



KaSAPI program for engaging MFIs for information campaigns and collection

KaSAPI partners PhilHealth with existing microfinance institutions, rural banks, cooperatives, and other organized groups to better target and efficiently enroll groups of informal sector workers into the PhilHealth national insurance program (NHIP).

Basic Facts

Place of Operation	8 Regions of the Philippines
Year Launched	2005
Stage	Existing/Expansion

Program Highlights

Challenge Addressed	Targeting and enrolling the informal sector
Focus of the Program	Engaging community organizations, microfinance institutions and other NGOs in targeting and enrollment for national programs
Reported Results	Improved efficiency, Improved targeting and enrollment, Decrease in cost

Workshop Session:

Promising Operating Practices 1:
Leveraging external organizations for targeting and enrollment
Wednesday, June 8
9:00 AM – 12:30 PM

Implementation

Target Population	All informal sector
Implementing Organization	PhilHealth
Implementing Partners	Organized groups including microfinance institutions, rural banks, cooperatives, other similar institutions

Context

While the Philippines has achieved significant strides in moving towards universal enrollment, covering the poor and informal sector not below the official poverty line remains a challenge. Methods to enroll these populations through organized groups have met with limited success, with approximately 19% of the 15.5 million informal sector workers covered (GTZ factsheet). The IPP program that targets informal workers suffers from high adverse selection given its voluntary nature.

Kalusagang Sigurado at Abot-Kaya sa PhilHealth Insurance (KaSAPI) is a PhilHealth program that was created as a revised approach to reach informal sector workers, built upon the experience of the PhilHealth Organized Group Interface (POGI) program that preceded it. POGI developed the innovative approach of interfacing with microcredit cooperatives to reach informal sector workers, but did not successfully boost enrollment numbers among the target population.

KaSAPI, by entering into contracts with organizations rather than individuals, aims to incentivize higher enrollment, and limit adverse selection. Furthermore, targeting individual households is costly and difficult, so working through existing organized groups reduces the administrative costs of reaching and enrolling this target population.

Key Components

- The program partners with organized groups such as microfinance organizations, cooperatives, and rural banks that already provide financial services to informal sector workers. Through these partnerships, it leverages existing information campaigns and collection systems. It also allows for payment flexibility, which helps to stabilize membership and address concerns of irregular income for informal sector workers.

- KaSAPI's target is a "triple-win" for its 3 primary stakeholders: (1) PhilHealth: Increased, sustained coverage; improved financial stability of the program for informal sector workers (2) Informal sector workers: Payment flexibility; lower premium; more benefits; time & hassle savings (3) Organized groups: Fulfill social mission; additional membership; reduced portfolio at risk (M. Jowett presentation).
- By setting a minimum number of enrollees (70% of the organized group's membership) per partner organization, it mitigates the problem of adverse selection that has plagued the PhilHealth IPP. Partner organizations get a discounted premium for reaching a pre-determined minimum number of enrollees. The premium discount increases as the percentage of membership increases above 70%.
- Organizations are free to use their own strategies for offering the health insurance product to their members with regards to how and when premiums are collected. Some partner organizations opt for an annual mode of payment, while others prefer a quarterly collection.
- KaSAPI has a web-based membership and contributions platform known as the eGroup system (evolved from the KaSAPI Management Information System (KMIS)) that facilitates transactions between partner organizations and PhilHealth offices (GTZ Fact Sheet). The eGroup allows for instant verification of member's eligibility, and links the partner organizations, thereby enabling transactions to take place across regions and branches in a timely fashion.

Results

"The KaSAPI program is a very viable and cost-effective strategy to cover the informal sector" (PhilHealth report). The program has experienced continuous growth in enrollment and uptake of services. KaSAPI started with four partner organizations, enrolling 1,863 into the NHIP in 2006. By 2009, the program grew to include 17 organized groups and enroll 27,853 people (Trend Report). The total collection through KaSAPI has increased consistently since the program started, with P.146 million collected in 2006, and P23.24 million collected in 2009.

In 2008, paid claims reached P5.9 million with an average value per claim of P3,650, compared to P1.67 million in 2007 with an average value per claim of P6,363. The program has shown low benefit utilization (2.85% in 2007, and 7.45% in 2008). However, data shows that even with the discounted rate of partner organizations, there is more than enough revenue to over the benefits consumed by the members (Trend Report).

Some participating organized groups struggle to meet the 70% group minimum necessary to qualify for the discounted rates. Of the 17 partner organizations, only 9 have been able to enroll the 70% of their membership (Trend Report). Organizations that fall below the necessary 70% are still able to enroll members under the regular IPP, but they do not get the discount. In addition, member drop-outs can also hinder a partner organization's ability to reach the mandatory 70%. To deal with these challenges, the new proposed premium schedule includes a lower minimum group size and higher cap, which should allow for a broader range of organizations to participate in KaSAPI. The new premium schedule will also allow for a significant increase in premium collection (PhilHealth report).

Looking Ahead

One of the thrust of the Aquino Health Agenda for Universal Health Coverage (AHA-UHC) is to ensure that all Filipinos are given access to quality health care, specifically the informal economy workers. Now more than ever KaSAPI will find its niche in covering the low income informal sector and the group enrollment strategy in reaching other types of workers not necessarily covered by MFIs. Thus, PhilHealth continues to strategically develop/enhance the program processes and policies to further establish new partnerships with organized groups through the KaSAPI Program.

References

- GTZ KaSAPI factsheet
- PhilHealth Analysis Report on the KaSAPI program (prepared by Office of the Actuary, December 2009)
- Trend KaSAPI Membership 2009 Report
- ILO Social Security Extension Initiatives in Southeast Asia Series
- JLN Philippines country case study