Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlarang ng Pilipinas

HEALTH ECONOMICS AND FINANCE PROGRAM

Closing the Information Gap: Large Scale Analytics of Physician Professional Fees from PhilHealth Social Health Insurance Data

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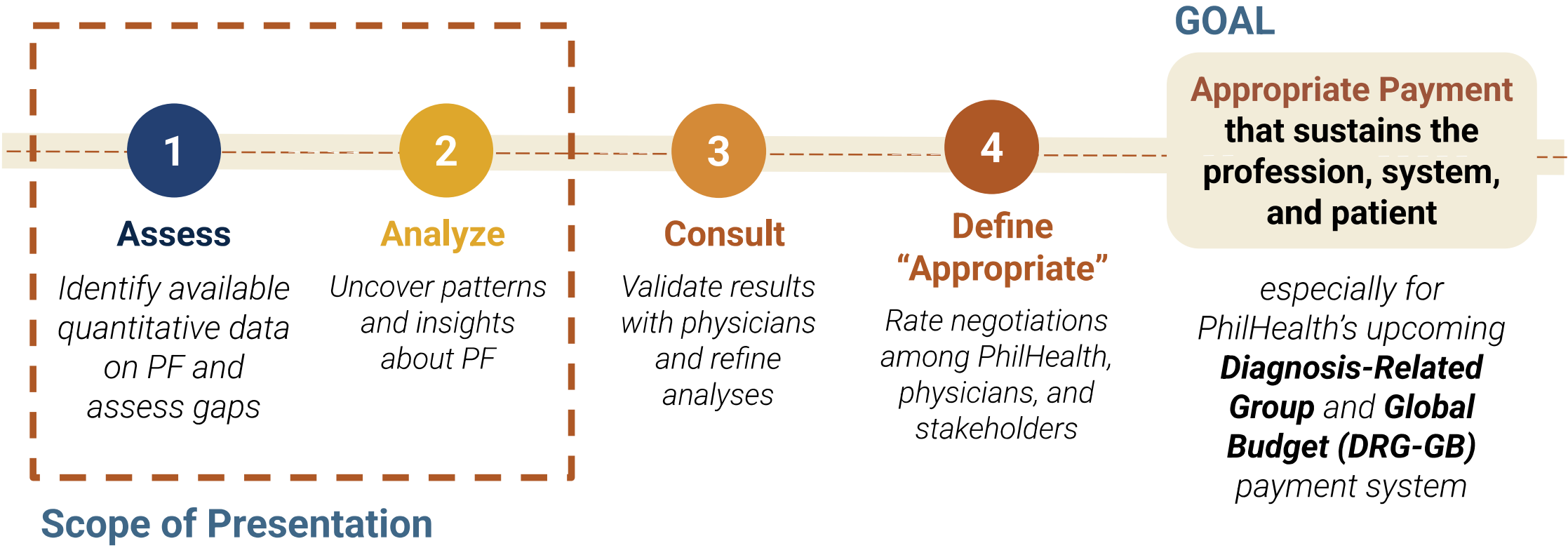
Preliminary Analysis

Objective Evidence on Professional Fees (PF) is necessary to design appropriate payment rate policies for physicians



Preliminary Analysis

PhilHealth's Claims Data (eClaims) is a readily available large-scale dataset on professional fees in the Philippines

Analysis Units	Key Characteristics	Key Variables
Claims 2022-2025 57.96M (Paid)	**2022**: 11.98M **2025**: 18.71M (56% growth)	Claim Code: Case Rate 1 & 2 Payment: PhilHealth Payout, **Declared charges for facilities & health professionals**
Facilities 8,504	**42%** Private Ownership **11**% Infirmaries & Hospitals	Ownership, Service capability, Location
Health Professionals 54,705	**90%** Physicians **52%** Specialists	Type, Age, Sex, Years of Experience, Specialty
Patients 17.7 million	**52%** Indirect members **22**% Elderly (65+ years)	Sociodemographics, Length of stay, Secondary diagnosis (limited)

Preliminary Analysis

Presentation Goal and Outline

Goal: Present **exploratory analysis** of **PhilHealth Claims data** on **Professional Fees (PF)** to inform discussions on appropriate compensation among stakeholders

01

Magnitude

How much are physicians charging?
(as reported to PhilHealth)

02

Variation

How varied are physician charges?

03

Synthesis

Data recommendation and Next steps

Preliminary Analysis

Study Limitations

- Results are **not representative of all professional fees in the Philippines.** ***It is only what is captured or reported to PhilHealth.***
  - Does not capture data on benefits PhilHealth doesn't covery
  - Relies on self-reporting by hospitals and physicians
- Professional fees are **charges that represent market price**
  - ***only one component of "appropriate" compensation***
  - i.e., physician costs for training/time and cost-of-living

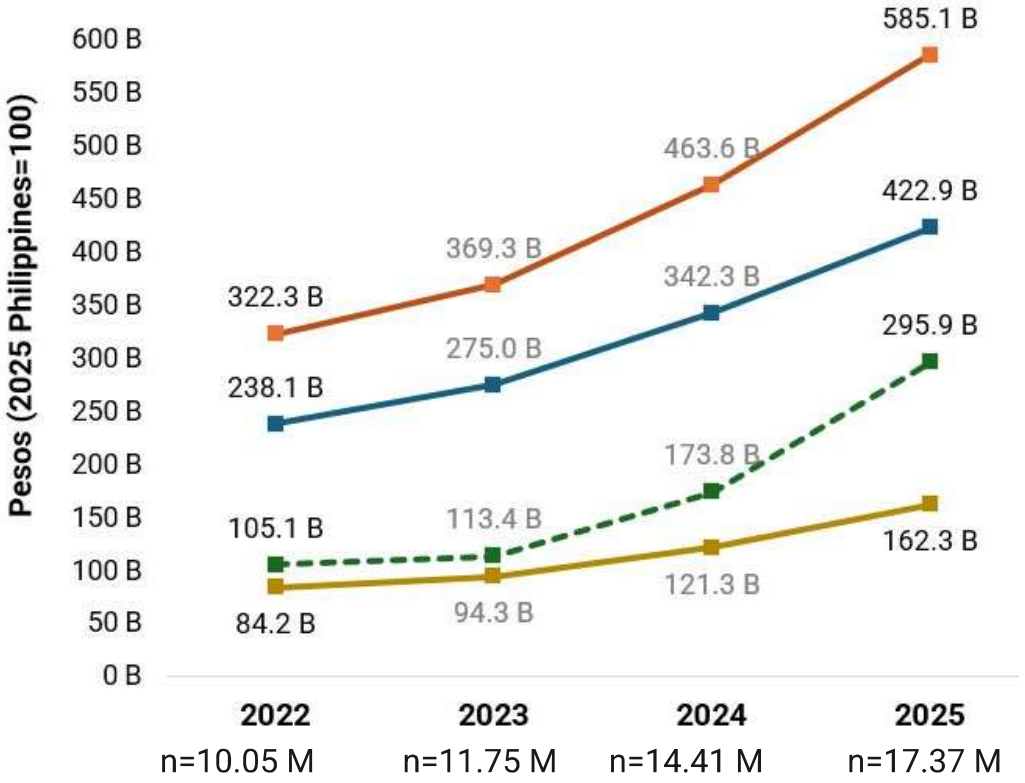
Preliminary Analysis

01 Magnitude:

How much are physicians charging?
(as reported to PhilHealth)

Preliminary Analysis

Through its eClaims system, PhilHealth captures a substantial and growing volume of data on charges and professional fees



Note: *8.6% of claims excluded due to issues in scope and data quality*

		Change 2025 vs. '22	
	Total Charge	+82%	16%/year
	Facility Charge	+78%	15%/year
	PhilHealth Payout	+181%	30%/year
	Professional Fees	+93%	18%/year

In 2025, Captured PFs in eClaims were…

28%
of Total Charges

₱9.3k
(SD: 31.2k)
on average per claim

9.4%
of Philippine T.H.E.*

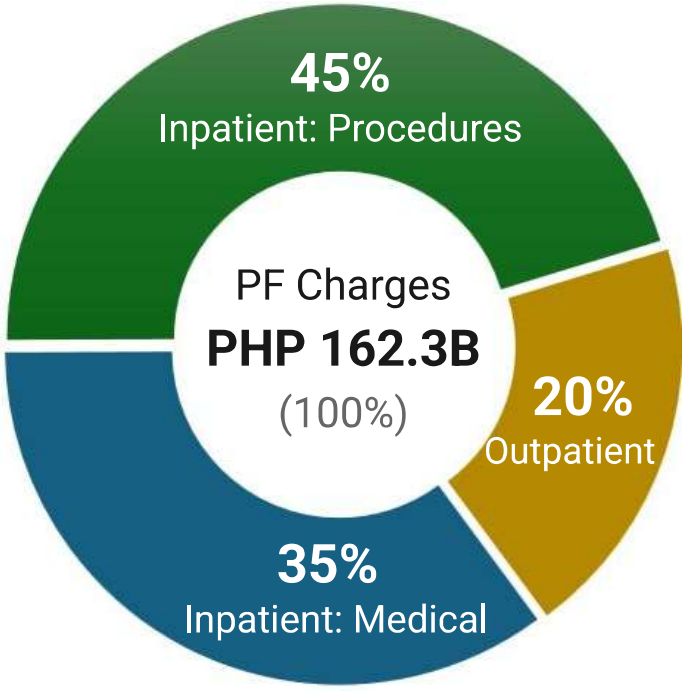
**Total Health Expenditures*

*Source: Philippine Statistics Authority, 2025 Philippine National Health Accounts

Preliminary Analysis

PF Share by Service Type in 2025

Inpatient Claims and 6 Specialties capture the majority of PF in eClaims



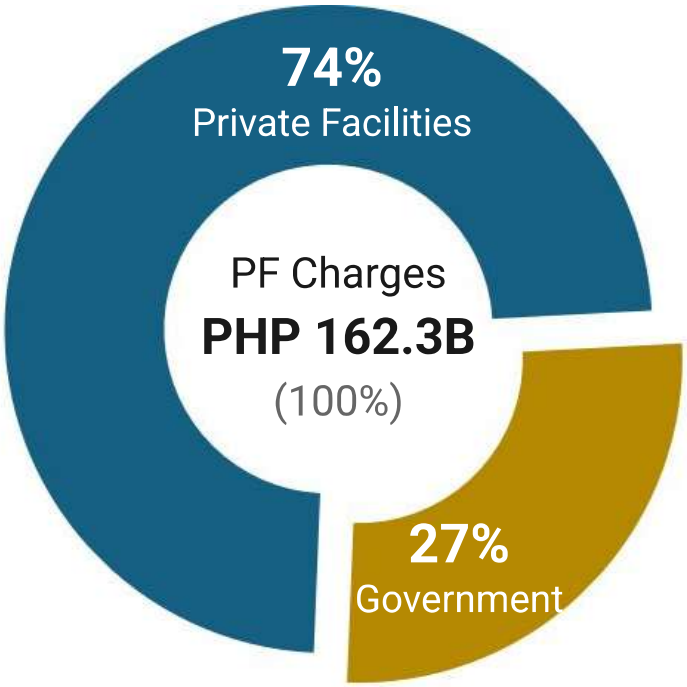
RANK	SPECIALTY	TOTAL PF	SHARE of TOTAL PF	MEAN PF (SD)
1	**OB-GYNE**	₱25.5B	16%	₱16.1k (27.8k)
2	**General Surgery**	₱16.5B	10%	₱29.8k (54.0k)
3	**Pediatrics**	₱12.1B	7%	₱8.7k (15.4k)
4	**Orthopedics**	₱10.2B	6%	₱34.6k (66.8k)
5	**Ophthalmology**	₱9.6B	6%	₱19.1k (21.8k)
6	**Infectious Dis.**	₱9.3B	6%	₱14.6k (40.2k)

Subtotal: 51%

Preliminary Analysis

PF Share by Facility Type in 2025

PF in eClaims concentrates in the Private Sector and Hospitals, particularly Level 2 and Level 3 Private Hospitals



RANK	FACILITY TYPE	UNIQUE FACILITIES	TOTAL PF	SHARE of TOTAL PF	MEAN PF (SD)
1	Priv Hosp L2	344	₱55.0B	34%	₱12.8k (36.8k)
2	Priv Hosp L3	62	₱34.4B	21%	₱17.8k (59.9k)
3	Gov Hosp L3	62	₱22.6B	14%	₱10.4k (29.8k)
4	Priv Hosp L1	458	₱18.5B	11%	₱11.4k (22.8k)
5	Gov Hosp L1	333	₱12.1B	8%	₱6.3k (12.5k)

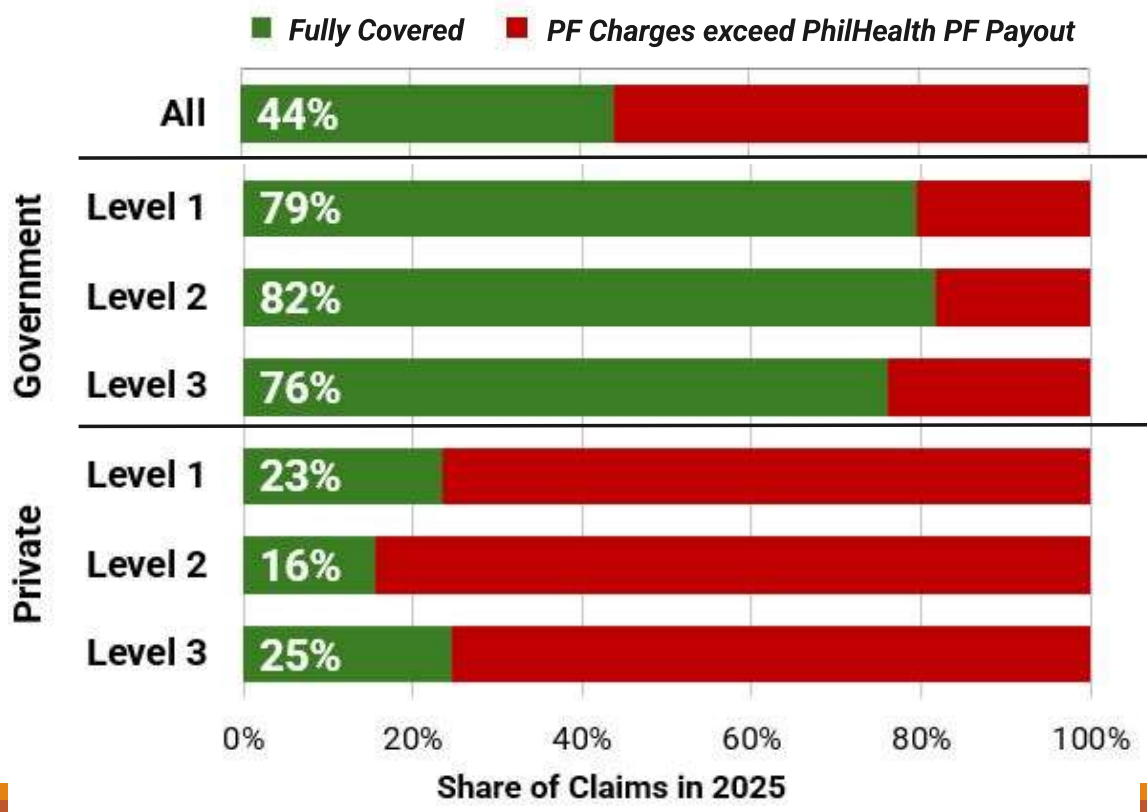
Subtotal: 88%

Preliminary Analysis

PhilHealth PF Payout vs. PF Charges

PhilHealth PF payout fully covers most inpatient claims in Government Hospitals, but not Private Hospitals

Note: *Claims restricted to Inpatient Claims (length of stay >1 day)*



PF Charges exceed PhilHealth PF Payout

	CLAIMS	MEAN OUT-OF-POCKET (SD)
All	7.41 M	₱9,769 (38,995)
Government – Level 1	389.5k	₱4,286 (24,521)
Government – Level 2	188.1k	₱2,684 (23,356)
Government – Level 3	511.1k	₱9,066 (47,139)
Private – Level 1	1.23M	₱8,031 (21,475)
Private – Level 2	3.63M	₱9,854 (34,233)
Private – Level 3	1.45M	₱14,370 (58,348)

Preliminary Analysis

02 Variation:

How varied are physician charges?

Preliminary Analysis

Methods: Exclusion process to isolate uncomplicated claims for valid comparison within diseases/procedures

01

Select 14 Standard Medical Diseases and Procedures

Common: sufficient sample, top PhilHealth medical or procedure claim
Homogenous: protocol, inputs, and complexity
Types: Inpatient - Medical (3) and Procedures (4)
Outpatient - Diagnostics (3) and Ambulatory Procedures (4)

02

EXCLUSIONS for Case Definition, Complexity, and Data Quality

Case Definition: Co-billed procedure (case rate 2), inconsistent length of stay for in/outpatient, indications of complex cases
Data Quality Issues: inconsistent totals, implausible charges

03

EXCLUSIONS Specific to Disease or Procedure

Age Restrictions: e.g., under 5 years old, 65+ years old
Outliers for Length of Stay outliers: ≤1%ile & ≥99%ile
Outliers for Total Charge: ≥99.5%ile, implausible charges

Sample of homogeneous, low-complexity claims per disease/procedure

Preliminary Analysis

Variation in PF charges ranges from **low to very high**

even among standard, uncomplicated procedures and medical cases

14 diseases/procedures **ranked by variation** in PF charges

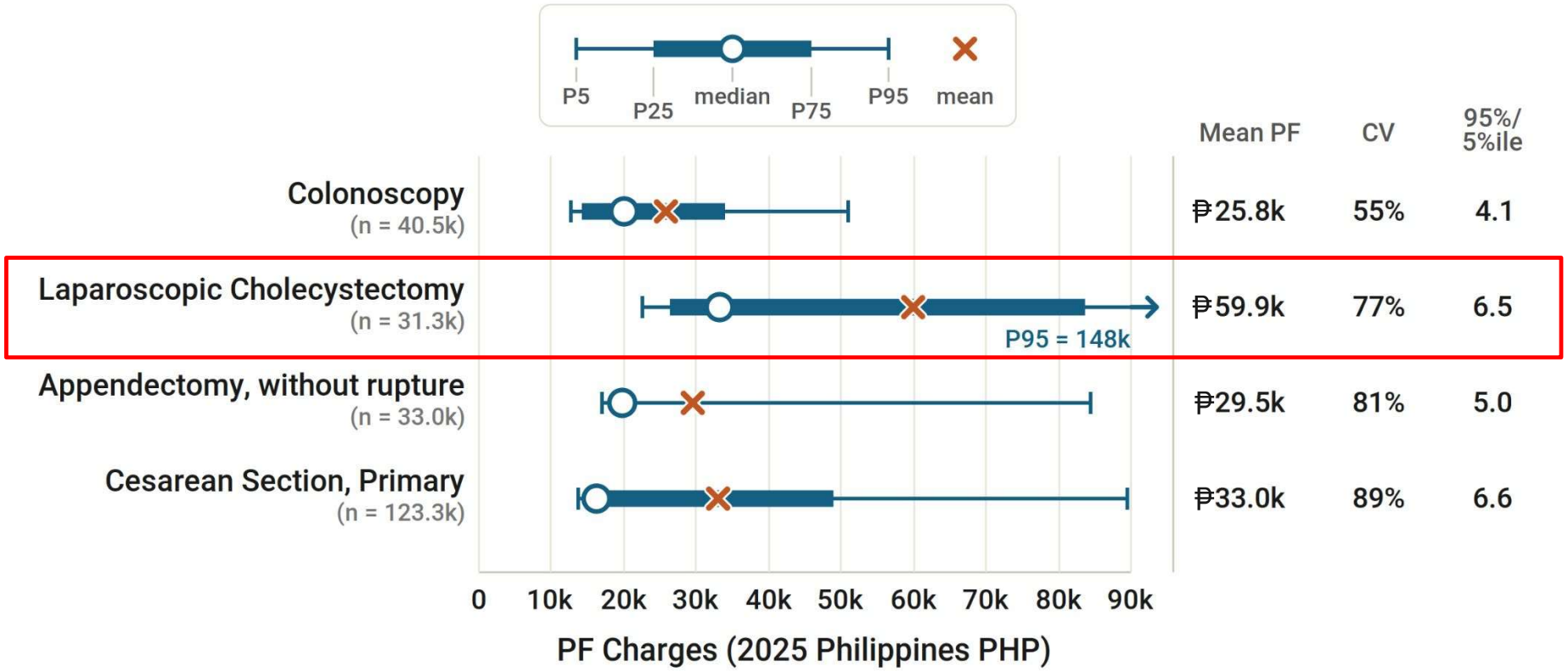
#	Disease/Procedure	Claims (thousands)	Mean PF	Coefficient of Variation (CV) *measure of spread in charges*
Low variation (CV under 30%)				
1	Intensity Modulated Radiation Therapy	291.8	₱4,333	17%
2	Laryngoscopy	40.2	₱16,867	30%
Higher variation (CV 30% and above)				
3	Endoscopy — Upper Gastrointestinal	22.7	₱ 15,945	48%
4	Blood / Blood Products Transfusion	30.3	₱2,226	54%
5	Colonoscopy	40.5	₱25,798	55%
6	Cataract Extraction	159.7	₱15,996	60%
7	Dengue, no warning signs	25.7	₱8,334	62%
8	Bronchial Asthma, Acute Exacerbation	31.8	₱8,465	66%
9	Acute Gastroenteritis	92.9	₱4,875	71%
10	Laparoscopic Cholecystectomy	31.3	₱59,934	77%
11	Chemotherapy Administration	310.3	5,022	78%
12	Appendectomy, without rupture	33.0	₱29,498	81%
13	Cesarean Section, Primary	123.3	₱33,021	89%
14	Normal Spontaneous Delivery	277.4	₱5,436	122%

HIGHER VARIATION

Preliminary Analysis

Illustrating Variation in PF Charges

PF for the same standard procedure can vary widely; a small number of high charges pull the average above the typical case



Most expensive PFs are **6.5x** that of the **least expensive** charged PFs

Preliminary Analysis

Laparoscopic Cholecystectomy

Sample Profile

Code: 47562

Specialty: General Surgery

Restrictions: 18+ year old (Adults)

Length of Stay: mean 2.8 days +/- 1.3 SD

PhilHealth PF Payout: PHP 24,180.00

Strata	Claims (2025) after Exclusions	Professional Fee (2025 PHL Pesos)			% PF fully covered by PhilHealth payout	Out-of-Pocket (PF exceeds PhilHealth payout)		
		Mean	25%ile	75%ile		n	Mean	SD
National	31,257	₱59,934	₱26,422	₱83,570	37%	19,632	₱54,242	₱45,719
Room Type								
Public - Ward	7,376 (24%)	₱26,119	₱23,378	₱26,422	90%	773 (4%)	₱16,514	₱27,851
Public - Private	2,270 (7%)	₱51,353	₱25,754	₱75,593	37%	1,439 (7%)	₱39,296	₱41,770
Private - Ward	2,505 (8%)	₱69,953	₱26,640	₱90,281	21%	1,990 (10%)	₱54,379	₱39,022
Private - Private	19,106 (61%)	₱72,694	₱27,174	₱94,769	19%	15,430 (79%)	₱57,509	₱46,464
Physician Age Group								
21-30 years	252 (1%)	₱25,303	₱23,776	₱26,422	99%	3 (0.02%)	₱30,597	₱51,679
31-40	4,248 (13%)	₱52,409	₱25,310	₱74,319	50%	2,108 (11%)	₱54,316	₱47,260
41-50	9,563 (31%)	₱62,071	₱26,422	₱87,941	36%	6,127 (31%)	₱57,108	₱44,740
51-60	11,197 (36%)	₱58,888	₱26,422	₱80,771	36%	7,153 (36%)	₱51,800	₱46,444
61+	5,940 (19%)	₱65,585	₱26,422	₱88,251	29%	4,231 (22%)	₱54,249	₱44,881

Preliminary Analysis

Laparoscopic Cholecystectomy

Sample Profile

Code: 47562

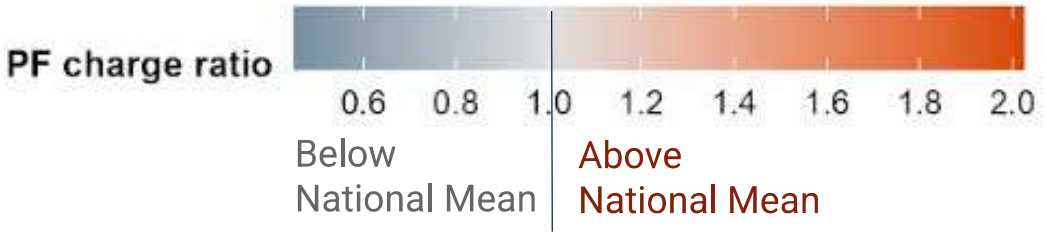
Specialty: General Surgery

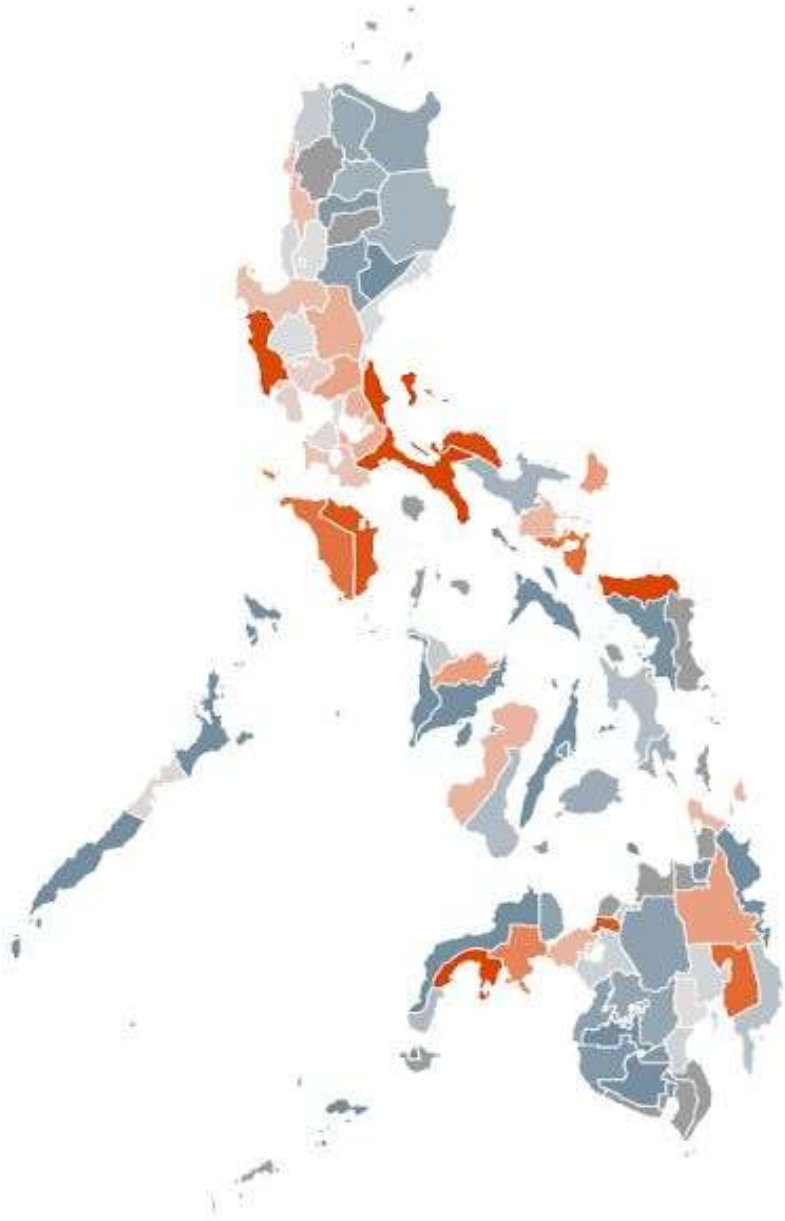
Restrictions: 18+ year old (Adults)

Length of Stay: mean 2.8 days +/- 1.3 SD

Mean Charge Variation by Province/City

1.0 = National Mean of ₱59,934





Preliminary Analysis

03 Synthesis

Data Recommendation and Next Steps

Preliminary Analysis

DATA RECOMMENDATION

As we develop the New DRG Payment Rates, accurate reporting of complications and comorbidities as secondary diagnoses is necessary for complexity-adjusted payments

All Case Rates (Current, Claims form 2)

Case rate codes 1 and 2

complexity not accounted

Diagnosis-Related Groups (New; Claims Form 5)

Length of Stay

Complications & Comorbids

Procedures done

COMPLEXITY LEVEL	CLAIMS (N)	MEAN PF (SD)
Not distinguishing Complexity	13.5M	₱ 11,069 (34,326)
0 None	12.3M	₱ 9,637 (30,061)
1 Mild	228.7k	₱ 11,798 (21,667)
2 Moderate	371.3k	₱17,892 (39,627)
3 Severe	505.2k	₱27,371 (59,850)
4 Catastrophic	141.9k	₱57,792 (117,019)

Accounting for complexity, mean PF rises with higher complexity cases

Preliminary Analysis

Case Study: The Impact of incomplete reporting of secondary diagnoses (Complications and Comorbidities) under the DRG System

Diagnosis:
J45.90 Asthma in acute exacerbation

When secondary diagnoses go unreported, both analysis to build the DRG system and potential payment suffer — A.B.'s claim shows a potential 3-fold underpayment if complexity is unaccounted
(Illustrative numbers only)

	A.B. (52, M) Residence: Camarines Norte	**C.D. (65, F)** Residence: Davao del Sur
Admission & Billing Details		
Encoded Secondary Diagnoses	• **NONE** encoded	• **I48** Atrial fibrillation and flutter • **I11.9** hypertensive heart disease
Diagnosis-Related Group (DRG) v0.1 *(Testing version only)*	**04590** Bronchitis and asthma, ***with no complications***	**04594** Bronchitis and asthma, ***with catastrophic complications***
	0.37 **Payment Relative Weight**	**1.33** **Payment Relative Weight**

Preliminary Analysis

Synthesis

- **PhilHealth eClaims** is an **administrative dataset** that captures a **substantial portion of Physician Professional Fees** in the Philippines.
- Though **imperfect** and **inpatient-/hospital-centric**, it is **sufficient to generate metrics** on physician fees to start discussion among stakeholders.
- **Significant variation in PF exists** -- even among standard, uncomplicated procedures and patients with no comorbidities
- **Policy Challenges** given variation in PF
  - What is the **"appropriate" compensation** that PhilHealth should cover?
  - What should fall to co-payment or out-of-pocket?

Next Steps

PIDS

- **Fine tune, deeper dives**, and determinants of PF variation
- **Validate** findings with technical advisory committee & physician societies
- **Inform** PF aspect of **PhilHealth's DRG payment reform**

Request: Hospitals, Physicians, Coders

- **Improve** submission and coding quality of **Claims Form 5** used to build the DRG payment weights

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Maraming Salamat!

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