

Global & Public Health

Enabling Healthcare Access in the Philippines by CareSpan Asia and Temasek Foundation

Executive Summary

60 million Filipinos experience healthcare poverty. Millions live a considerable distance from the nearest clinic, lack sufficient health literacy, and cannot afford the cost of healthcare. This is common in rural areas but also present in urban slums. The health centres in local barangays (the smallest unit of government in the Philippines) struggle with a lack of resources ranging from shortages of doctors and nurses to inadequate supply of equipment and medicines.

To improve the quality of basic healthcare as well as make it more accessible and affordable, the Philippine Government rolled out **Universal Health Care (UHC)** in 2019. UHC provides additional funding for the Barangay Health Centres, managed by the Local Government Unit (LGU) to implement: 1) telehealth to overcome the shortage of doctors 2) electronic medical records (EMR) to provide up-to-date health information 3) higher subsidies for poor patients and 4) purchase more medicines and supplies. **Carespan Asia's digital health platform is one of few approved for UHC by PhilHealth (owned by Department of Health).** However, UHC funding is conditional. The LGU must successfully enrol a citizen before making a claim. To do so, LGUs need upfront capital and expertise to outreach to citizens and to implement the required digital health platforms. Funding is required for a period of time to reach economies of scale – when sufficient citizens are onboarded to reach financial sustainability.

The proposed pilot programme introduces a new model which brings together multiple stakeholders in a PPP (Public-Private-Philanthropic) partnership to drive change and onboard 700,000 underserved Filipinos to UHC. Led by Carespan Asia, and supported by Temasek Foundation, the partnership will include Gawad Kalinga Community Development Foundation (GK) to enhance outreach and education to underserved Filipinos. Carespan Asia, a social enterprise based in the Philippines, will implement telehealth and EMR, paid for by LGUs through reimbursements from PhilHealth. Using blended finance, funders provide a recoverable grant which will be repaid once the project is financially sustainable.

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| Call-to-Action (CTA): | <i>Enabling Universal Healthcare in the Philippines</i> |
| Organisation: | <i>CareSpan Asia, Inc., Temasek Foundation</i> |
| Supporting organisations (if any): | <i>Gawad Kalinga Community Development Foundation</i> |
| Project stage: | Pilot: Project is testing viability on a small scale, gathering data and feedback to validate its effectiveness and identify areas for improvement before implementing on a larger scale. |
| Funding ask: | US\$1.58 million |
| Funding period: | 5 years |

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The issue

The Philippines is an archipelago of more than 7,000 islands and a population of around 115M people. As a developing country, the Philippines has made much progress in improving the health of its citizens. However, its life expectancy of 72 years is many years behind developed countries, and the same can be said for maternal and child mortality rates. A key challenge facing the healthcare system in improving health outcomes is the lack of access to primary healthcare for more than half of the population.

More than 60M Filipinos living in rural areas and urban slums experience healthcare poverty. Millions live a considerable distance from the nearest healthcare facility, lack sufficient health literacy, and cannot afford the cost of healthcare. This is common in rural areas but also present in urban slums. They are served by 40,000 community health centres known as Barangay Health Centres which are managed by LGUs. These centres provide primary healthcare services but struggle with poor infrastructure and lack of resources, ranging from shortage of doctors and nurses to inadequate supply of equipment and medicines.

To improve the quality of basic healthcare as well as make it more accessible and affordable, the Philippine Government rolled out UHC in 2019. Implemented by PhilHealth, UHC aims to improve access to healthcare by encouraging each citizen to sign up with a primary care provider, e.g. Barangay Health Centre. UHC also provides additional funding of ~US\$9.05 (PHP500) per citizen per year to the LGUs to implement: 1) telehealth to overcome the shortage of doctors 2) EMR to provide up-to-date health information; 3) higher subsidies for poor patients and 4) purchase more medicines and supplies.

However, UHC funding is conditional. The LGU must successfully enrol a citizen before making a claim. To enrol citizens, LGUs need funds and expertise to carry out sustained outreach to citizens and to implement the required digital health platforms. They face the risk of non-reimbursement if their efforts are not successful. Funding is also needed until economies of scale is reached – when sufficient citizens are onboarded to reach financial sustainability.

The solution

The proposed solution introduces a new model which brings together multiple stakeholders in a PPP (Public-Private-Philanthropic) partnership to drive change and onboard 700,000 underserved Filipinos to UHC in Taguig City and other selected cities.

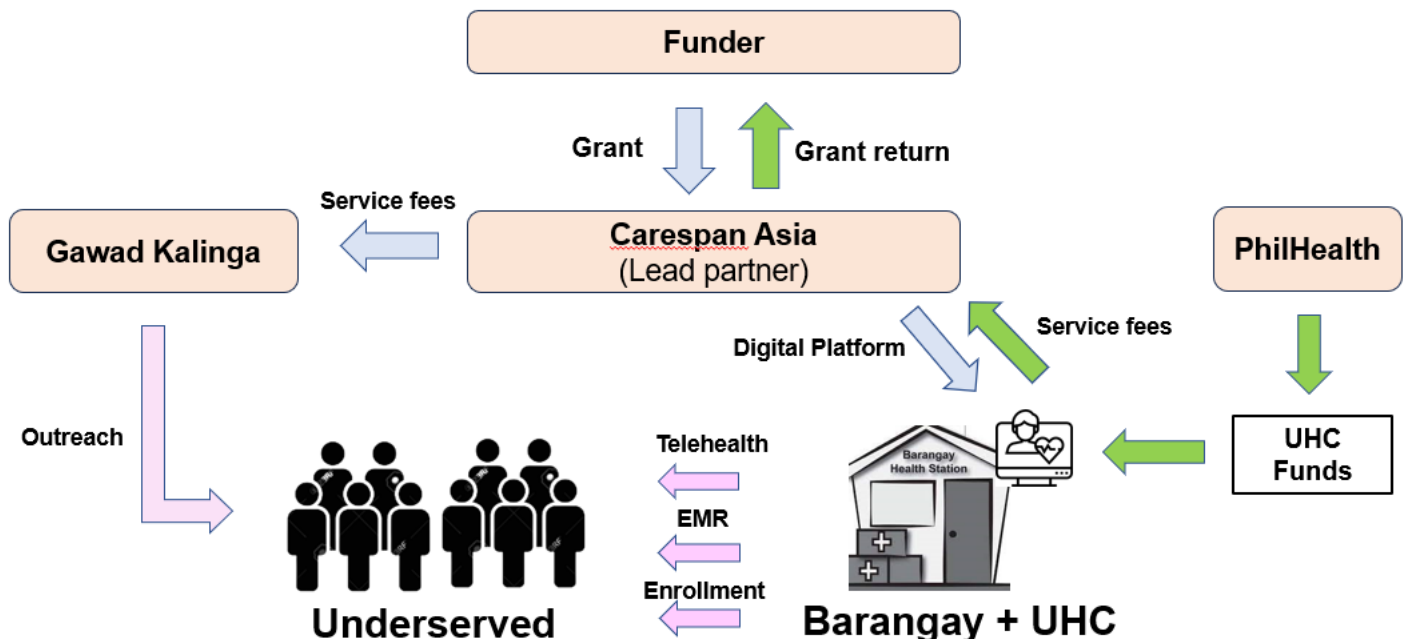
Led by CareSpan Asia, a social enterprise based in the Philippines, the partnership will include **Gawad Kalinga (GK) to enhance outreach and education to underserved Filipinos.** GK is an established non-profit with millions of members all over the country. Trained GK volunteers will engage underserved and low-income communities to spread health awareness and encourage underserved Filipinos to enrol for UHC.

Carespan Asia will implement telehealth and EMR under an agreement with the LGU. The LGU will pay Carespan Asia an agreed rate for usage of the platforms, paid through reimbursements from PhilHealth. The telehealth solution will enable underserved Filipinos to access government doctors in the city in the absence of a doctor in their Barangay Health Centre. This has the added benefit of reducing healthcare costs and removing commute times for doctors and patients. An up-to-date EMR will help improve patient outcomes through better self-care, improved decision making, and enhanced medical compliance.

Carespan Asia’s digital health platform is one of four approved for UHC by PhilHealth. It is cloud-based and can be accessed via either a web browser or mobile application. The platform is currently being used in the United States and has been adapted to the Philippine setting. The main features are:

- **Video Consultations:** High quality video connections between patient and doctor, backed by an interface screen designed by doctors and customised to Philippine medical processes.
- **Electronic Medical Records:** Digital format designed for data analytics and AI; curated data; recordings of images and sounds; time series
- **Patient Portal** enables digital access to EMR and real-time monitoring of vital signs
- **Doctor digital workbench** provides single-screen access to patient information, key statistics, imaging, clinical process guidance, and other relevant data sources.

Using blended finance, funders provide a **recoverable grant** which will be repaid once the project is financially sustainable. Temasek Foundation has committed to pilot the model to benefit 350,000 underserved Filipinos in Taguig City. The diagram below shows the roles of the various stakeholders and the flow of funds. The five-year pilot is expected to achieve financial sustainability in years 3-4.



With additional donor funding, the pilot can be expanded to include an **additional 350,000 underserved citizens** from other city/cities in Philippines.

Expected results

1. Improved access to healthcare for underserved population

Upon enrolment to UHC, underserved population will have access to primary healthcare provided under PhilHealth UHC. Success will be measured by the number of citizens who have signed up for UHC and utilisation rate of telehealth consults.

2. Enhanced patient care and population health planning using EMR data

Doctors utilise patient EMR data in patient care, which is measured by having up-to-date records for each patient in the EMR system. City planners utilise aggregate patient EMR data for population health planning, which is measured by evidence of health plans.

3. Blended-finance model is sustainable and scalable

Programme financials show financial sustainability within the pilot period. Other measures include evidence of UHC claims from PhilHealth.

Desired outcomes

- Underserved in Philippines receive primary care provided by PhilHealth UHC
- PhilHealth and LGUs utilise aggregate patient EMR data to develop effective healthcare plans
- De-risked blended-finance model is sustainable and ready for scaling by impact funders

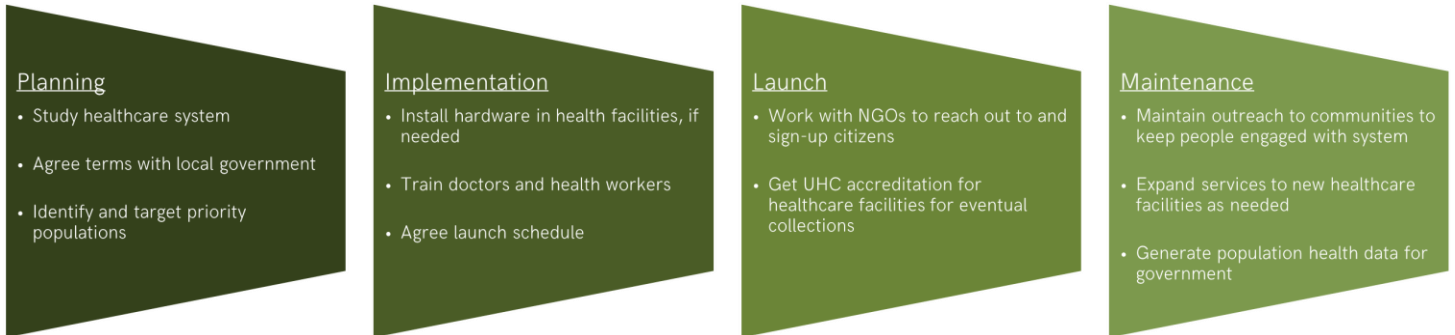


- Affordable primary healthcare
- Access to doctors
- Higher health literacy



- EMR data for healthcare planning
- More healthcare funds
- Digital health enabled
- Enhanced outreach capabilities

Implementation plan



Planning: CareSpan Asia has identified target barangays with Taguig for this pilot. In the case of Temasek Foundation’s pilot with 350,000 underserved citizens, they will be trialling within **Taguig City**. For the additional 350,000 underserved citizens, CareSpan is open to exploring expanding operations in a new city. CareSpan Asia has established processes and trained teams to lead training of LGU staff, install equipment, test, and operate digital infrastructure of the community health platform. In the process of being certified as a UHC telehealth and EMR platform, CareSpan Asia carried out a successful proof of concept of its digital health platform in multiple communities in the Philippines over the last 2 years.

Implementation: In this pilot, **GK educates the underserved population** to increase understanding towards primary care and the use of the CareSpan Asia platform, and to develop health seeking behaviours. **CareSpan Asia trains the healthcare workers** on how to utilise the platform, install equipment, and provide guidance regarding user support. This platform will be accessible at the piloted Barangay Health Centres.

Launch: CareSpan Asia works with both the local government and GK to mobilise communities to register the target populations. The key intent of the launch is **to increase the number of constituents using the service**. Since the pandemic, there has been a strong increase in acceptance of telemedicine, and this launch will build on that momentum through marketing campaigns, and grassroots efforts spearheaded by GK and local officials.

Maintenance: After the initial population of patients is signed up, the focus shifts to working with stakeholders to **keep citizens engaged with and using the platform**. CareSpan Asia will partner with the local government to support new health initiatives. GK will promote primary care education and keep people engaged with the healthcare platform facilities.

The long-term risk is **political leadership change** – mayor terms in the Philippines are three years, and a change may lead to a change in direction for the city. However, we believe that once launched, a public healthcare service would be very well-received among the citizens, and very unpopular politically to remove. However, to mitigate risk, we will closely monitor the political situations of the areas we work in and are initially targeting local governments with stable political records. Stability is further improved by the fact that in many communities, established families and political groups provide leadership for many years.

Confidence in the outcome

We have seen positive results from our proof of concepts in small-scale testbeds. We have trialled the Carespan Asia’s digital health platform in several locations, and the platform has been effective and well-received by the users.

Our platform is established. The telemedicine platform itself has been certified by the Department of Health and by PhilHealth for UHC. CareSpan Asia is accredited by a leading hospital network and a leading Health Maintenance Organisation (HMO). It is Health Insurance Portability and Accountability Act compliant and has been used in the United States by our American partners in rural areas for several years, including for Medicaid and Medicare patients.

The project is led by a team of highly-skilled and experienced professionals. For more information regarding the team, please refer to Appendix sections - “About the organisation” and “Key leadership members’ biographies”.

Project revenues are backed by agreements with local governments. Carespan Asia will enter into agreements with LGUs on fees for providing digital health services and onboarding underserved citizens to UHC. Such fees are paid from reimbursements received by the LGU from PhilHealth.

UHC is strongly backed by PhilHealth. The Philippines Department of Health is committed to UHC and has plans to enhance it.

Financials and the role of philanthropy

Philanthropic support is key to catalysing and accelerating the implementation of UHC.

Philanthropic organisations can provide bridge funding in the form of a recoverable grant for LGUs (through Carespan Asia) to enroll citizens to UHC. The funds raised will be used for outreach and education activities, patient registration, platform customisation to local government systems, costs of providing digital health services, laptops for rural health units and internet routers, personnel training, as well as programme administration.

Project revenues are derived from successful claims to PhilHealth for UHC funding. The project is expected to be financially sustainable within five years, whereupon the grant will be repaid to funders.

Appendix







About the organisation

CareSpan Asia, Inc. (CAI) is a joint venture established in 2020 between CareSpan Holdings, Inc., an American company which developed the CareSpan Virtual Clinic, and Argosy Partners, Inc., a Philippine investment and advisory firm. CAI holds a perpetual license to the CareSpan Virtual Clinic for ASEAN, with exclusivity for the Philippines.

In addition to its involvement in community health platform, in 2023 CAI was accredited with a leading hospital network, a leading HMO, and a nationwide clinic chain.

The Gawad Kalinga Community Development Foundation (GK) is a Philippine non-profit movement that focuses on poverty alleviation and nation building. Since 1995, GK have been working with communities where the poorest of the poor live, with strong focuses on developing community infrastructure, child and youth development, social entrepreneurship, and community health. GK work with a wide network of partners and volunteers and have a strong presence in roughly half of the 40,000 barangays in the country.

Key leadership members' biographies

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|  | <p>A. B. Colayco Chairman Former AIG Investment Corp. President managing US\$ 25 bn in 30 countries. Over 25 years as Philippine Country Chairman for Jardine Matheson. Founded Argosy Partners, an investment and advisory company. Argosy established pioneer online game publisher in the Philippines and Brazil, first non-subsidized utility scale solar PV plant in joint venture with Meralco, and CareSpan Asia.</p> |
|  | <p>Dan Reyes Chief Executive Officer 25 years leading BPOs. Former CEO of Sitel with 13,000 employees and GenPact (GE subsidiary) with 6,500. Co-founder of BPO industry association (IBPAP) and contact center association (CCAP); director of healthcare BPO association (HIMAP). Built large IT enabled service platforms for MNCs.</p> |
|  | <p>Ray Maranon Chief Operating Officer 30 years of experience in IT consulting, development, and operations. Former senior executive with Accenture and former CEO of Headstrong, the software development subsidiary of Genpact. Ran systems integration for large Healthcare companies.</p> |
|  | <p>Rene Chavez Chief Financial Officer Seasoned finance professional with 30 years of experience in the technology, banking, manufacturing, and shared services industries. Held CFO roles at ANZ Bank's Manila Service Centre, Hewlett Packard Philippines, and James Hardie Philippines, and was Head of Finance at Accenture Philippines.</p> |
|  | <p>Joel Mallari Business Development VP - Care Network Over 30 years of experience in Pharmaceutical, Digital Healthcare (Telemedicine), sales operation, marketing, and distribution roles. Former Sales Director of Getz Bros Philippines, and Medical Device Country Head for Getz Healthcare.</p> |
|  | <p>Dra. Che de la Vina Chief Medical Officer Adult Medicine Specialist practicing at HealthServ Los Banos and Calamba Medical Center. 14 years of experience in Medical Affairs, Medical Governance, Pharmacovigilance, Compliance and Clinical Trial Feasibility with GlaxoSmithKline Philippines, Boehringer Ingelheim Philippines and IQVIA RDS. Significant experience in treatment of chronic care disease patients.</p> |

Budget over funding period, including key assumptions

Budget

The full pilot will cover two locations in the Philippines with a target population of 700,000 underserved citizens. Temasek Foundation has committed to provide funding for one of these pilot locations - the City of Taguig in Metro Manila. Taguig population exceeds 880,000¹, with majority being urban poor.

Over five years, CareSpan Asia will provide digital healthcare access to 350,000 underserved citizens in the lowest-income barangays in Taguig. CareSpan Asia will repay the initial Temasek Foundation grant by the end of the programme, with the revenue from the UHC reimbursements.

Interested philanthropic partners are invited to fund a similar rollout to a further 350,000 citizens in City of Baguio* in the Philippines. Likewise, the budget is an estimated US\$1.58M for the project to be paid back in around five years.

Below is the budget for that programme; economics for other cities and projects would differ depending on specific circumstances.

Assumptions:

- Targeted Beneficiaries: 350,000 citizens in Taguig City, Metro Manila and another 350,000 in Baguio City.
- CareSpan Asia's projected annual revenue per person: US\$1.81 (PHP100). This revenue is a portion of the US\$9.05 (PHP500) reimbursement from Philippines government to the LGU.
- Revenues to begin in Year 2 since Year 1 conservatively assumed to be onboarding period.
- 'Project Management + Overhead' includes cost for personnel that will be completely dedicated to the project, as well as IT and marketing expenses.
- 'Outreach & Education (NGO)' refers to partnership with GK to ensure community engagement and continued usage of the platform, as well as a means of disseminating information and new programmes.
- 'Enabling Barangay Centers' expense item assumes no healthcare units have internet or laptops available and may be significantly lower if those are already in place.
- Tech integration refers to specific work for integrating platform with existing Taguig City health IT systems.

*In terms of current advanced engagements between LGUs and CareSpan Asia, the City of Baguio is currently the furthest in discussion. CareSpan Asia are also in contact with the following LGUs – Bago City, Dumaguete City, Iligan City, Ormoc City, Tabaco City, Valenzuela City.

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| CareSpan Asia | | |
| As of 16 August, 2023 | | |
| Note: Figures listed in USD | | |
| | | TOTAL |
| Expenses | | |
| Taguig City (first 350k constituents) (Aug 2023 - Jul 2028) | | |
| Telemedicine Platform | \$ | 753,311 |
| Project Mgt & Overhead | \$ | 597,082 |
| Outreach & Education (NGO) | \$ | 65,258 |
| Enabling Barangay Centers | \$ | 138,569 |
| Tech Integration | \$ | 29,821 |
| Total expenses for Taguig City | \$ | 1,584,040 |
| Baguio City* (next 350k constituents) (Timing-To be clarified) | | |
| Telemedicine Platform | \$ | 753,311 |
| Project Mgt & Overhead | \$ | 597,082 |
| Outreach & Education (NGO) | \$ | 65,258 |
| Enabling Barangay Centers | \$ | 138,569 |
| Tech Integration | \$ | 29,821 |
| Total expenses for Baguio City | \$ | 1,584,040 |
| Total Project Expenses | \$ | 3,168,080 |
| Committed Funding | | |
| Temasek Foundation (2023-2028) | \$ | 1,584,040 |
| Total Committed Funding | \$ | 1,584,040 |
| Total Ask at PAS 2023 | | |
| Funding Ask | \$ | 1,584,040² |

Endnotes

1. Philippine Statistics Authority. 2021. "2020 Census of Population and Housing (2020 CPH) Population Counts Declared Official by the President | Philippine Statistics Authority." Psa.gov.ph. 2021. <https://psa.gov.ph/content/2020-census-population-and-housing-2020-cph-population-counts-declared-official-president>
2. SG\$1 : US\$0.745 -- (S\$2.12M)