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Profile of Private Hospitals in the Philippines

Rouselle F. Lavado et al.

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Profile of Private Hospitals in the Philippines*

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Abstract

As a recognition of the valuable role of private sector in the healthcare delivery system, this paper attempts to collate vital information on private hospitals in the Philippines. This paper looks at the different characteristics and structures of private hospitals sector with regard to geographical distribution, services, financing, human resource and other information needed by policy makers, investors and other interested stakeholders. To better understand the current health care delivery system in the country, other sections compare private hospitals vis-à-vis government-owned facilities.

Keywords: health, health care, health sector, health care financing, health care reform, health facilities, health management, health services delivery, hospitals, health care markets, private sector participation, private sector

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Profile of Private Hospitals in the Philippines

I. Introduction

Private hospitals continue to be one of the vital institutions that provide health care services to the majority of the Filipino population. In 2009, 60% of the hospitals are privately-owned (DOH, 2009). With regard to utilization, 48% of the population who needed inpatient care is confined in private hospitals (NSO; Macro International, 2009). Even with their large contribution, these institutions are also affected by the political, social and economic dynamics of the country which, in return, may disrupt viability, sustainability and investment.

Despite their big role, comprehensive research or analysis that delves into some key features and structures of these private hospitals is scarce. In this light, this paper attempts to document and collate all available secondary data on private hospitals from the Department of Health (DOH) and National Statistics Office (NSO). In addition, primary data collection was done in four study sites (Metro Manila, Baguio City, Davao City and Palawan) to substantiate national figures. This paper will be beneficial for both policy makers and investors who want to better understand the current status and dynamics of the sector.

II. Methodology

This study utilizes both primary and secondary data collection in profiling the private hospital sector in the Philippines.

A. Secondary data collection

Data from the DOH was used to determine geographical distribution and accreditation/licensing status of hospitals. Data from NSO (Census for Philippine Business and Industries) was used to gather pertinent financial and human resource information. Lastly, the National Demographic Health Survey (NDHS) was used to calculate utilization rates for private health facilities and expenditure patterns of households.

B. Primary data collection in four study areas

Primary data collection was also performed in study areas to substantiate vital information that cannot be extracted from the secondary data. However, as noted, only four study sites (Metro Manila, Baguio City, Davao City and Palawan) were surveyed due to logistic and financial constraints. Thus, some of these data collected are not reflective of the situation at the national level but can provide a snapshot of the current status of the sector. The information collected from these hospitals includes financial, operations, services and administrative data. In addition, hospital statistical reports gathered from the Centers for Health Development (CHDs) of the four study areas were also utilized to beef up the information gathered.

Metro Manila, Baguio City, Davao City and Palawan were purposively chosen due to their variations as to income and geographical landscape. Thus, each study area may reveal a different picture of private hospital practice and the demand dynamics of the population. Key informant interviews (KIIs) with medical directors, hospital administrators or any eligible hospital staff were conducted to gather data on operations, finances and other concerns affecting the viability and sustainability of the private hospital sector. Table 1 shows that 44 private hospitals were surveyed. An attempt was also made to survey all types of private hospitals according to service capacity.¹

Table 1. Distribution of Surveyed Private Hospital, by classification, by area

Survey Area	Level Classification				Total
	Level 1	Level 2	Level 3	Level 4	
Metro Manila	2 (20%)	3 (30%)	2 (20%)	3 (30%)	10
Palawan	4 (57%)	2 (29%)	1 (14%)	0 (0%)	7
Baguio City	1 (20%)	1 (20%)	2 (40%)	1 (20%)	5
Davao City	11 (50%)	5 (23%)	4 (18%)	2 (9%)	22
Total	18 (41%)	11 (25%)	9 (20%)	6 (14%)	44

The succeeding sections present some of the key features observed in the four study areas to better understand the health delivery system.

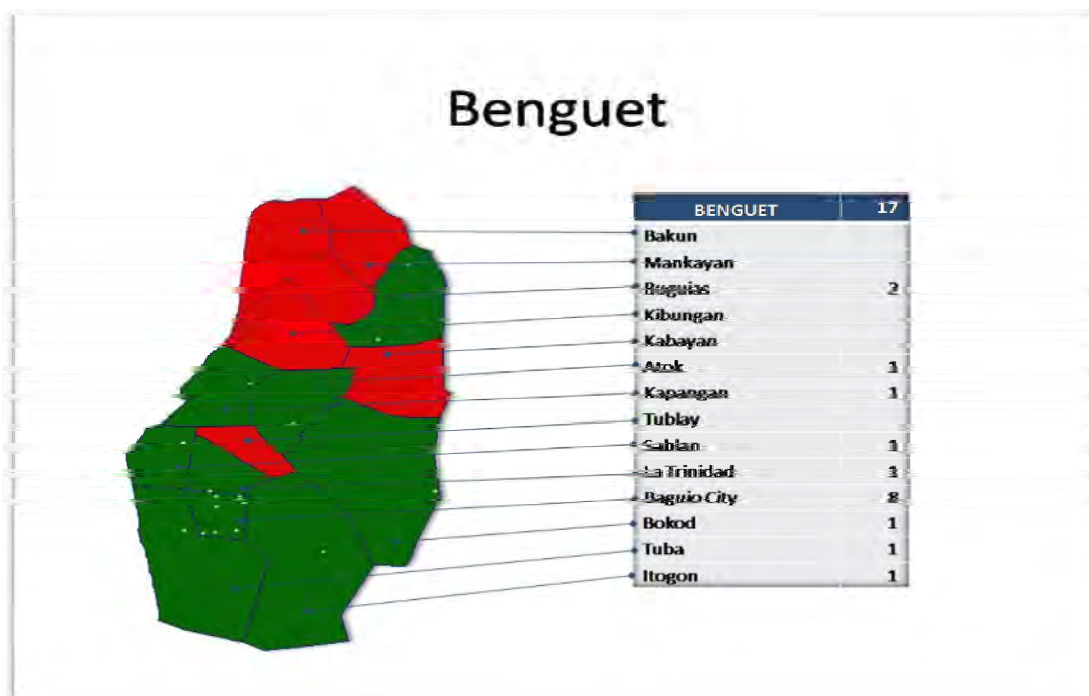
¹ Hospital level classification and its definition will be discussed in the next section.

1. Baguio City

Baguio City is approximately 250 kilometers north of Manila, situated in the Province of Benguet. Known for its cooler climes because of its high altitude, Baguio City has gained prominence as a regional center for health services in the Cordilleras, with the presence of Baguio General Hospital. The specialized facilities and services of the private hospital sector in this study area greatly enhance the city's capability in terms of the delivery of health services.²

Baguio City has six private hospitals, which are mostly Level 3 and Level 4. Interestingly, these big hospitals are in close proximity to each other (including a DOH-Retained hospital), providing similar high level of care to its patients. Despite of this, these hospitals have created a cooperative rather than a competitive type of environment. To illustrate, each hospital has a specialized ancillary service which they share with the other hospitals. Another conspicuous feature of the city's private hospital sector is the overwhelming number of doctors especially with the presence of St. Louis University's medical school.

Hospitals are concentrated in the city, as shown in the map below. Almost half of all the hospitals in Benguet Province are located in the city. Therefore, the time travel from each hospital within the city is less than 15-20 minutes.



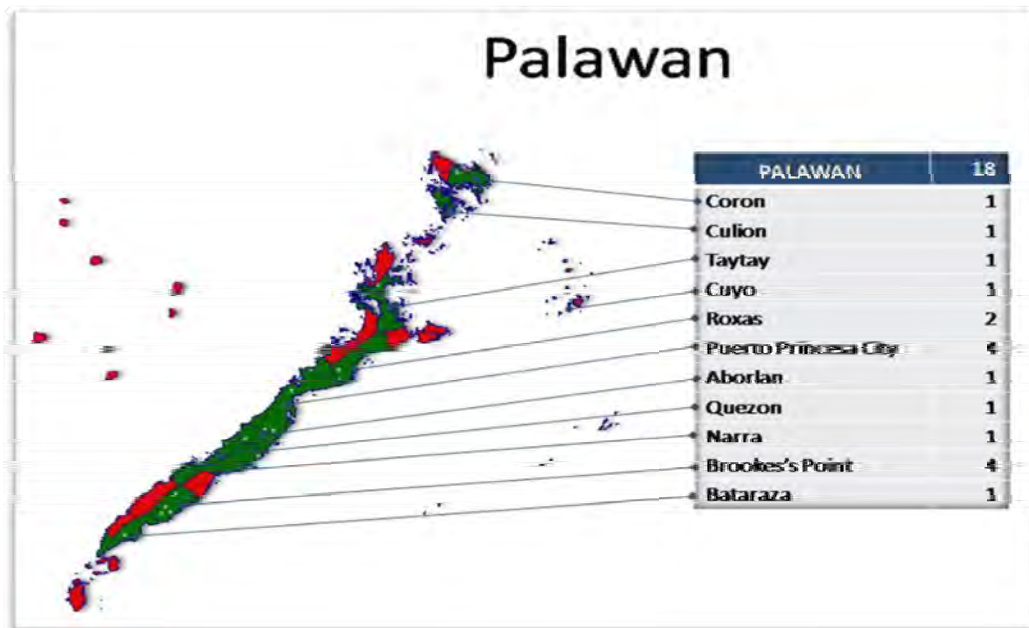
Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

² Baguio City official website: www.baguio.gov.ph

2. Palawan

Palawan is an island province located in the MIMAROPA region. It is the largest province in the country in terms of total area of jurisdiction. The province is composed of 13 mainland municipalities and 10 island municipalities. Puerto Princesa City is the province's capital, a highly-urbanized city that governs itself independently from the province. Palawan is a melting pot of 87 different cultural groups and races, with migrants coming mainly from Muslim Mindanao.

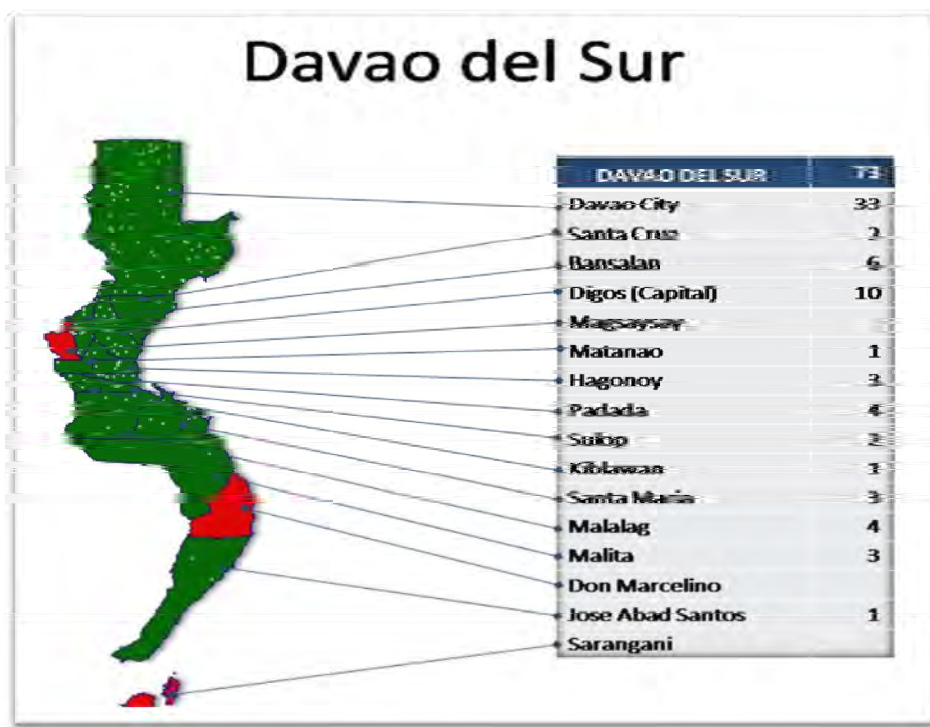
The province has 18 DOH-licensed hospitals, seven of which are privately-owned. Ospital ng Palawan, a Regional DOH-Retained Hospital, is located in Puerto Princesa City. A good concentration of Level 1 and Level 2 hospitals is found in Brooke's Point, 92 kilometers south of Puerto Princesa City. A few Level 1 and Level 2 hospitals are also scattered in the northern part of the island. Recognizing the lack of facilities in the northern part of the island, some hospitals in Puerto Princesa City are thinking of expanding or putting up satellite hospitals in the area. The presence of an ambulance system organized by the city government facilitates transfer of patients within the city. The lack of health manpower, particularly doctors, in the area outside Puerto Princesa City may have also contributed to the lack of interest in putting up hospitals in areas.



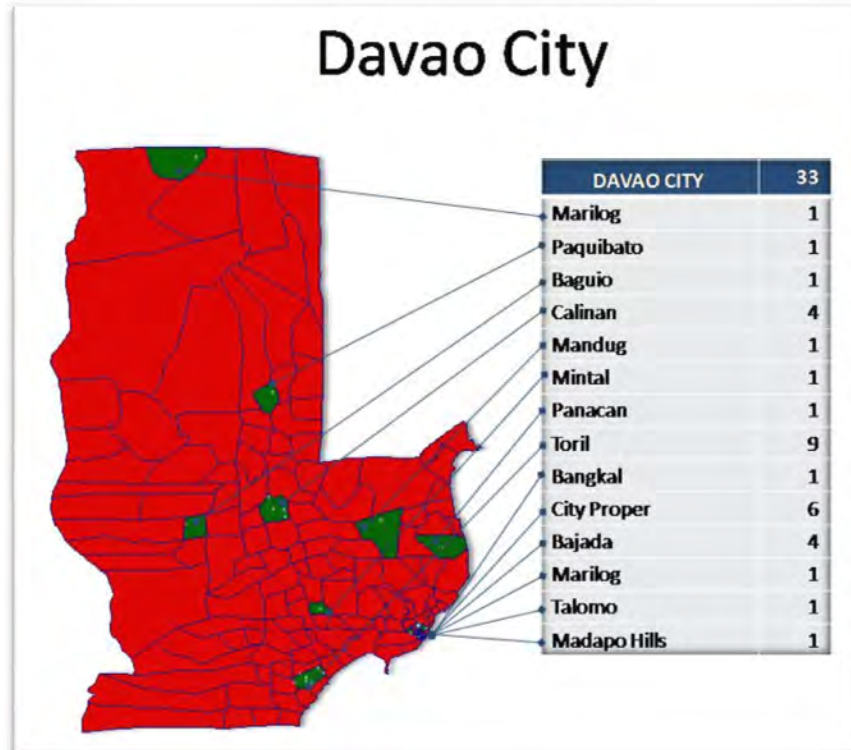
Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

3. Davao City

Davao City, the center of trade in Mindanao, is considered to be the largest city in the country in terms of land area. The province of Davao del Sur, where Davao City is located, has the most number of private hospitals compared to any other province, and almost half of all these hospitals are located in the city. All Level 3 and Level 4 hospitals are concentrated in the Poblacion (city proper). Level 1 and Level 2 hospitals, which comprise half the number of all the hospitals in the city, are concentrated in districts surrounding the Poblacion. Most of these lower-level hospitals are in Calinan and Toril districts. Davao Medical Center is the only government hospital providing service in the city, which is also located in the Poblacion.



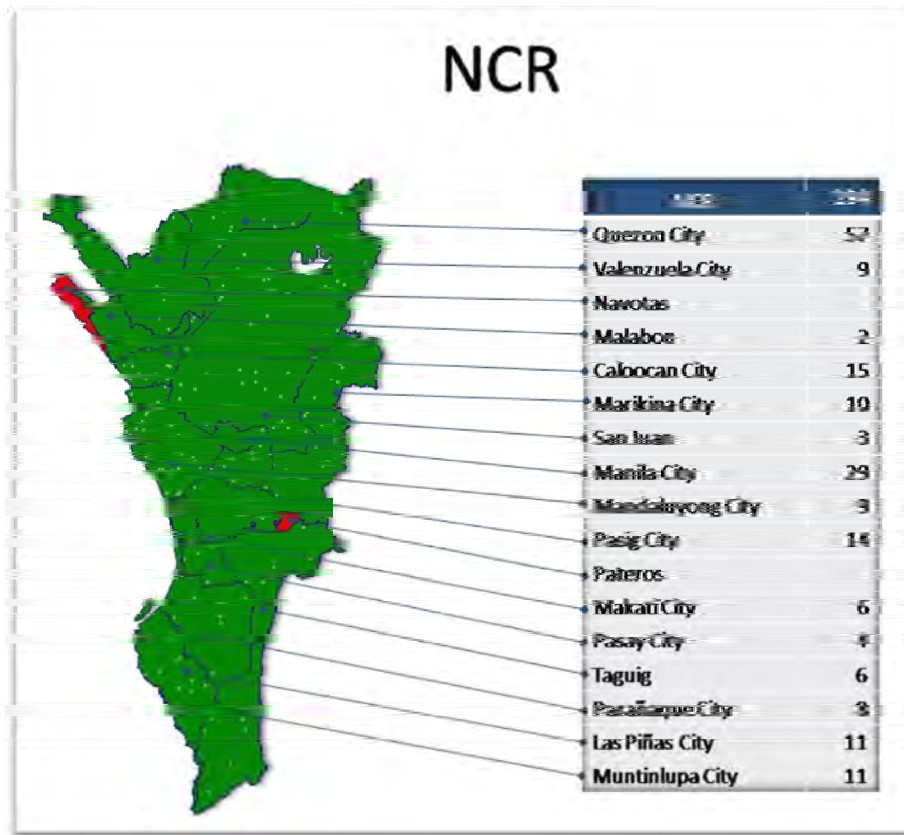
Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH



Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

4. Metro Manila

For Metro Manila, 72% of all its hospitals are privately-owned. Bulk of the beds in the whole country is concentrated in this region. Also, a large proportion of Level 4 hospitals are located in Metro Manila. Quezon City has the most number of hospitals, while Valenzuela City and Pateros do not have any. Metro Manila has quite a number of Level 1 and Level 2 private hospitals, comprising 63% of all private hospitals in the region. Interestingly, only 11% are Level 3 hospitals and 34% are Level 4.



Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

III. Characteristics of private hospitals in the Philippines

A. Ownership

Unlike government hospitals which are categorized as either DOH-retained or locally-owned and -controlled, private hospitals are classified as single proprietorship, partnership, corporation, missionary/religious or civic organization/foundation and cooperative.³ In the study areas, majority of the

³ Under the Philippine Laws, business organizations are briefly described as follows:

1. Sole Proprietorship: a business structure owned by an individual who has full control/authority of its own and owns all the assets, personally owes, answers all liabilities or suffers all losses but enjoys all the profits to the exclusion of others;
2. Partnership: treated as juridical person, having a separate legal personality from that of its members. Partnerships may either be general partnerships, where partners have unlimited liability for the debts and obligation of the partnership, or limited partnerships, where one or more general partners have unlimited liability and the limited partners have liability only up to the amount of their capital contributions.
3. Corporation: composed of juridical persons established under the Corporation Code and regulated by the SEC with personality separate and distinct from that of its stockholders. The liability of the shareholders of a corporation is limited to the amount of their share capital. A corporation can either be stock (with capital stock divided into shares and authorized to distribute to the holders of such shares dividends or allotments of the surplus profits on the basis of the shares held) or non-stock (organized principally for public purposes such as charitable, educational, cultural, or similar purposes and does not issue shares of stock to its members) company regardless of nationality.

hospitals are classified as for-profit corporation. It can be inferred that location is an important function of type of ownership. In highly urbanized areas like Metro Manila, most of the hospitals are private-corporation. On the other hand, less urbanized areas would tend to have sole-ownership type. Urbanized areas tend to have more hospitals that offer higher level of care that are owned by corporations with organized ownership and management structures. In contrast, majority of the private hospitals under single proprietorship offer primary level of care and are abundant in less urbanized areas. Table 2 shows the type of ownership of the hospitals surveyed in four areas.

Table 2. Distribution of Sample Hospitals, by survey area, by hospital classification

Survey Area	Hospital Classification					Total
	Private-Corporation	Private-Partnership	Private-Sole Ownership	Private Non-Profit, Church-Related	Private Non-Profit, Others	
Metro Manila	7 (70%)	0	2 (20%)	0	1 (10%)	10
Palawan	0	0	3 (42%)	2 (29%)	2 (29%)	7
Baguio City	3 (60%)	0	0	2 (40%)	0	5
Davao City	10 (45%)	1 (4%)	8 (36%)	1 (4%)	2 (8%)	22
Total	20 (45%)	1 (2%)	13 (30%)	5 (11%)	5 (11%)	44

**not reflective of the national picture
Source: Private Hospital Survey 2010

Most of the private hospitals under sole ownership are family enterprises. Usually, a husband-and-wife team of doctors or medical practitioners start up a primary hospital. In some cases, the primary hospital is complemented by a pharmacy or a diagnostic laboratory, which is also owned and operated by the family. On the other hand, hospitals that are setup by a group of friends are usually the higher-level hospitals and owned as a corporation. These are usually formed by a group of established doctors (see Table 3).

Table 3. Distribution of sample hospitals, by level classification, by form of set-up

Category	Form of set up			Total
	Group of friends	Family Enterprise	Others	
Level 1	1 (5%)	13 (72%)	4 (22%)	18
Level 2	1 (9%)	9 (82%)	1 (9%)	11
Level 3	3 (33%)	2 (22%)	4 (44%)	9
Level 4	2 (33%)	3 (50%)	1 (16%)	6
Total	7 (16%)	27 (61%)	10 (23%)	44

**not reflective of the national picture; hospital categories are discussed further in Section C.
Source: Private Hospital Survey 2010

(SOURCE: Types of Business Enterprises, Department of Trade and Industry www.dti.gov.ph)

- A cooperative is a duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

(SOURCE: RA 6938, Cooperative Code of the Philippines)

B. Distribution of licensed private hospitals

In 2009, the Philippines has a total of 1,796 licensed hospitals. CALABARZON has the most number of hospitals followed by Central Luzon and National Capital Region (NCR)/Metro Manila. On the other hand, Autonomous Region of Muslim Mindanao (ARMM) has the lowest number. In addition, there were 29 more hospitals in 2009 compared to 2005 (Table 4).

Table 4. Distribution of licensed hospitals, 2005-2009

Region	2005	2006	2007	2008	2009
NCR	182	180	181	178	179
CAR	55	55	56	55	50
I - Ilocos Region	124	122	118	121	121
II - Cagayan Valley	77	87	86	87	90
III - Central Luzon	197	195	201	197	197
IVA – CALABARZON	222	236	233	232	234
IVB – MIMAROPA	56	57	60	63	65
V - Bicol Region	120	118	117	116	113
VI - Western Visayas	82	85	86	86	86
VII - Central Visayas	107	107	107	107	104
VIII - Eastern Visayas	69	72	72	70	73
IX - Zamboanga Peninsula	73	70	71	70	67
X - Northern Mindanao	105	104	107	109	109
XI - Davao Region	111	109	108	107	110
XII – SOCCSKSARGEN	97	93	103	103	106
CARAGA	53	63	55	57	58
ARMM	37	30	21	26	34
PHILIPPINES	1,767	1,783	1,782	1,784	1,796

Source of Raw Data: List of Hospitals and Other Facilities, BHFS-DOH (various years).

Sixty percent of all hospitals are privately-owned (Table 5). CALABARZON has the highest number of private hospitals followed by Central Luzon, while ARMM has the lowest number. In terms of proportion, Davao Region has the highest (82%) followed by SOCCSKSARGEN (75%).

Table 5. Distribution of Hospitals by type of ownership, by region, 2009

REGION	Government		Private		Total
	No.	Percent	No.	Percent	
NCR	50	28%	129	72%	179
CAR	34	68%	16	32%	50
I - Ilocos Region	41	34%	80	66%	121
II - Cagayan Valley	44	49%	46	51%	90
III - Central Luzon	59	30%	138	70%	197
IVA – CALABARZON	66	28%	168	72%	234
IVB – MIMAROPA	38	58%	27	42%	65
V - Bicol Region	48	42%	65	58%	113
VI - Western Visayas	62	72%	24	28%	86
VII - Central Visayas	60	58%	44	42%	104
VIII - Eastern Visayas	50	68%	23	32%	73
IX - Zamboanga Peninsula	29	43%	38	57%	67
X - Northern Mindanao	36	33%	73	67%	109
XI - Davao Region	20	18%	90	82%	110
XII – SOCCSKSARGEN	27	25%	79	75%	106
CARAGA	35	60%	23	40%	58
ARMM	22	65%	12	35%	34
PHILIPPINES	721	40%	1075	60%	1,796

Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

As mandated by the DOH, hospitals are required to secure a license to operate (LTO) from the Bureau of Health Facilities and Services (BHFS). In the Philippines, licensing rate for private hospitals is at 95%, which is sustained since 2005. Comparing the licensing rate of government and private hospitals, it can be inferred that public hospitals are more likely to secure a license compared to private hospitals. In 2009, private hospitals have a licensing rate of 94% compared to 97% for government hospitals. This trend has been consistent since 2005 (Table 6).

Table 6. Licensing rate of hospitals by type of ownership, by region, 2005-2009

Region	GOVERNMENT					PRIVATE				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
NCR	104%	102%	100%	100%	100%	94%	93%	94%	92%	93%
CAR	97%	97%	97%	95%	89%	95%	95%	100%	100%	84%
I - Ilocos Region	93%	95%	95%	98%	98%	92%	89%	85%	87%	87%
II - Cagayan Valley	86%	95%	93%	100%	102%	78%	90%	90%	86%	90%
III - Central Luzon	92%	97%	97%	95%	95%	92%	88%	92%	90%	90%
IVA – CALABARZON	97%	100%	96%	94%	97%	88%	94%	94%	94%	94%
IVB – MIMAROPA	89%	89%	92%	97%	100%	79%	82%	89%	93%	96%
V - Bicol Region	98%	100%	98%	98%	94%	100%	96%	96%	94%	93%
VI - Western Visayas	91%	95%	95%	95%	95%	96%	96%	100%	100%	100%
VII - Central Visayas	100%	100%	100%	100%	100%	98%	98%	98%	98%	92%
VIII - Eastern Visayas	92%	94%	94%	90%	98%	88%	96%	96%	96%	92%
IX - Zamboanga Peninsula	100%	90%	97%	100%	94%	100%	100%	98%	93%	90%
X - Northern Mindanao	89%	89%	95%	97%	97%	92%	91%	92%	94%	94%
XI - Davao Region	80%	90%	95%	95%	100%	99%	95%	93%	92%	94%
XII – SOCCSKSARGEN	90%	69%	90%	93%	93%	86%	88%	93%	92%	95%
CARAGA	94%	94%	97%	103%	103%	78%	115%	81%	81%	85%
ARMM	92%	88%	52%	60%	88%	108%	62%	62%	85%	92%
PHILIPPINES	94%	95%	94%	96%	97%	92%	92%	93%	92%	92%

Source of Raw Data: List of Hospitals and Other Facilities, BHFS-DOH (various years). Hospital universe is derived by identifying all licensed hospitals from 2005-2009. Only includes Level 1-Level 4 Hospitals (Infirmar, Primary Care, Secondary Care and Tertiary Care for 2005 classification).

C. Service capability

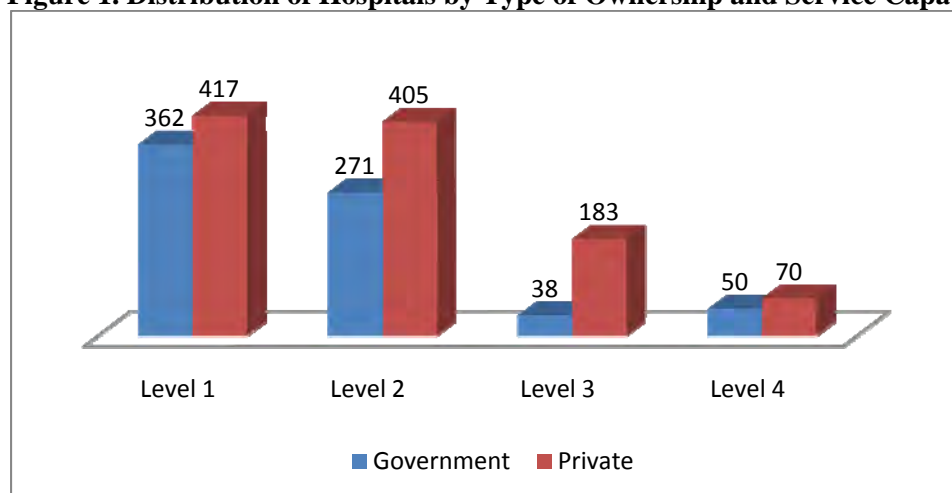
The DOH classifies hospitals into four (4) levels depending on service capability, as detailed in DOH Administrative Order no. 2005-0029.⁴ Each hospital level is briefly described below:

- Level 1: An emergency hospital that provides initial clinical care and management patients requiring immediate care. Clinical services include general medicine, pediatrics, obstetrics, non-surgical gynecology, primary clinical laboratory, first level radiology and pharmacy.
- Level 2: A non-departmentalized hospital that provides clinical services such as general medicine, pediatrics, obstetrics, surgical gynecology, secondary clinical laboratory, first level radiology and pharmacy.
- Level 3: A departmentalized hospital that provides particular forms of treatment, surgical procedure and intensive care. Clinical services provided include general medicine, pediatrics, obstetrics, surgical gynecology, tertiary clinical laboratory, secondary level radiology and pharmacy.
- Level 4: A teaching or training hospital that provides clinical care similar to Level 3 as well as sub-special forms of treatment. Clinical care is also similar to level 3 as well as sub-specialty clinical care as well as third level radiology.

Figure 1 shows that the private hospitals outnumber government hospitals in all categories. The disparity is more noticeable in Level 3 hospitals where the number of private hospitals is four times that of the government hospitals.

⁴ AO 2005-0029: Amendment to AO No. 145 s.2004: Amending AO No. 70-A series 2002 re: Revised Rules and Regulations Governing the Registration, Licensure and Operation of Hospitals and Other Health Facilities in the Philippines. Appendix 1 looks at how hospitals are classified and reclassified from 2002-2005.

Figure 1. Distribution of Hospitals by Type of Ownership and Service Capability, 2009



Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

D. PhilHealth accreditation status

In order for a patient covered by PhilHealth (the Philippine social health insurance) to avail of hospitalization benefits, it is necessary that the facility is accredited. In 2009, 89% of all hospitals are accredited by PhilHealth. Northern Mindanao has the highest accreditation rate followed by Western Visayas and CAR, while ARMM has the lowest. The accreditation rates of private and public hospitals are relatively the same (87% and 88%, respectively). Northern Mindanao has the highest accreditation rate for private hospitals (Table 7).

Table 7. Accreditation Rate by type of ownership, by region, 2009

Region	All Hospitals	Government	Private
NCR	89.9%	92.0%	79.9%
CAR	96.0%	97.1%	88.2%
I - Ilocos Region	89.3%	92.7%	87.5%
II - Cagayan Valley	72.2%	75.0%	69.6%
III - Central Luzon	90.9%	90.0%	89.9%
IVA – CALABARZON	90.2%	92.5%	88.2%
IVB – MIMAROPA	86.2%	89.5%	81.5%
V - Bicol Region	89.4%	85.4%	90.9%
VI - Western Visayas	96.5%	96.8%	95.8%
VII - Central Visayas	88.5%	86.7%	87.0%
VIII - Eastern Visayas	90.4%	86.0%	95.8%
IX - Zamboanga Peninsula	82.1%	69.0%	92.1%
X - Northern Mindanao	97.2%	100.0%	95.9%
XI - Davao Region	95.5%	90.0%	94.6%
XII – SOCCSKSARGEN	92.5%	85.2%	94.9%
CARAGA	79.3%	82.9%	73.9%
ARMM	55.9%	45.5%	75.0%
PHILIPPINES	89.0%	87.4%	88.0%

NOTE: Philhealth accreditation rate is derived by dividing the number of Philhealth-Accredited hospitals by the number of DOH-Licensed hospitals in 2009. Includes Level 1 to 4 hospitals only.

Source of Raw Data: Philhealth list of Accreditation Facilities for 2009; 2009 List of Hospitals and Other Health Facilities, BHFS-DOH

Level 1 hospitals have the lowest accreditation rate (79%) compared to more than 96% for Levels 2, 3 and 4 (Table 8). Several regions have reached the 100% accreditation rate for Level 1 private hospitals while the ARMM has the lowest (36%).

Table 8. Accreditation Rate by level, by region, 2009

Region	Level 1	Level 2	Level 3	Level 4
NCR	60.7%	94.4%	90.0%	98.3%
CAR	100.0%	89.5%	100.0%	100.0%
I - Ilocos Region	82.1%	95.0%	100.0%	50.0%
II - Cagayan Valley	51.1%	94.4%	100.0%	100.0%
III - Central Luzon	73.9%	95.6%	96.3%	100.0%
IVA – CALABARZON	72.6%	96.7%	97.6%	85.7%
IVB – MIMAROPA	80.0%	100.0%	100.0%	
V - Bicol Region	85.1%	92.9%	100.0%	100.0%
VI - Western Visayas	93.1%	97.4%	100.0%	100.0%
VII - Central Visayas	75.0%	100.0%	100.0%	100.0%
VIII - Eastern Visayas	83.3%	100.0%	100.0%	100.0%
IX - Zamboanga Peninsula	74.4%	90.5%	100.0%	100.0%
X - Northern Mindanao	93.5%	100.0%	100.0%	100.0%
XI - Davao Region	93.2%	100.0%	100.0%	100.0%
XII – SOCCSKSARGEN	87.1%	100.0%	100.0%	100.0%
CARAGA	70.7%	100.0%	100.0%	
ARMM	36.4%	91.7%		
PHILIPPINES	78.8%	96.3%	98.2%	97.5%

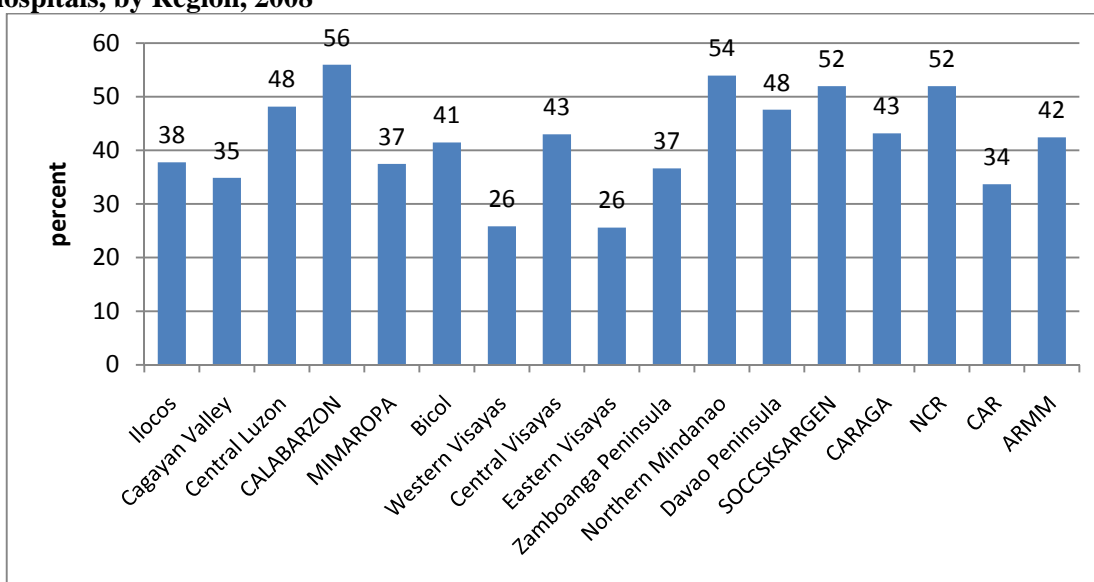
NOTE: Philhealth accreditation rate is derived by dividing the number of Philhealth-Accredited hospitals by the number of DOH-Licensed hospitals. Includes Level 1 to Level 4 hospitals only.

Source of Raw Data: Philhealth list of Accredited Facilities for 2009; 2009 List of Hospitals and Other Health Facilities, BHFS-DOH

E. Utilization of private hospitals

The vital role of private hospitals in health care delivery can be best explained by their share on health care utilization. Almost half of the population (42%) who needed inpatient care were confined in private hospitals (NSO, Macro, 2009). CALABARZON has the highest utilization rate (56%) for private hospitals followed by Northern Mindanao (54%). It is noteworthy that these three regions also have the most number of private hospitals relative to the other regions (DOH, 2009).

Figure 2. Proportion of population who needed inpatient care and were confined in private hospitals, by Region, 2008



Source: based on authors' calculation of NDHS 2008.

On the other hand, utilization of private hospitals may not only be driven by number of hospitals in the area, but by PhilHealth coverage and socio-economic status. People with PhilHealth are more likely to be confined in a private hospital (56%) than those without PhilHealth (28%). Similarly, patients living in urban area (52%) and belong to the richest quintile (74%) are also more likely to be confined in a private hospital (Table 9).

Table 9. Proportion of population who needed inpatient care, by facility, by selected variables, Philippines, 2008

Characteristics	Category	Type of facility confined		
		Private hospitals (%)	Public Hospitals (%)	Clinics (%)
PhilHealth coverage	Covered	56.0	39.6	4.4
	Not covered	28.2	66.0	5.8
Type of residence	Urban	52.2	42.9	4.8
	Rural	35.7	59.1	5.2
Wealth Quintile	Poorest	18.94	77.35	3.71
	Poorer	26.31	68.61	5.08
	Middle	36.8	57.3	5.89
	Richer	51.51	41.25	7.24
	Richest	74.16	22.96	2.88

Source: based on authors' calculation of NDHS 2008.

F. Bed distribution

A total of 96,141 beds service the entire Filipino population. Of that number, 50% are in private hospitals. It is worth noting that a significant numbers of beds are concentrated in NCR. On the other hand, ARMM has the lowest numbers of beds. Table 10 shows that there are more government beds compared to private beds. Government hospitals are also bigger in terms of average number of beds at all levels (Table 11).

Table 10. Number of Beds, by level, by type of ownership, by region, 2009

REGION	GOVERNMENT				PRIVATE			
	Level 1	Level 2	Level 3	Level 4	Level 1	Level 2	Level 3	Level 4
NCR	88	1,690	831	13,814	230	1,774	1,572	8,324
CAR	373	665	150	400	99	189	160	244
I - Ilocos Region	342	575	950	200	480	538	924	136
II - Cagayan Valley	365	941	200	400	215	491	266	
III - Central Luzon	397	1,641	214	1,420	306	1,783	2,015	721
IVA – CALABARZON	344	1,643	450	500	386	2,578	3,303	720
IVB – MIMAROPA	433	1,215			283	147	60	
IX - Zamboanga Peninsula	786	496		250	212	304	580	
V - Bicol Region	966	300	400	700	424	484	637	150
VI - Western Visayas	390	1,650	200	1,000	62	263	877	1,320
VII - Central Visayas	513	952	450	900	217	496	753	2,020
VIII - Eastern Visayas	697	950	200	250	129	246	130	290
X - Northern Mindanao	185	1,049	517	300	559	909	1,486	190
XI - Davao Region	221	100	200	600	1,028	482	1,218	830
XII – SOCCSKSARGEN	343	448		300	661	656	1,172	181
CARAGA	370	300	450		244	125	275	
ARMM	400	275			121	117		
PHILIPPINES	7,213	14,890	5,212	21,034	5,656	11,582	15,428	15,126

Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

Table 11. Average Number of Beds, by level, by type of ownership, by region, 2009

REGION	GOVERNMENT				PRIVATE			
	Level 1	Level 2	Level 3	Level 4	Level 1	Level 2	Level 3	Level 4
NCR	29	113	139	531	9	32	112	245
CAR	19	55	150	400	17	27	80	244
I - Ilocos Region	18	38	158	200	13	22	54	136
II - Cagayan Valley	15	55	200	400	10	26	53	
III - Central Luzon	23	46	214	284	11	23	78	144
IVA – CALABARZON	13	48	150	250	11	29	85	144
IVB – MIMAROPA	17	93			14	29	30	
V - Bicol Region	37	71		250	12	22	97	
VI - Western Visayas	30	30	100	350	12	27	58	150
VII - Central Visayas	15	53	100	333	21	38	110	220
VIII - Eastern Visayas	15	43	225	450	16	41	75	253
IX - Zamboanga Peninsula	22	63	100	250	13	27	65	145
X - Northern Mindanao	14	58	129	300	17	40	99	95
XI - Davao Region	18	25	100	300	17	37	102	208
XII – SOCCSKSARGEN	20	56		150	15	30	107	181
CARAGA	15	43	113		14	42	92	
ARMM	27	39			17	23		
PHILIPPINES	20	55	137	421	14	29	84	216

Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH

The distribution of beds among the population is an important indicator which measures the availability, access and distribution of health service delivery across the country. The DOH recommends a bed-to-population ratio of 1:1000 per province. To provide a better picture of the distribution of beds, Table 12 shows the percentage of provinces per region not meeting the recommended bed-to-population ratio. Eastern Visayas and ARMM do not have at least one province meeting the recommended ratio. On the other hand, four out of five provinces in Northern Mindanao meet the recommended ratio. Interestingly, Bukidnon is the only province in the region that has not met the recommended ratio, despite having the most number of hospitals relative to the other provinces in the region (39 hospitals in Bukidnon vs. 27 in Misamis Oriental, next highest).

Table 12. Provinces and the 1:1000 bed to population ratio

Region	Percent of provinces NOT meeting recommended ratio	Percent of provinces meeting recommended ratio	Number of provinces
I - Ilocos Region	50	50	4
II - Cagayan Valley	40	60	5
III - Central Luzon	71	29	7
IVA – CALABARZON	80	20	5
IVB – MIMAROPA	80	20	5
V - Bicol Region	83	17	6
VI - Western Visayas	83	17	6
VII - Central Visayas	50	50	4
VIII - Eastern Visayas	100	0	6
IX - Zamboanga Peninsula	67	33	3
X - Northern Mindanao	20	80	5
XI - Davao Region	50	50	4
XII – SOCCSKSARGEN	50	50	4
CARAGA	75	25	4
ARMM	100	0	5
NCR	39	61	18 (cities)
CAR	33	67	6

Source of Raw Data: 2009 List of Hospitals and Other Facilities, BHFS-DOH and Census of Population and Housing 2007, NSO.

G. Finances

1. Income, revenues, assets and expenditure

In terms of output, the total revenues of private hospitals amounted to PhP 46 billion in 2006, an average of PhP 74 million per hospital. Ninety-two percent of this total accounts for revenues incurred by for-profit hospitals. A non-profit hospital earns an average of PhP 45 million, while for-profit hospitals earn an average of PhP 78 million (Table 21).

Table 21. Total revenues (in '000), 2006

Type	All Hospitals		Profit		Non-Profit	
	Total	Ave	Total	Ave	Total	Ave
Revenue from main activity	39,340,230	62,944	36,536,495	66,672	2,803,735	36,412
Value of goods for resale	5,735,693	9,177	5,137,018	9,374	598,675	7,775
Interest income	334,065	535	316,820	578	17,245	224
Value of non-industrial services done for others	437,007	699	402,369	734	34,638	450
Dividend income	153,279	245	128,419	234	24,861	323
Commissions and fees earned	13,384	21	13,217	24	167	2
Service charges	15,800	25	15,565	28	235	3
Other income	425,076	680	413,166	754	11,910	155
Revenue	46,454,535	74,327	42,963,068	78,400	3,491,467	45,344

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

Total costs hospitals incurred in 2006 reached PhP 29 billion in 2006. Bulk of these costs is comprised of expenses for materials and supplies purchased, goods purchased for resale, cost of non-industrial services done by others, depreciation of fixed assets, and electricity and water. On average, for-profit hospitals incurred costs amounting almost to PhP 50 million, while non-profit hospitals incurred costs amounting to PhP 30 million (Table 22).

Table 22. Total cost (in '000), 2006

Items	All Hospitals		Profit		Non-Profit	
	Total	Ave	Total	Ave	Total	Ave
Materials and supplies purchased	11,300,725	18,081	10,532,675	19,220	768,050	9,975
Goods purchased for resale	4,752,266	7,604	4,264,875	7,783	487,391	6,330
Fuels lubricants oils and greases purchased	195,646	313	173,968	317	21,679	282
Electricity and water purchased	2,328,801	3,726	2,175,188	3,969	153,613	1,995
Cost of industrial services done by others	1,351,148	2,162	1,271,588	2,320	79,560	1,033
Cost of non-industrial services done by others	3,513,511	5,622	3,146,574	5,742	366,937	4,765
Interest expense	558,740	894	541,710	989	17,030	221
Indirect taxes	353,908	566	345,309	630	8,598	112
Computer software expense	22,133	35	19,639	36	2,494	32
Research and experimental development	75,241	120	74,286	136	954	12
Bad and doubtful debts	494,700	792	475,193	867	19,507	253
Depreciation of fixed assets	3,129,446	5,007	2,965,610	5,412	163,836	2,128
Other cost	1,083,197	1,733	1,022,840	1,866	60,357	784
Total	29,159,461	46,655	27,009,455	49,287	2,150,006	27,922

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

Private hospitals have poured in a sum of PhP 3 billion worth of capital expenditures, averaging of PhP 5.7 million per hospital. Capital expenditures went to building and land improvements and purchase of machinery and equipment. On average, for-profit hospitals spent PhP 6 million for capital expenditures, while non-profit hospitals spent PhP 3 million.

Table 23. Capital expenditure (in ‘000), 2006

	All Hospitals		Profit		Non-Profit	
	Total	Ave	Total	Ave	Total	Ave
Land	71,742	115	59,482	109	12,261	159
Building other structures and land improvements	1,377,707	2,204	1,224,554	2,235	153,152	1,989
Transport equipment	46,582	75	44,708	82	1,874	24
ICT machinery and equipment	255,861	409	224,010	409	31,852	414
Other machinery and equipment	1,827,581	2,924	1,784,885	3,257	42,696	554
Other fixed assets not included above	6,066	10	4,114	8	1,951	25
CAPEX	3,585,539	5,737	3,341,752	6,098	243,787	3,166

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

Hospitals’ total book value of fixed assets amounted to around PhP 36 billion. Major portions are building and machinery and equipment. For-profit hospitals have an average of PhP 62 million worth of assets; non-profit hospitals an average of PhP 27 million (Table 24).

Table 24. Total Fixed Asset (in ‘000), 2006

Item	All Hospitals		Profit		Non-Profit	
	Total	Ave	Total	Ave	Total	Ave
Land	5,944,639	9,511	5,649,075	10,309	295,565	3,839
Buildings other structures and land improvements	14,968,356	23,949	13,948,220	25,453	1,020,136	13,249
Transport equipment	1,625,473	2,601	1,599,685	2,919	25,788	335
ICT machinery and equipment	1,184,242	1,895	1,070,059	1,953	114,183	1,483
Other machinery and equipment	12,261,297	19,618	11,625,226	21,214	636,071	8,261
Other fixed assets	340,915	545	327,512	598	1,403	174
Total	36,324,922	58,120	34,219,777	62,445	2,105,146	27,340

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

2. Sources of income

Patients utilize different sources to finance their hospitalization. Using the 2008 NDHS, the extent of financial mix among confined patients was determined. It can be observed that high proportion of patients confined in both public and private facilities utilize out-of-pocket payments to finance their hospitalization. However, patients confined in public hospitals are more likely to utilize out-of-pocket (except for savings). Out-of-pocket can either be salary, income, loan or savings. A significant portion is also from donations but higher proportion can be observed among patients confined in public hospitals. Interestingly, there is a significant disparity in the utilization of social insurance. It can be observed that higher PhilHealth utilization occurs among patients confined in private hospitals (51%) compared to public hospitals (24%) (Table 25). Utilization of other forms of insurance (e.g. HMO) noticeably higher among patients confined in private hospitals.

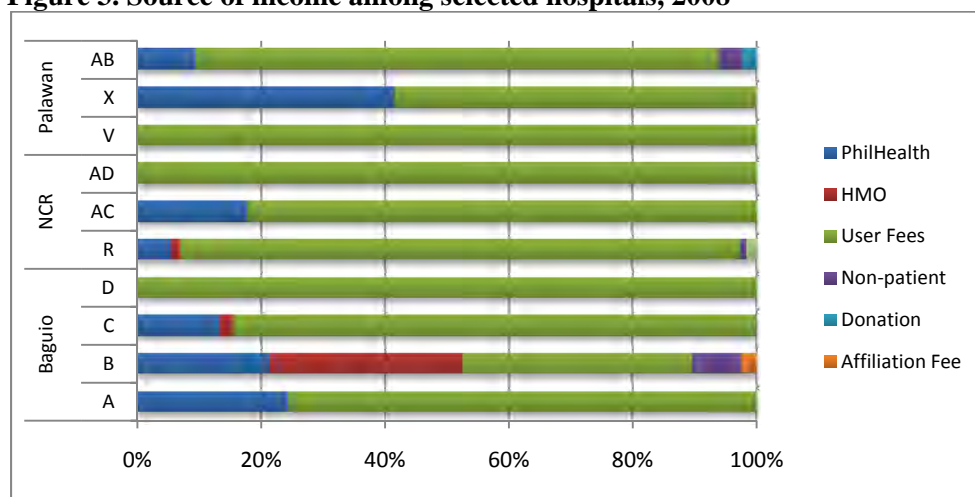
Table 25. Sources of payment during confinement, by facility type

Sources of payment	confined in private hospitals	confined in public facilities
Salary/Income	48%	51%
Loan	17%	23%
Savings	37%	32%
Donation	17%	23%
PhilHealth	51%	24%
SSS/GSIS	4%	2%
HMO/private insurance	6%	1%
Others	0.82%	0.32%

Source: based on authors' calculation using NDHS 2008

The high level of out-of-pocket is ascertained also in the hospitals of four surveyed areas. As noted, private hospitals acquire their income through patients' out-of-pocket, insurance reimbursements (PhilHealth and HMO), affiliation fees from trainings of nurses and allied medical professionals. In some instances, donations from institutions are also anticipated for hospitals, which is more likely to occur in non-profit hospitals. However, as shown in Figure 3, bulk of their income is from user fees from patients' out-of-pocket payments followed by PhilHealth reimbursements. This pattern is noticeable in all areas surveyed. In Palawan, though it is consistent that most of hospitals acquired their income from user fees, the proportions of different sources are variable. To illustrate, Hospital V acquired all their income from user fees since it was not accredited by PhilHealth in 2008. On the other hand, Hospital X maximized PhilHealth as manifested by the significant portion income from PhilHealth reimbursement. The same pattern was also observed in Metro Manila. Most hospitals acquire their entire income through user fees while for two hospitals, less than 10% of its income is from PhilHealth. A different scenario was observed in Baguio where income sources are more variable. For example, Hospital B gets a significant portion of their income from HMOs aside from user fees and PhilHealth reimbursements.

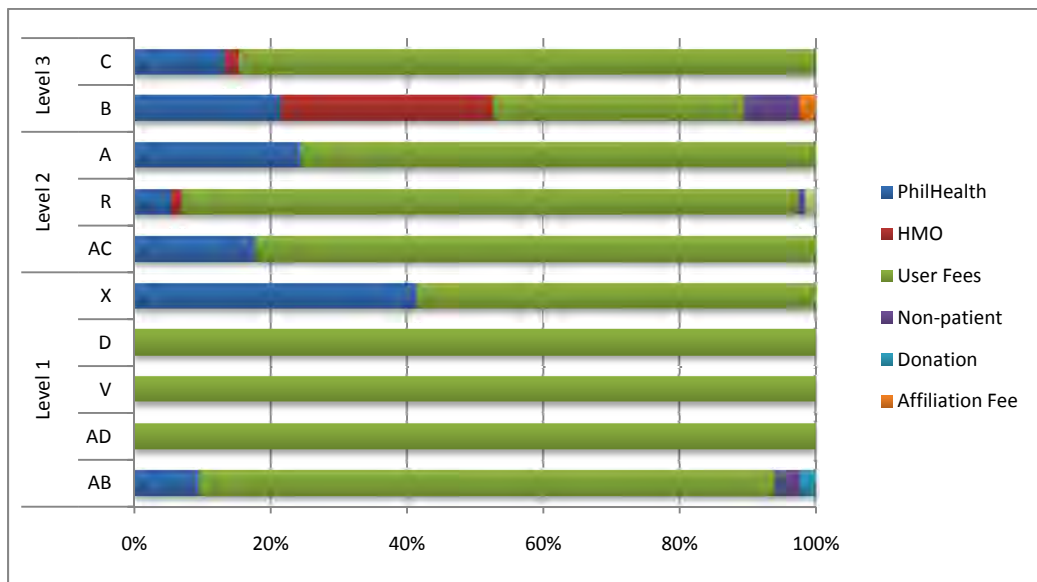
Figure 3. Source of income among selected hospitals, 2008



**may not be reflective of the national figure
Source of Raw Data: Private Hospital Survey 2010

The variability of income sources is noticeable when these hospitals are disaggregated by level. As shown in Figure 4, Level 1 hospital acquired their income from user fees except for Hospital X and Hospital AB. This can be attributed to the fact that a significant number of Level 1 hospitals are not accredited by PhilHealth. For Level 2 and Level 3 hospitals, the variations in income sources are more likely to occur but in different proportions.

Figure 4. Source of income among selected hospitals by level, 2008



**may not be reflective of the national figure
 Source of Raw Data: Private Hospital Survey 2010

Using the 2008 NDHS to calculate the average out-of-pocket expenditure among patients confined in hospitals one year prior to the survey, it can be inferred that the average expenditure is relatively higher for patients confined in private hospitals (PhP 24,475) compared to those confined in public hospitals (PhP 10,010) (Table 26). In terms of regions, the highest average expenditure is among patients living in NCR (PhP 37,779) while the lowest is MIMAROPA (PhP 11,197). However, different scenario can be observed in public hospitals. Davao Region has the highest health expenditure during confinement (PhP16,103) while CAR region has the lowest (PhP 6,369).

Table 26. Average medical expenditure during confinement, by hospital type

REGION	Medical Expenditure (in peso)	
	Private hospitals	Public hospitals
NCR	37,779	10,744
CAR	14,252	6,369
I - Ilocos Region	25,673	9,613
II - Cagayan Valley	15,770	7,285
III - Central Luzon	28,731	9,608
IVA – CALABARZON	26,624	11,307
IVB – MIMAROPA	11,197	6,779
V - Bicol Region	16,771	6,900
VI - Western Visayas	25,902	12,748
VII - Central Visayas	29,101	10,799
VIII - Eastern Visayas	29,553	9,140
IX - Zamboanga Peninsula	20,984	11,753
X - Northern Mindanao	20,023	7,798
XI - Davao Region	17,619	16,103
XII – SOCCSKSARGEN	13,318	12,077
CARAGA	16,644	6,672
ARMM	17,503	6,496
PHILIPPINES	24,475	10,091

Source: based on authors' calculation using NDHS 2008

With the attempt to determine the income of hospital per admission, this indicator was calculated using the available information from the private hospitals data. This is basically derived by calculating the ratio of total income and total admissions. Data on the number of admissions was acquired from the latest Hospital Statistical Reports of the DOH while the income sources, as noted, were collected from the survey. It can be inferred that the hospitals' income per admission varies by surveyed area wherein the highest income per admission is observed in Baguio City while lowest was in Palawan. In Baguio City, a hospital may earn an average of PhP 14,648 per admission while in Palawan a hospital may earn PhP 4,398 (Table 27). To further extrapolate, same trend was also found in the income of hospital from user fees per admission. In Baguio City, a hospital may earn an income from user fee of PhP 9,348 per admission while a hospital in Palawan may earn PhP 3,937. In terms of income from Philhealth per admission, a hospital in Baguio City may earn PhP 4,958 while a hospital in Palawan may earn PhP 1,409.

Income per admission disaggregated by level was also analyzed. It was observed that Level 1 hospitals may earn PhP 4,600 compared to around PhP 9,000 to 10,000 in Level 2 and Level 3 hospitals (Table 28). It is noteworthy that income is slightly higher for Level 2 than for Level 3. This may be attributed to the higher volume of admissions in Level 3 hospitals. However, a different scenario was observed in income from PhilHealth per admission; Level 3 hospitals have higher income from Philhealth per admission than in Level 1 and Level 2.

Table 27. Income sources, by survey area

Survey area	Hosp	OOP (in PhP)	PHIC (in PhP)	Total Income (in PhP)	Total Admissions	Total PHIC Admissions	OOP/Total Admission	PHIC/Total Admitted PHIC patients	Total Income/Number of Admission
Baguio City	A	15,301,421	4,905,500	20,206,921	2,221	1,421	6,889.43	3,452.15	9,098.12
	B	25,963,485	15,028,253	70,197,582	4,019	1,889	6,460.19	7,955.67	17,466.43
	C	74,416,884	11,638,142	88,017,341	5,064	3,357	14,695.28	3,466.83	17,380.99
	D*	5,800,000		5,800,000	62	0	93,548.39		93,548.39
	Ave						9,348.30	4,958.21	14,648.51
Metro Manila	R	10,016,974	594,839	10,611,813	894	N/A	11,204.67		11,870.04
	AC	18,719,382	4,039,418	22,758,800	2,498	1,066	7,493.75	3,789.32	9,110.81
	A	1,900,000		1,900,000	365		5,205.48		5,205.48
	Ave						7,967.97	3,789.32	8,728.78
Palawan	V	4,169,054	-	4,169,054	718		5,806.48	-	5,806.48
	X	1,500,000	1,065,500	2,565,500	2,769	714	541.71	1,492.30	926.51
	AB	6,356,448	706,272	7,516,320	1,163	258	5,465.56	2,737.49	6,462.87
	Ave						3,937.92	1,409.93	4,398.62
Grand Total							7,084.73	3,385.82	9,258.64

Note: *not included in the average

Year 2008 was used for the income sources

Year 2008 was used for Palawan and NCR hospitals number of admissions while 2006 was used for NCR.

Table 28. Income sources, by level

Level	Hosp	OOP (in PhP)	PHIC (in PhP)	Total Income (in PhP)	Total Admissions	Total PHIC Admissions	OOP/Total Admission	PHIC/Total Admitted PHIC Patients	Total Income/Number of Admission
Level 1	AB	6,356,448	706,272.0	7,516,320	1,163	258	5,465.56	2,737.49	6,462.87
	AD	1,900,000		1,900,000	365		5,205.48		5,205.48
	V	4,169,054	-	4,169,054	718		5,806.48	-	5,806.48
	D	5,800,000		5,800,000	62	0	93,548.39		93,548.39
	X	1,500,000	1,065,500	2,565,500	2,769	714	541.71	1,492.30	926.51
	Ave						4,254.81	1,409.93	4,600.34
Level 2	AC	18,719,382	4,039,418	22,758,800	2,498	1066	7,493.75	3,789.32	9,110.81
	R	10,016,974	594,839	10,611,813	894	No Data	11,204.67		11,870.04
	Ave						9,349.21	3,789.32	10,490.42
Level 3	B	25,963,485	15,028,253.0	70,197,581	4,019	1889	6,460.19	7,955.67	17,466.43
	C	74,416,884	11,638,142.0	88,017,341	5,064	3357	14,695.28	3,466.83	17,380.99
	Ave						6,802.01	5,711.25	9,017.90

Note: Year 2008 was used for the income sources

Year 2008 was used for Palawan and NCR hospitals number of admissions while 2006 was used for NCR.

H. Services offered

Using the hospital statistical reports of hospitals in the four survey areas, it can be observed that plurality of confined patients are under Medicine (42%) followed by Pediatrics (28%), Obstetrics-Gynecology (OB-GYN) (20%) then Surgery (15%) (Table 29). This is consistent in all areas surveyed except in Davao City, where Surgery is slightly higher than OB-GYN. However, this pattern is different when disaggregated by level (Table 30). Level 1 hospitals have more admissions under OB-GYN and Pediatrics since most of Level 1 hospitals are either maternity or children's clinic.

Table 29. Patient Mix, by survey area

Class	Frequency/Proportion	Baguio City (n=2)	Metro Manila (n=24)	Davao City (n=8)	Palawan (n=1)	Total
Medicine	Ave # confinement	1,714	1,831	4,127	2,558	2,370
	Proportion	52%	41%	41%	57%	42%
Pediatrics	Ave # confinement	739	1,279	2,359	1,134	1,497
	Proportion	22%	30%	25%	25%	28%
Obstetrics/ Gynecology	Ave # confinement	1,194	938	1,132	287	978
	Proportion	24%	23%	13%	6%	20%
Surgery (Adult/Pedia)	Ave # confinement	592	779	976	486	809
	Proportion	14%	14%	19%	11%	15%
Others	Ave # confinement		116	221		165
	Proportion		11%	2%		5%

Source: Hospital Statistical Reports from CHDs

Table 30. Patient Mix, by level

Class	Frequency/Proportion	Level 1 (n=3)	Level 2 (n=12)	Level 3 (n=4)	Level 4 (n=15)
Medicine	Ave # confinement	238	880	1,812	4,682
	Proportion	25%	43%	57%	38%
Pediatrics	Ave # confinement	334	628	746	2,932
	Proportion	33%	29%	15%	30%
Obstetrics/ Gynecology	Ave # confinement	242	517	591	1,659
	Proportion	58%	17%	13%	17%
Surgery (Adult/Pedia)	Ave # confinement	16	299	514	1,454
	Proportion	1%	12%	29%	15%
Others	Ave # confinement	33	93	0	323
	Proportion	3%	13%	0%	3%

Source: Hospital Statistical Reports from CHDs

I. Human resource

In 2006, the private hospital sector employed a total of 77,088 individuals, an average of 123 employees per hospital (Table 31). Majority of these employees are in NCR and CALABARZON, where most of the private hospitals are concentrated. Sixty-eight percent of private hospital employees are female. Paid employees refer to all persons working in the establishment that receive pay and those working away from the establishment paid by and under the control of the establishment. These include those who were on sick leave, paid vacation or holiday. These do not include consultants, home workers, workers receiving pure commissions only and those on indefinite leave. Approximately 1.2% percent of the employees are unpaid and this pertains to those working owners who do not receive regular pay. These also include apprentices and learners without regular pay and persons working for at least 1/3 of the normal working time of the establishment without regular pay.⁵ This is prevalent in the health sector due to a substantial number of registered nurses who agree to work in hospitals even without salaries in exchange for work experience.

⁵ www.census.gov.ph. Concepts and definitions – 2006 Census of Philippine Business and Industry.

Table 31. Employment in Private Hospitals by Type and Sex, 2006

Type	Total	Average	Percent to Total	
			Male	Female
Paid Employees	76,172	122	32%	68%
Unpaid Employees	916	1	35%	65%
Total Employees	77,088	123	32%	68%

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

In terms of compensation, the private hospital sector paid a total of almost PhP 11 billion in salaries and wages. Each employee received an average of PhP 145,501, with ranges varying from PhP 196,211 in NCR to PhP 80,336 in ARMM for the for-profit hospitals. Wages and salaries paid for by the non-profit hospitals are highest in CAR at PhP 159,071; average compensation is at PhP 112,318 (Table 32). Private hospitals paid about PhP 674 million as contribution to employees' SSS/GSIS payment, averaging about PhP 9,000 per employee.

Table 32. Salaries and wages paid, 2006

Region	TOTAL WAGES PAID ('000)	Average per employee	
		Profit	Non-Profit
NCR	5,862,755	196,211	141,363
CAR	38,487	98,926	159,071
I - Ilocos Region	200,727	84,094	83,110
II - Cagayan Valley	101,780	94,421	115,464
III - Central Luzon	556,783	91,637	87,553
IVA – CALABARZON	1,045,497	103,002	95,789
IVB – MIMAROPA	43,682	91,952	109,471
V - Bicol Region	154,954	94,093	87,252
VI - Western Visayas	688,435	132,095	113,491
VII - Central Visayas	831,048	133,642	92,790
VIII - Eastern Visayas	95,975	121,108	97,462
IX - Zamboanga Peninsula	156,687	112,176	61,753
X - Northern Mindanao	308,811	105,043	85,431
XI - Davao Region	506,526	146,654	97,741
XII – SOCCSKSARGEN	291,855	102,211	93,861
CARAGA	75,498	98,593	93,229
ARMM	9,801	80,336	
Philippines	10,969,300	145,501	112,318

Source: Special Tabulations of CPBI 2006. Data includes private hospitals with total employment of 20 and over.

One of the most commonly used indicators of service efficiency is the determining the number of hospital beds relative to employees. In the hospitals of four surveyed sites, there are 2 doctors and 1 nurse per bed on average. It can be inferred that Baguio City has the highest bed to clinical personnel ratio. This is due to high concentration of doctors in the relatively small location. Number of beds relative to other personnel like nurses is shown in Table 33.

Table 33. Number of beds, by region

Area	Average number of beds	Total Clinical Staff	Total Nurse	Total Personnel	Bed/Clinical Staff	Bed/Nurse	Bed/Personnel
Baguio City (n=2)	70	254	111	441	3.77	1.68	6.6
Metro Manila (n=24)	125	286	157	458	1.78	0.96	3
Davao City (n=7)	196	113	238	411	0.52	1.14	2
Palawan (n=1)	56	64	100	285	1.14	1.79	5.09
Total	134	238	171	442	1.61	1.07	3.07

Source of Raw Data: Private Hospital Survey 2010

With regards to hospital level, level 1 has the lowest bed clinical personnel ratio. As expected, higher level facilities have higher number of doctors attending their health facility.

Table 34. Number of beds, by level

Area	Average number of beds	Total Clinical Staff	Total Nurse	Total Personnel	Bed/Clinical Staff	Bed/Nurse	Bed/Personnel
Level 1 (n=3)	11	2	11	20	0.26	1.07	2.02
Level 2 (n=12)	44	53	43	117	1.11	0.97	2.54
Level 3 (n=4)	138	646	152	850	4.70	1.18	6.45
Level 4 (n=15)	242	314	319	695	1.43	1.12	2.81

Source of Raw Data: Private Hospital Survey 2010

J. Average Length of Stay (ALOS)

Table 35 shows the average length of stay of patients disaggregated by department and area. It is noteworthy that the highest average ALOS occurs in Palawan while NCR has the lowest. In terms of department, patients admitted in medicine have the highest average length of stay followed by Pediatrics while patients admitted due to OB-GYN related health conditions have the shortest day of confinement.

With regard to hospital level, level-1 hospitals have the highest ALOS (4.1 days) compared to less than four for other levels.

Table 35. Average length of stay, by area

REGION	Baguio City (n=2)	Metro Manila (n=24)	Davao City (n=7)	Palawan (n=1)	Total
Medicine	4.1	3.6	3.8	4.2	3.7
OB-GYN	no data	2.9	2.7	3.0	2.9
Pediatrics	3.2	3.2	3.5	4.5	3.3
Surgery	2.8	3.3	4.2	5.0	3.6
Total	3.4	3.3	3.5	4.2	3.4

Source of Raw Data: Private Hospital Survey 2010

Table 36. Average length of stay, by level

REGION	Level 1 (n=3)	Level (n=12)	Level 3 (n=4)	Level 4 (n=15)	Total
Medicine	4.3	3.7	3.3	3.9	3.8
OB-Gyne	2.2	2.4	2.6	3.4	2.9
Pediatrics	4.7	3.4	3.2	3.3	3.4
Surgery	5.2	3.3	3.3	3.8	3.6
Total	4.1	3.2	3.1	3.6	3.4

Source of Raw Data: Private Hospital Survey 2010

IV. Summary

1. Plurality of the hospitals in the Philippines is privately owned. This is true in all level of hospitals. Moreover, most of these hospitals are operating as profit institutions.
2. Majority of private hospitals are located in Luzon particularly in Central Luzon and NCR. It also noteworthy that the number of private hospitals is high in areas with low incidence of poverty.
3. Level 1 and 2 hospitals seem to be well distributed compared to level 3 and 4 hospitals. Majority of Level 3 and 4 hospitals are located in urbanized areas.
4. Most of the private hospitals are PhilHealth accredited. The accreditation rate of private hospitals concomitantly increases with hospital level.
5. Almost half of the population who needed inpatient care was confined in private hospitals. Regional variation was observed with regard to utilization. High private utilization was observed in areas with high number of private hospitals (e.g. NCR, CALABARZON and Davao). Private hospitals are more likely to be utilized by the population with higher level of socio-economic status and with social insurance.
6. At the national level, the average expenditure of patients confined in private hospitals is twice bigger than that of the average expenditure of patients confined in public hospitals. However, some regions like Davao, the average expenditure of patients confined in private hospitals are almost the same with their counterparts confined in public hospitals.

7. Most of the patients confined in private hospitals are more likely to utilize their PhilHealth benefits compared to patients in public hospitals. However, out-of-pocket expenditure is still high despite the presence of safety nets.
8. Significant proportion of the patients confined in private hospitals borrow money from others for the payment of their confinement.
9. Though the HMO utilization in both public and private hospitals is low, it is significantly higher in private hospitals.

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Appendix 1

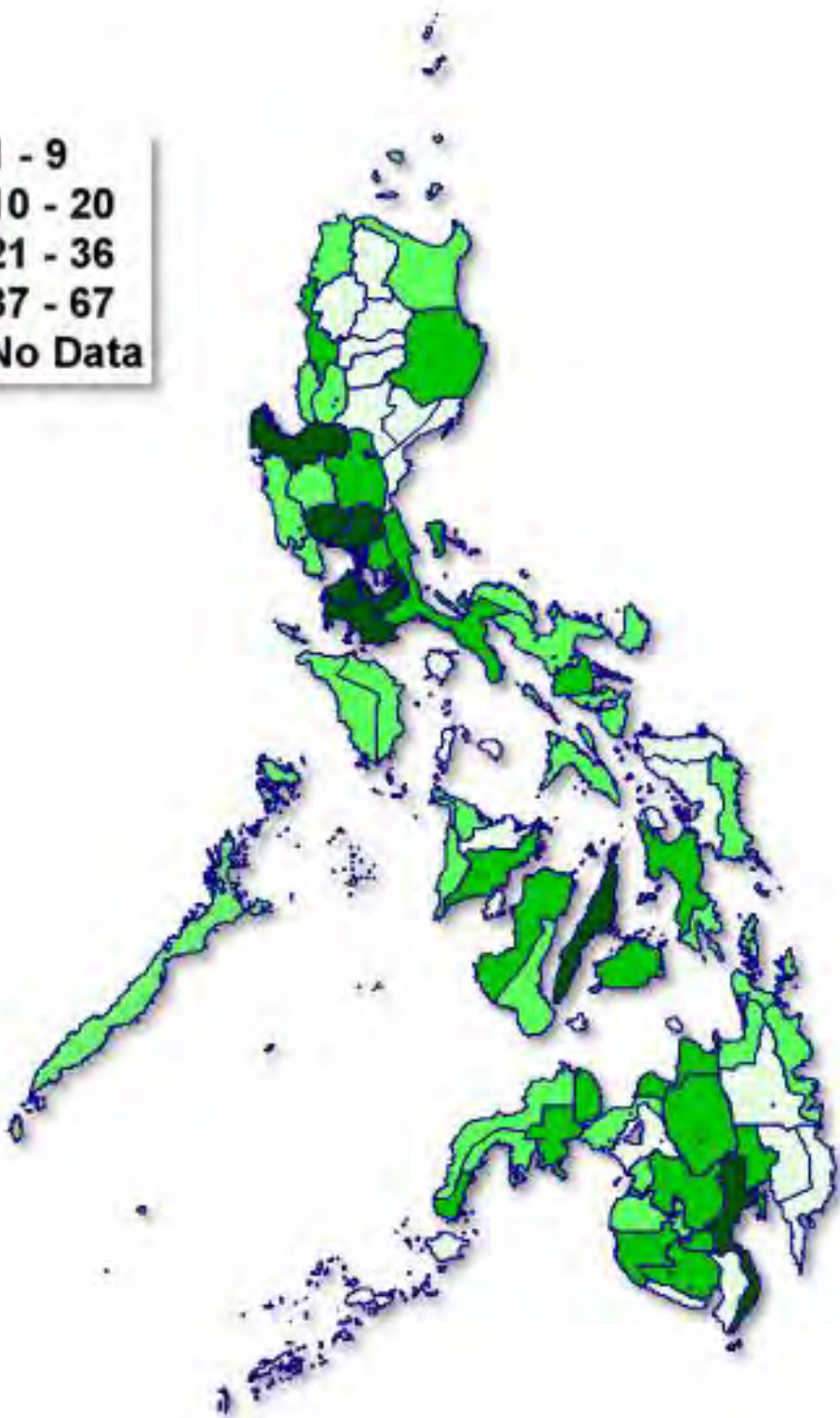
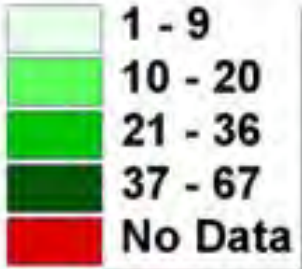
Rules and Regulations Governing the Registration, Licensure and Operation of Hospitals and Other Health Facilities in the Philippines

2005	2004	2002
<p><u>Level 1</u></p> <ul style="list-style-type: none"> - An emergency hospital that provides initial clinical care and management to patients requiring immediate treatment, as well as primary care on prevalent diseases in the locality. - Clinical services include general medicine, paediatrics, obstetrics and non-surgical gynecology and minor surgery. - General administrative service and may provide ancillary services (primary clinical laboratory, first level radiology, pharmacy). - Provides nursing care for patients who require minimal category of supervised care for 24 hours or longer 	<p><u>Infirmary</u></p> <ul style="list-style-type: none"> - A facility that provides emergency treatment and care to the sick and injured, as well as clinical care and management to mothers and newborn babies. 	<p><u>Infirmary</u></p> <ul style="list-style-type: none"> - A health facility that provides emergency treatment and care to the sick and injured, as well as clinical care and management to mothers and newborn babies.
<p><u>Level 2</u></p> <ul style="list-style-type: none"> - Non-departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality. - Clinical services include general medicine, paediatrics, obstetrics and gynecology, surgery and anesthesia. - Appropriate administrative and ancillary services (secondary clinical laboratory, first level radiology, pharmacy). - Nursing care provided in the Level 1 hospital as well as intermediate, moderate and partial category of supervised care for 24 hours or longer. 	<p><u>Primary Care</u></p> <ul style="list-style-type: none"> - Non-departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality. - Clinical services include general medicine, paediatrics, obstetrics and gynecology, surgery and anesthesia. - Appropriate administrative and ancillary services (secondary clinical laboratory, first level radiology, pharmacy). - Nursing care for patients who require intermediate, moderate and partial category of supervised care for 24 hours or longer. 	<p><u>First-Level Referral Hospital</u></p> <ul style="list-style-type: none"> - Non-departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality. - Clinical services include general medicine, paediatrics, obstetrics and gynecology, surgery and anesthesia. - Provides appropriate administrative and ancillary services (clinical laboratory, radiology, pharmacy). - Provides nursing care for patients who require intermediate, moderate and partial category of supervised care for 24 hours or longer.
<p><u>Level 3</u></p> <ul style="list-style-type: none"> - Departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality, as well as particular forms of treatment, surgical procedure and intensive care. - Clinical services provided in Level 2 Hospital as well as specialty clinical care. - Appropriate administrative and ancillary services (tertiary clinical laboratory, second level radiology, pharmacy). 	<p><u>Secondary Care</u></p> <ul style="list-style-type: none"> - Departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality, as well as particular forms of treatment, surgical procedure and intensive care. - Clinical services provided in Primary Care as well as specialty clinical care. - Appropriate administrative and ancillary services (tertiary clinical laboratory, second level radiology, pharmacy). 	<p><u>Second Level Referral Hospital</u></p> <ul style="list-style-type: none"> - Departmentalized hospital that provides clinical care and management on the prevalent diseases in the locality, as well as particular forms of treatment, surgical procedure and intensive care. - Clinical services provided in First Level Referral Hospital as well as specialty clinical care. - Provides appropriate administrative and ancillary services (clinical laboratory, radiology, pharmacy).

<ul style="list-style-type: none"> - Nursing care provided in Level 2 Hospital as well as total and intensive skilled care. 	<ul style="list-style-type: none"> - Nursing care provided in Primary Care as well as total and intensive skilled care. 	<ul style="list-style-type: none"> - Nursing care provided in First Level Referral Hospital as well as total and intensive skilled care.
<p><u>Level 4</u></p> <ul style="list-style-type: none"> - Teaching and training hospital (with at least one Accredited Residency training Program for Physicians) that provides clinical care and management on the prevalent diseases in the locality, as well as specialized and sub-specialized forms of treatment, surgical procedure and intensive care. - Clinical services provided in Level 3 Hospital as well as sub-specialty clinical care. - Appropriate administrative and ancillary services (tertiary clinical laboratory, third level radiology, pharmacy) - Nursing care provided in Level 3 Hospital as well as continuous and highly specialized critical care. 	<p><u>Tertiary Care</u></p> <ul style="list-style-type: none"> - Teaching and training hospital (with at least one Accredited Residency training Program for Physicians) that provides clinical care and management on the prevalent diseases in the locality, as well as specialized and sub-specialized forms of treatment, surgical procedure and intensive care. - Clinical services provided in Secondary Care as well as sub-specialty clinical care. - Appropriate administrative and ancillary services (tertiary clinical laboratory, third level radiology, pharmacy) - Nursing care provided in Secondary Care as well as continuous and highly specialized critical care. 	<p><u>Third Level Referral Hospital</u></p> <ul style="list-style-type: none"> - Teaching and training hospital that provides clinical care and management on the prevalent diseases in the locality, as well as specialized and sub-specialized forms of treatment, surgical procedure and intensive care. - Clinical services provided in Second Level Referral Hospital as well as sub-specialty clinical care. - Appropriate administrative and ancillary services (clinical laboratory, radiology, pharmacy) - Nursing care provided in Second Level Referral Hospital as well as continuous and highly specialized critical care.
<p><u>Birthing Home</u></p> <ul style="list-style-type: none"> - A health facility that provides maternity service on pre-natal and post-natal care, normal spontaneous delivery, and care of newborn babies. 	<p><u>Birthing Home</u></p> <ul style="list-style-type: none"> - A health facility that provides maternity service on pre-natal and post-natal care, normal spontaneous delivery, and care of newborn babies. 	<p><u>Birthing Home</u></p> <p>A health facility that provides maternity service on pre-natal and post-natal care, normal spontaneous delivery, and care of newborn babies.</p>
<p><u>Psychiatric Care Facility</u></p> <ul style="list-style-type: none"> - <u>Acute Chronic</u> – provides medical service, nursing care, pharmacological treatment and psychosocial intervention for mentally ill patients - <u>Custodial</u> – provides long-term care, including basic human services such as food and shelter, to chronic mentally ill patients 	<p><u>Acute Chronic Psychiatric Care Facility</u></p> <ul style="list-style-type: none"> - A health facility that provides medical service, nursing care, pharmacological treatment and psychosocial intervention for mentally ill patients. <p><u>Custodial Psychiatric Care Facility</u></p> <ul style="list-style-type: none"> - A health facility that provides long-term care, including basic human services such as food and shelter, to chronic mentally ill patients 	<p><u>Acute Chronic Psychiatric Care Facility</u></p> <ul style="list-style-type: none"> - A health facility that provides medical service, nursing care, pharmacological treatment and psychosocial intervention for mentally ill patients. <p><u>Custodial Psychiatric Care Facility</u></p> <p>A health facility that provides long-term care, including basic human services such as food and shelter, to chronic mentally ill patients</p>

Appendix 2

PhilHealth Accredited Hospitals 2009
Government and Private



Appendix 3
Government and Private Hospitals
All Levels

Level 1



Level 2



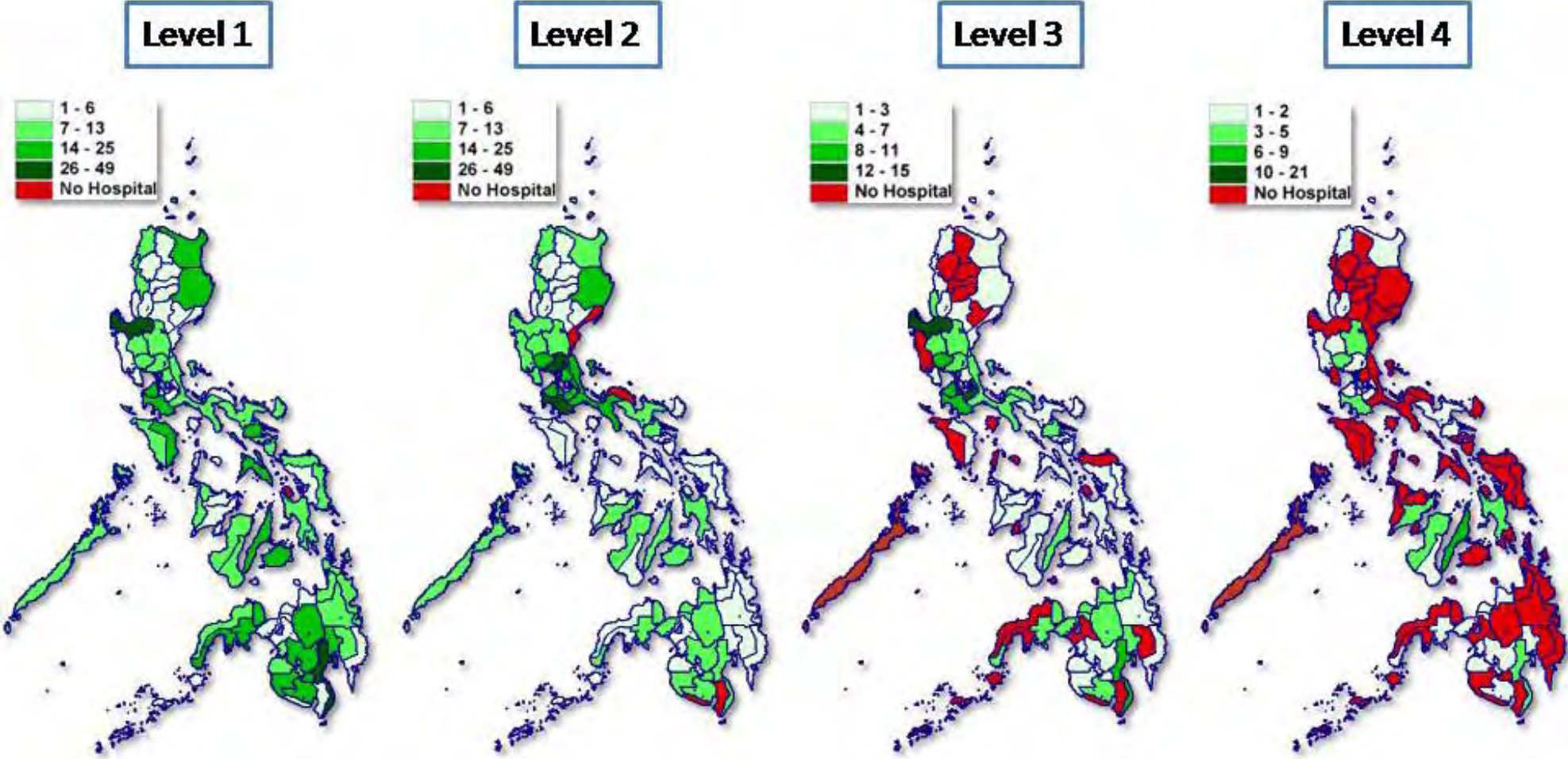
Level 3



Level 4

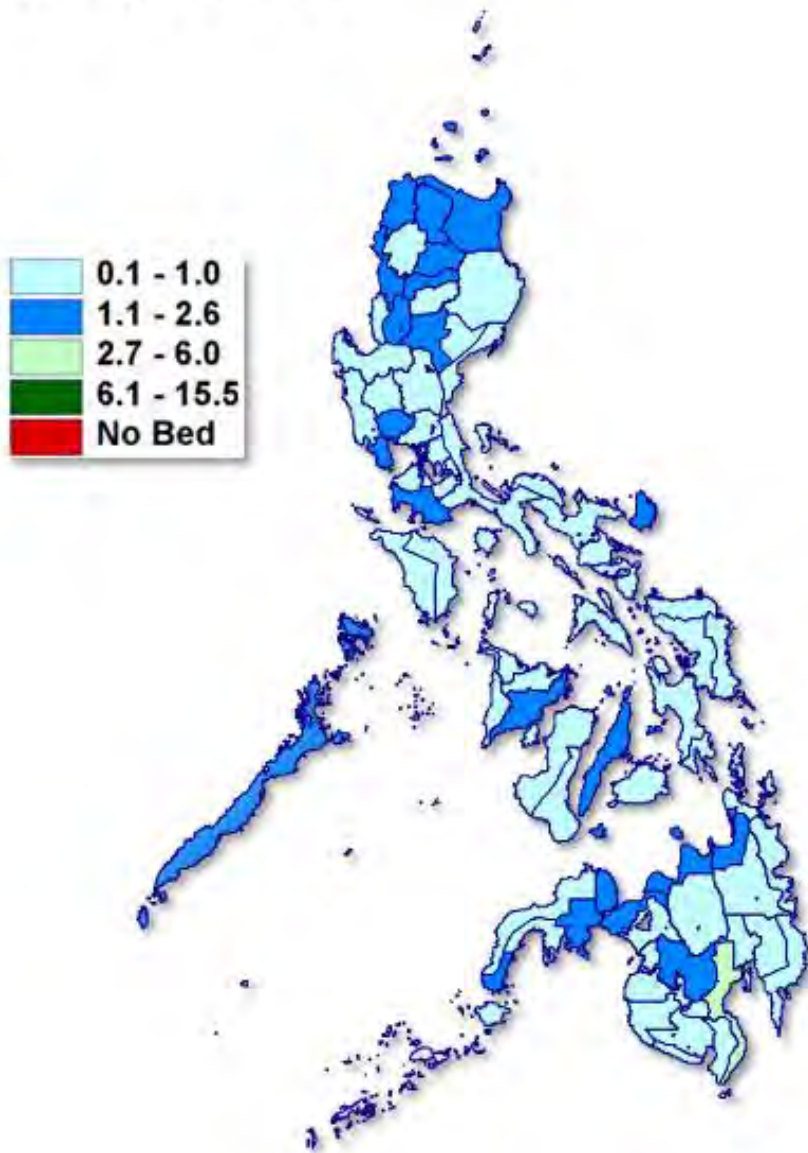


Appendix 4
Government and Private Hospital
All Levels

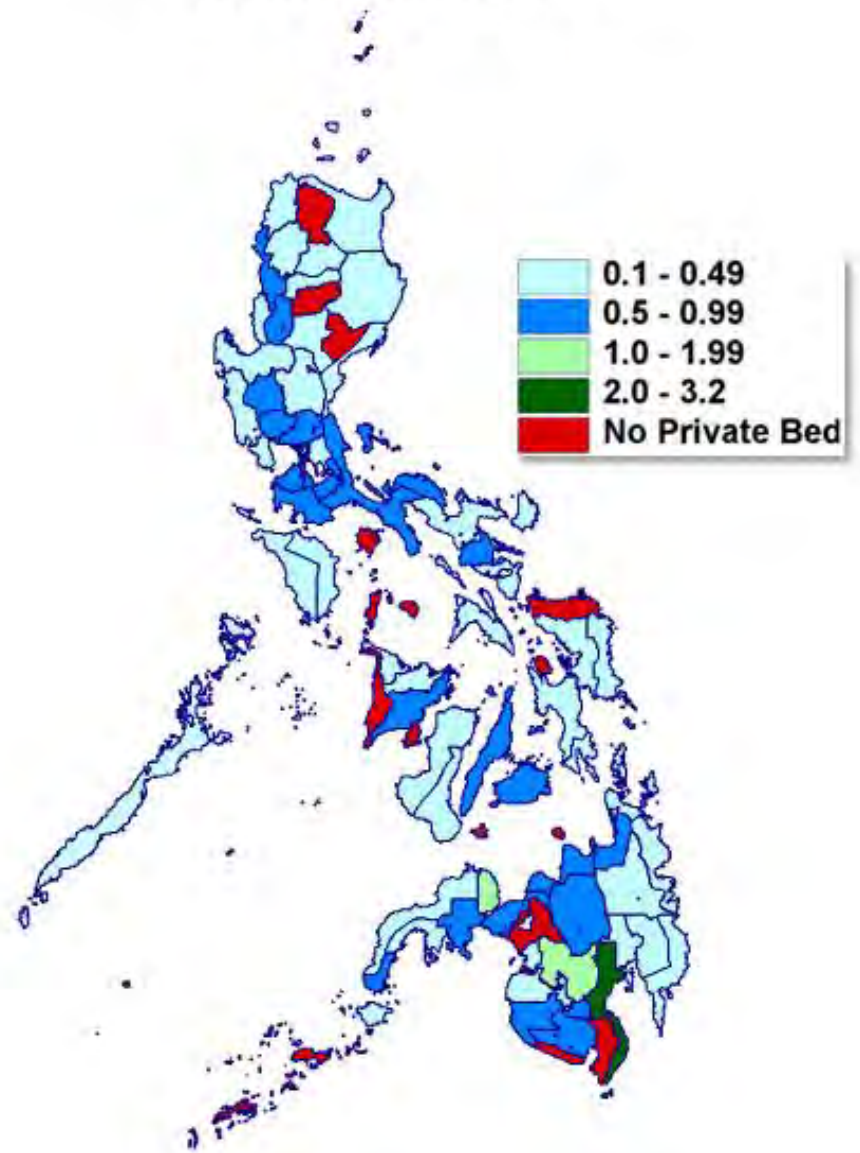


Appendix 5
Bed per 1000 Population

ALL HOSPITALS



PRIVATE HOSPITALS



Appendix 6
Licensing and Accreditation

Licensed



Accredited

