bookkeeper	<p>C. Accounting Records</p> <ol style="list-style-type: none"> 1. Cash receipt 2. Cash disbursement 3. General journal 4. General ledger 5. Subsidiary ledger
<p>TWG</p> <p>TWG</p>	<p>D. Consolidated monthly, quarterly and annual reports</p> <p>E. Others</p> <p>Resolutions</p> <p>Policies</p>

II. Reports

Responsible Staff	Reports to Make
Treasurer and Bookkeeper	<p>A. Membership status report -monthly, quarterly and annually</p> <ol style="list-style-type: none"> 1. List of active members eligible for health benefit 2. Summary statistics of membership status 3. List of delinquent member due for follow-up of payment/collection <p>B. Benefit utilization report</p> <ol style="list-style-type: none"> 1. Summary statistics <ol style="list-style-type: none"> a) Medical-leading cause of hospitalization b) Financial-claims filed and paid
Bookkeeper	<p>C. Financial statements</p> <ol style="list-style-type: none"> 1. Cash flow statement 2. Trial balance } fund and expense 3. Balance sheet } summary 4. Income statement 5. Cash position report with collection schedule
TWG	<p>D. Consolidates reports</p> <ol style="list-style-type: none"> 1. Membership status 2. Benefit utilization 3. Accounting/financial report 4. Minutes of meetings 5. Compilation of resolutions and policies that BeSag Health Care Plan related

Projected Funds

Progressive LGU Annual Subsidy

P1.00 x Population for Municipal Government

P0.25 x Population for Barangay per month

	2003	2004	2005
Besao	41,347.00	41,984.00	39,827.00
Sagada	43,363.00	43,442.00	42,736.00

Target Household Membership

	2003	2004	2005
Besao	100	200	300
Sagada	200	300	400

Progressive Membership Fees

	2003	2004	2005
Besao	5,000.00	10,000.00	15,000.00
Sagada	10,000.00	15,000.00	20,000.00

Progressive HH Member Annual Premiums

	2003	2004	2005
Besao	24,000.00	48,000.00	72,000.00
Sagada	48,000.00	72,000.00	96,000.00

Progressive Total SHIP Funds

	2003	2004	2005
Besao	70,347.00	99,989.00	126,827.00
Sagada	101,363.00	130,442.00	158,736.00

Fund Source and Fund Utilization for Sagada
Year 2003

Target Households	200
Household contribution per annum	<u>x P 240.00</u>
Total household contribution	P 48,000.00
Membership fee	<u>+ 10,000.00</u>
LGU annual subsidy	P 58,000.00
Total Funds	<u>+ 43,363.00</u> P 101,363.00
Less:	
Operating Expense	
Utilization rate 70% = 70,954.00	
Reserved Fund 10% = 10,136.00	P 81,090.00
Administrative Cost	
Honoraria	
Treasurer P500 x 12 = P 6,000.00	
Bookkeeper P400 x 12 = 4,800.00	
Others P 9,000.00	P 19,800.00
Office supplies	
Books (ledgers)	
Receipts	
Membership Card	
Surplus	P 473.00

Fund Source and Fund Utilization for Besao
Year 2003

Target Households	100
Household contribution per annum	<u>x P 240.00</u>
Total household contribution	P 24,000.00
Membership fee	<u>+ 5,000.00</u>
LGU annual subsidy	P 29,000.00
Total Funds	<u>+ 41,347.00</u> P 70,347.00
Less:	
Operating Expense	
Utilization rate 60% = 42,208.20	
Reserved Fund 10% = 7,034.00	P 49,242.20
Administrative Cost	
Honoraria	
Treasurer P500 x 12 = P 6,000.00	
Bookkeeper P400 x 12 = 4,800.00	
Others P 8,000.00	P 18,800.00
Office supplies	
Books (ledgers)	
Receipts	
Membership Card	
Surplus	P 2,305.00

Projected Utilization

2003 Total # of Household
Besao = 1,627
Sagada = 2,038
Total 3,665

2003 Total Population
Besao = 10,180
Sagada = 10,622
Total 20,802

Total # of Consultations and Hospitalizations
Besao = 5,191
Sagada = 7,237

Utilization Computation

$$\frac{\text{\# of consultations and hospitalizations} \times 100}{\text{total population}}$$

Besao = $\frac{5,191}{10,180} \times 100 = 50.9\%$

Sagada = $\frac{7,237}{10,622} \times 100 = 68\%$