



Philippine Health Labor Market Analysis

Understanding the Dynamics of the Education Sector and the Labor Market

Technical Advisory

Introduction

With strong economic growth, it is expected that the Philippines will achieve middle income status by 2040. Health expenditures and demand for health services are growing as the country enters this period of economic growth. Though this is the case, the country's health outcomes remain weak as evidenced in the areas of maternal and child health (MCH), family planning (FP) and tuberculosis (TB).

Responding to these challenges, the country has currently strengthened efforts through the passage of the Republic Act 11223 also known as the Universal Health Care (UHC) Act.

Under this Act, the country is working to improve the availability, accessibility and quality of its human resources for health to meet population health needs. Ensuring there are adequate numbers of health workers at all levels, requires an understanding of the health labor market of the country. A health labor market analysis (HLMA) allows policy makers and decisions makers to understand the dynamics in both the education and labor markets which can be used to both respond to specific policy questions and overall provide an insight into what factors are facilitating or impeding human resources for health (HRH) goals under UHC, ultimately impacting MCH/FP and TB outcomes. In addition, the Government of Philippines has clearly delineated its framework for the health workforce in line with UHC to include aspects of the educational sector and labor market dynamics, positioning a HLMA as a strong tool to respond to the critical policy questions needed to inform UHC (see Figure 1). Based on this context, the Department of Health (DOH) identified three key questions to guide the development of a health labor market analysis:

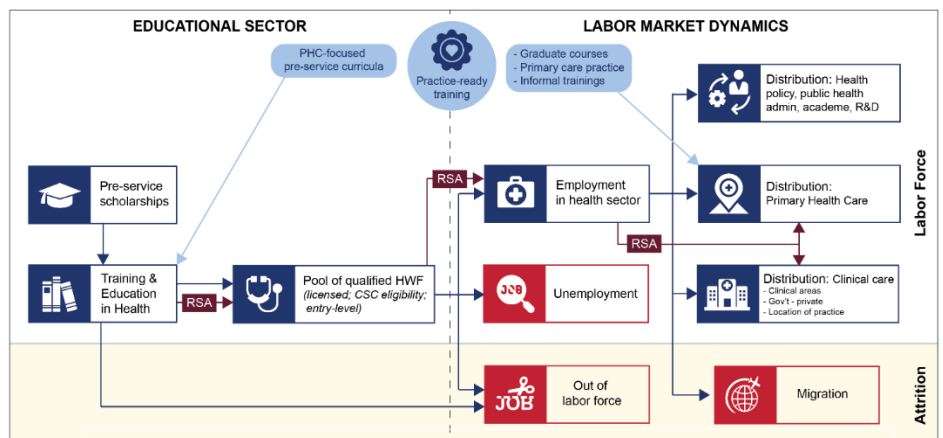


Figure 1. Human Resources for Health Development Framework for Universal Health

How do we improve equitable access to health workers to advance UHC?

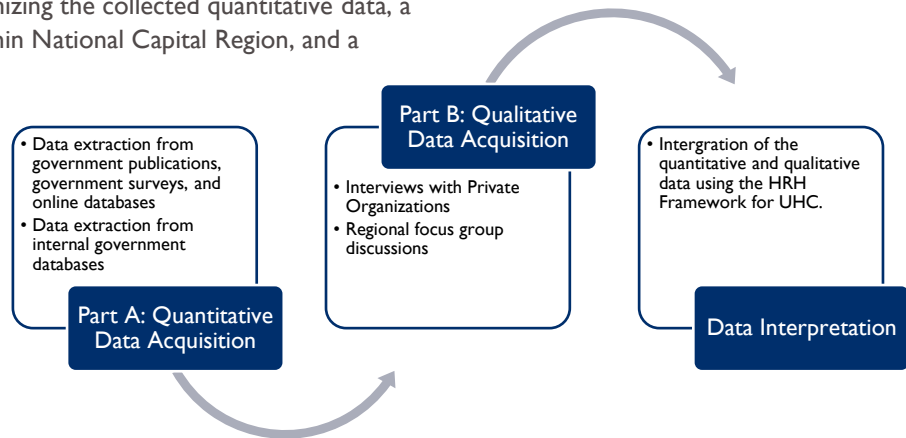
What are the cost implications and fund sources for HRH component of UHC?

What is a sustainable international migration policy for the Philippines?

Methodology

Using the HLMA approach allows for a comprehensive understanding of the health labor market dynamics of the country. Specifically, it analyzes two markets: the market for the supply of health workers, which is also known as the health education market, and demand for health services and thus health workers or the labor market. The dynamics of the Philippine health labor market were analyzed using the sequential explanatory design of the mixed methods approach, which entailed two phases of data collection. First, quantitative data were collected and initially processed. Afterwards, the initial findings were either reinforced or annulled through the collection of the qualitative data. The data collection tools for the HLMA included basic office software (excel) and a statistical software (Stata) for encoding and organizing the collected quantitative data, a questionnaire and data presentation for interviews within National Capital Region, and a question guide and data presentation for the regional Focus Group Discussions. The results from the two phases were then integrated in the final interpretation of the results.

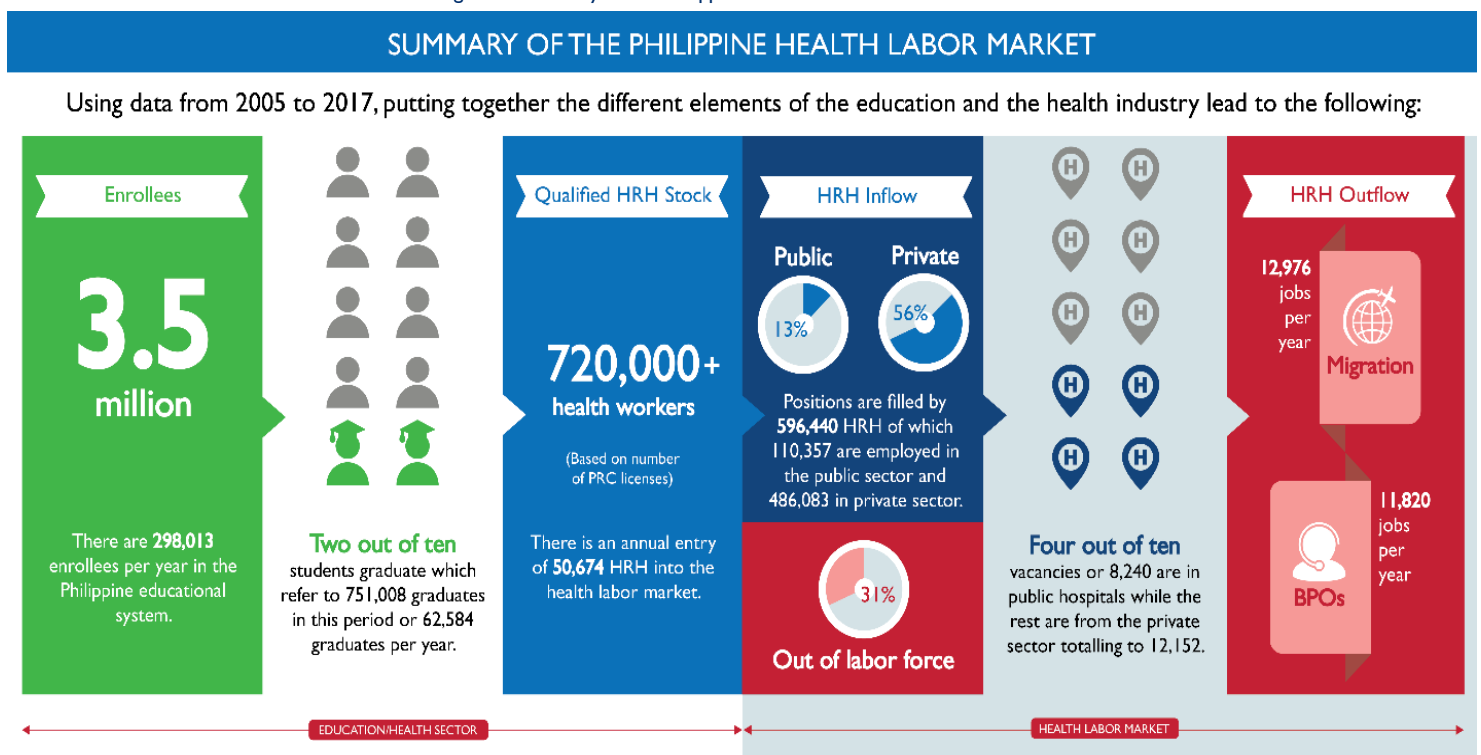
To conduct the analysis, the HRH Framework for UHC developed by the DOH, was used as the framework for the data collection and analysis (see Figure 1). The framework integrates the World Health Organization and Organization for Economic Cooperation and Development frameworks with the provisions of the UHC law.



Findings

The below figure (Figure 2) demonstrates the overall findings from the health labor market analysis, which is followed by summary responses to the identified key questions that were the focus of the HLMA.

Figure 2. Summary of the Philippine Health Labor Market



How do we improve equitable access to health workers to advance UHC?

Improving equitable access to health workers is a systemic challenge that **requires adjustments and calibrations in corollary markets and sectors**. A **long-term perspective** is needed, with **short-term strategies** to respond to the needs of UHC

Production. Considering the data on the number of schools, **Luzon primarily Metro Manila and its peripheral regions, Region IV-A and Region III combine for 37.3% of all schools offering health science programs**. Consequently, these three regions **also produce 47% of all health sciences education graduates**. Providing incentives for the establishment of state funded health sciences programs in the regions with few health science programs will be the first step in the right direction.

Distribution. With the **production of health workforce largely concentrated in the top three economic regions**, it also naturally follows that **health facilities and work opportunities are dominant in these regions**. Though there is a regional **imbalance** for Rural Health Unit and Hospital Level facilities, it can be said that **barangay health stations (BHS) are more equitably distributed** throughout the country. The combined percentage of BHS for these three regions is much lower at 26% with, 74% of BHS located throughout the rest of the country. Likewise, their relative share to the total number of Barangay Health Workers (BHW) is only 18% of the total. In addition to regional imbalance, there is also a gender imbalance observed in the HRH stock with more women than men as health workers. One consideration to improve equitable access to the health workforce to **advance UHC is to identify appropriate mechanisms by which to maximize the existing BHS and BHW systems** already in place across the country. In terms of policy, there is already a law, Republic Act 7883 providing incentives to BHWs. The main impediment, however, in making this work is that BHWs are under the jurisdiction of the local governments that sometimes do not allow primary care to be maximized to provide promotive and preventive care. Proposed staffing standards for professionals' support maximizing the contributions of the BHS by increasing the number of nurses and midwives at the BHS to expand essential primary care services that will be made more accessible to communities.

Wage Considerations for Equity. Another aspect of equity that needs to be addressed for HRH is **the wage disparity within the public and between the private health workers**. The entry level premium for the public sector is roughly 50% more and that is incentive enough for those HRH looking for a job to remain unemployed, waiting for a position in the public sector. Regarding exit out of the health sector, one option of experienced nurses is to work in Business Process Outsourcing (BPO) in health-related roles. In fact, according to the **Technology and Business Process Outsource** association, it is the BPOs that are contacting them to help them recruit nurses to employ at their centers. Many nurses are opting for these types of jobs as the working conditions are much better and the load is lighter compared to health facilities.

What are the cost implications and fund sources for HRH component of UHC?

The cost implications of the HRH requirements of the UHC range from the **training and education** of health workers, to considerations of **remuneration and strategic leveraging of the private sector** to achieve UHC.

Education Market. Based on current education policies, government has already identified the provision of health sciences education as a public good. However, with 80% of health sciences education delivered under the private sector, this could lead to quality issues in the future as the public education system will be deluged by more applicants. It could also lead to a potential situation wherein the private education system will lose enrollment and face future closure. **It is imperative that government treats health science education as a public good, in terms of an investment**. In this context, increasing public sector share will ensure **decreasing "wastage"** or that the dropouts from enrollees will be minimal and that **those who will graduate will pass the licensure examination** and will be qualified to work in public, or private health sectors. Government scholarship support **provides the condition for imposing return service agreement which also looks at supplying health professionals to the private sector** and could be considered as the **government currently provides free tuition and waives all fees for state universities and colleges**. The **Technical Education and Skills Development Authority** also provides **full scholarships** for all its auxiliary health certification programs and must be taken into consideration for any costs.

Health Labor Market. In regard to the health labor market, costs should consider several issues such as **remuneration**, but also **costs of provision of services** and the **impact of the disequilibrium of these services between the private and the public sector**. To achieve UHC, a **well-functioning health system that harnesses the private sector is needed to allow for contracting of certain services**. **If the private sector is not able to supply these services**, the costs will largely fall on the public sector. When considering public sector costs, the **cost structures of the Local Government Units (LGUs) must also be considered**. The LGUs Personnel Services cap as provided by the Local Government Code, and role of the BHW does

have an impact on staffing of the health workforce and thus should be included in any considerations of costing for UHC. The **setting up and creation of more public health positions for the deployment programs will also incur costs.**

Overall, a major challenge in **costing, is estimating these costs and juxtaposing them to government capacities to raise revenues and identify funding sources.** In fact, government should **treat all the resources it is pouring to health and UHC as investments,** leading to improvements of UHC outcomes. Government, therefore, must put the proper valuation of its investments in health. **This is a gap that needs to be established by a broader analysis of revenues and investments and their impact to society.** Evidence that HRH development investments contribute to overall economic development of a country is rife in the High Commission on Human Resources for Health Employment and Economic Growth (CHEEG) document.

What is a sustainable international migration policy for the Philippines?

Evidence demonstrates that **health workers are moving from the private sector, to the public sector, to positions abroad** due to the remuneration and other opportunities for their dependents. The HLMA provides information on the market that is inherently driving migration and offers insight on what factors need to be considered to lessen the negative impact of the same.

Supply & Demand. As international demand has inconsistently gone up and down, the **local health science education system has produced more nurses who are not being absorbed by the local health systems.** According to recruitment agencies involved in health care, demand has recently slowed down especially for high quality hospitals abroad. This provides insight into the need to determine the sustainable production of health workers especially nurses that should be aligned to fulfill local needs especially in the UHC era.

Governing Bodies. The role and function of the **Philippines Overseas Employment Agency (POEA)** and the **Commission on Filipinos Overseas (CFO)** in the **management of outflows should be examined as these bodies demonstrate a commitment to migration of Filipino health workers.** While the results of the HLMA does not discourage migration, results do demonstrate the need for stronger coordination between the **Commission on Higher Education, DOH, LGU, private sector health facilities** and other stakeholders who will ensure that **both Filipino health workers and the Philippine health system benefit from migration.** Perhaps, there is a need for one body to improve collaboration among key health worker migration stakeholders in order to attain the balance between production and demand that includes the effects of actively migrating HRH.

International migration is a given in a globalized economic environment but understanding the “why” is critical to making strategic decisions around migration management. Addressing the issues of **inefficient of production** dependent on international demand, as well as **factors complicating retention** domestically should be taken into consideration.

Recommendations

To ensure utilization of the findings of the health labor market to advance the health workforce agenda under UHC, and ultimately impact FP/MCH and TB outcomes, the following recommendations have been made per critical agency. It is recommended that each agency examine the recommendations and further details can be found in the report.

Agency	Recommendations
Commission on Higher Education (CHED)	<ul style="list-style-type: none"> Regulation on the number of health sciences programs per region with incentives provided to public HEIs Provide pre-service and in-service targeting strategies (e.g. scholarships, training opportunities); Provide guidance on regulating the type of health science program promoted based on skills mix demand to respond to regional population health needs Incentivize private schools to accept students and teachers where public schools are deficient or inadequate in certain areas Coordinate with Department of Health and other actors in the health labor market to ensure that skills mix production of the health workforce is meeting the population health needs.
Department of the Interior and Local Government (DILG) & Local Government Unit (LGU)	<ul style="list-style-type: none"> Provide pre-service and in-service targeting strategies (e.g. scholarships, training opportunities, return service agreements [RSAs]) Organize local health systems in a manner that ensure adequate distribution of the health workforce Use planning tools to determine evidence-based staffing needs
Department of Health (DOH)	<ul style="list-style-type: none"> Provide pre-service and in-service targeting strategies (e.g. targeted scholarships, training opportunities, return service agreements) Scrutinize the use of Health Care Provider Networks to contract certain provisions of primary care to the private sector

Agency	Recommendations
	<ul style="list-style-type: none"> • Subcontract HRH in the private sector and GIDA at a higher wage package • Address gender-related occupational segregation/opportunities and pay gaps • Settle the pay imbalance and find the appropriate value of the health workers in the health system
Department of Science and Technology (DOST)	<ul style="list-style-type: none"> • Provide pre-service and in-service targeting strategies (e.g. scholarships, training opportunities) • Increase the number and improve the capacity of health researchers and scientists.
Philippine HRH Network	<ul style="list-style-type: none"> • Facilitate collaborative planning for HRH production, utilization and retention • Conduct HRH valuation study
Private Sector	<ul style="list-style-type: none"> • Implement compulsory return service agreements • Maximize the management of HRH • Participate in the pre-service planning and targeting strategies
Philippines Overseas Employment Agency / Commission on Filipinos Overseas	<ul style="list-style-type: none"> • Use trends in production and migration identified in the health labor market analysis to inform planning and policies to ensure that migration is both beneficial to Filipino health workers and the Philippines. • Participate in the pre-service planning and targeting strategies