

Breaking the Backbone of the Indigents

Cheddie M. Ching
School of Business and Management, Colegio de San
Lorenzo

Rebecca M. Eda
School of Business and Management, Colegio de San
Lorenzo

— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

ABSTRACT

This paper is an ethical analysis of the planned privatization of POC. The ethical analysis proceeded in three parts. First, it explored the MPOC - what its prospects and promises are and how it was configured on the basis of the public-private partnership program. Second, it took an excursus on the existing literature on government infrastructures delivering health care services and how privatization and/or public-private partnership paradigm have impacted them. Lastly, from the American philosopher John Rawls' difference principle of distributive justice, it attempted to answer the question "How can the Philippine government balance its functions of providing effective and efficient health care services to its people, most especially to indigent patients, on the one hand, and maintaining fiscal soundness on the other?" This paper proposes a Socialized Health Care Services System as an integral part of POC's modernization.

Keywords: Philippine Orthopedic Center, privatization, public-private partnership, distributive justice

I. BREAKING THE BACKBONE OF THE INDIGENTS

“A government is a protective body set up to protect the people from domestic and foreign threats. It is established through individuals being elected to represent the citizens in its community, state and nation. These individuals establish laws to be voted on by the citizens. These laws are set up to protect and provide for the people. A government is like a scale, which balances the needs and wants of the people. It plays a huge part in society by establishing all sort of standards for living like monitoring of our hospitals, food industries, environment, human behavior, and even our burials. Hence, we can say that the government is there to regulate and control some parts of our lives from the day of our conception up to now”.

The 1987 of the Philippine Constitution, Article II, Section 15 declares that “The State shall protect and promote the right to health of the people and instill health consciousness among them.” The government exists to provide and give better health care to individuals. The researchers also cited Article XIII Section 11 from the same constitution; It declares that it is the responsibility of the State to “adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers”.

The Department of Health (DOH) is the principal health agency in the Philippines. It is responsible for ensuring access to basic public health services to all Filipinos through the provision of quality health care and regulation of providers of health goods and services. Given the mandate, DOH is both a stakeholder in the health sector and a policy and regulatory body for health. As a major player, DOH is a technical resource, a catalyzer for health policy and a political sponsor and advocate for health issues in behalf of the health sector.

“Bogota, Colombia (CNN) Jessica Ramirez Gaviria, the sick young woman who fought to force Colombia to protect her right to life, has died. Ramirez Gaviria suffered from a condition known as 'butterfly skin' and died in a Bogota hospital from health complications caused by the illness. In November last year, the Inter-American Commission on Human Rights (IACHR) granted her precautionary measures to protect her right to life and health. Her mother had argued to the Commission that Ramirez Gaviria had not been receiving the specialized attention that she needed, which was causing her health to deteriorate.” (Loaiza, M. V., CNN en Espanol. (2016, February 09). Girl with ‘Butterfly-skin’ Dies.) Retrieved from <http://edition.cnn.com/2016/02/09/americas/colombia-butterfly-skin-death/>

In Columbia, as an individual, you have the right to fight to get a better health care as a right to live. Here in the Philippines, we can also do the same as what Jessica Ramirez did, a girl from Bogota, Columbia with a condition known as butterfly skin, it was stated above in Article XIII Section 11.

Privatization is the transferring of ownership, property or business from the government to the private sector. It is the process in which a publicly-traded company is taken over by a few people. In the Philippines these events are rampant in the society just like privatization of public hospitals. It causes several disadvantages for the citizens as not all of them are good earners given that poverty is one of the most serious concerns in the country. It will be a great burden for those people to spend their money in medical fees or costly hospital bills.

The researchers have chosen the Philippine Orthopedic Center (POC) to conduct interviews regarding the case of the privatization of the said hospital. The Philippine Orthopedic Center is a 700 bed tertiary special hospital under the Department Of Health of the Philippine, it is located at Banawe Avenue corner Maria Clara Street, Santa Mesa Heights, Quezon City. The medical division consists of the Trauma Services, Adult Orthopedic service, Children’s orthopedic service, Tumor Unit, Hand service and Spine Surgery service. There were rumors that it was planned to be privatized and as expected, many people did not like the said move since the Philippine Orthopedic Center is known as the only tertiary hospital specializing on bone trauma and diseases.

The Philippine Orthopedic Center is indeed the only public hospital that serves many people in specializing on bone trauma diseases. Many people are depending on the free health care that POC could give to tons of patients who do not have enough money to pay high bills of those private hospitals. POC gives enormous help especially to the low-earning Filipino Citizens. One of the major problems of our country is giving sufficient health care services and providing free medicines consistently to its citizens. Moreover, the POC hospital also needs renovation of the building and maintenance of the facilities, we observed that it needs to repaint and repair the building, even the facilities

need improvement. While it is true that it is a public hospital but that doesn't mean it would look neglected and unpleasant, it should have been the opposite as it caters more patients than the usual volume that private hospitals have. Hence, the government must focus on this matter to provide this one of the primary needs of one's society and for us to see that they are doing their job or function in the government.

Public-Private Partnership is a government service or private business venture that is funded and operated through a partnership of the government and one or more private sector companies. In 2012, cognizant of its significant role in providing health care services to indigent patients with orthopedic cases and, therefore, the need to improve its services to better serve and cater the needs of its stakeholders, President Benigno Aquino III signed the P5.69-billion modernization plan of Philippine Orthopedic Center (POC). The Modernization of POC (MPOC) sought to utilize funding amounting to P5.43 billion – 95% of the total budget – from a private corporation which will emerge as the winning bidder. While technically configured according to public-private partnership program, a flagship program intended to fund high-priced projects that the government could not fund unaided, launched at the beginning of the Aquino administration in 2010, the MPOC is essentially a move to privatize the government-owned health infrastructure and the only public hospital specializing on bone trauma and diseases in the Philippines, making the services less accessible to indigent patients thereby defeating its mandate.

Many of us are just depending on free medical services or perhaps, free health care. As humans, we do not want to be marginalized. Marginalization is the process whereby something or someone is pushed to the edge of a group and accorded lesser importance. This is primarily a social phenomenon by which a minority or sub-group is excluded, and their needs or desires ignored. It is like taking away our rights in some specific aspect. "Social and economic rights encompass the range of rights including education, adequate housing, social security, and health; the right to work and labor rights; and the right to an adequate standard of living. The purpose of these rights is to ensure that the minimal conditions required to enable living with dignity are met for every person within the society."

Health workers for a government hospital serve the Filipino people. They work for almost 24 hours every day, servicing poor patients and sometimes, they even spend their own money just to report to work. If the privatization of public hospital pushes through, these people will be greatly affected as they are also suffering from low wages so they have to work overtime, they are hired as contractual employees with minimum benefits. .

The researchers went to POC and made interviews to some of the employees and companions of the patients regarding the privatization of the hospital. The researchers find it difficult to get the opinions and insights of those people at first, but after approaching several of them, they have finally found somebody who was willing to share his/her opinion about the issue. The researchers noticed the different emotions and reactions of the employees and companions of the patients while they were explaining.

The researchers' first interviewee was Analyn Enorme she is a niece of the patient, she was asked if what is the concern of her uncle in the POC and she said that it's about his bones on his right foot "he just woke up one day and can't even move his right foot" she said. The researchers also asked her if she heard about the privatization of the

Philippine Orthopedic Center and she replied “yes” and she strongly disagrees with it since they do not have money to pay for their hospital bills “we are not rich”. Additionally, she said that they will do anything to prevent the privatization of the hospitals no matter what it takes.

The second interviewee was Mary Ann Solano. The researchers asked her if POC gives them a free health care for case of her husband who are admitted in POC for 3 months now. She said that if you have all the requirements and if you have the health card, there’s no such payment but when it comes to operation you have to ask for the PSCO aide. The researchers took the opportunity to ask her if she agrees with the government’s plan about the he privatization of the POC and what was her reaction about it. “we are strongly disagree and we are not going to allow it because many of us will suffer, most especially the indigent’s patients since POC is the only public hospital. We are now starved then the government would now want it to sell? What will left to us now? Nothing! If there’s a need to gather all the less fortunate to have a rally I will. The laws of the Philippine government are rotten. The Central market in Quiapo, Manila the former President Erap Estrada sell it to the foreigners, and also the pier in Negros Navigation who’s now the owner of the Philippine Ports Authority (PPA), instead that my husband is still have work now, but because of the rules of the privatized company that when you reached 60 years old they will terminate you in the company.

Third interviewee was Yolanda Nonato Cabusor, she was asked the same question and just like the others, she firmly opposes the government’s move because they don’t have money to pay for their hospital bills. The researchers ask her if where they will go if the POC is already private, “of course we will transfer in other hospital that is public” she said. She was also asked if she knows another hospital like POC which specializes with orthopedic, services. “I don’t know any hospital aside POC, firstly we are not from Manila, and we are from Leyte, Tacloban province. We just came here in Manila to take care of my child in the POC that has problem in leg bones” she added. Fourth interviewee was Aileen Hermosa she was asked the same question and she immediately disagreed. She said, “We are from Pasay, there’s private hospital there but expensive that’s why we came. She also said “the government is not taking care of the hospital because the building is old and some walls are destroyed. They can get money from taxes the government imposed to repair the POC infrastructure” Ms. Hermosa added.

The researchers also interviewed the employees Mr. Alvin Nieto and Mr. Ernesto Gapate, attendants of POC for six years. They said that they don’t agree with the privatization of the said hospital. Firstly, because they do not know if they will be absorbed by the next management, and if they will do, they will be no longer regular employees and that it’s a burden for them to look for another job. Also, they said that it’s really hard especially for the patients who are really in need to look for another hospital which issues low medical bills. The two attendants also said that they will join rallies to show to the government that they do not agree with the privatization of POC. Another employee was interviewed. Mr. Jose Clavel is a security guard of POC. Like the two attendants, Mr. Clavel does not also agree for the privatization. He said, if the next management will not absorb him, it will not be easy for him to look for a new job because of his age. He also said that when you are old, it will be hard for you to get a new job especially here in the Philippines unlike in other countries. He also feels sorry for the patients because it will be harder for them to pay for their hospital bills.

This paper aims to answer the question “What are the plans of the government to the people below the poverty line on why they plan to privatize the only public hospital that specializes in bone trauma and diseases even if it was stated in the law that the state shall be prioritizing the needs of the underprivileged, sick, elderly, disabled, women, and children when it comes to other social services especially to health services, and the state shall endeavor to provide free medical care to paupers.?”

Coming from our observations and researches, a lot of Filipinos will be greatly affected by this move of the government especially those who do not have enough money to pay high hospital/medical bills. The employees who work in the POC will also be affected especially if the workers have been working in the POC for several years or even decades. From our interviews they said that if it will soon be privatized, that the POC will be sold to the private sector, the management will change and probably they would lose their job, position or the incentives and benefits that they have, such as the regularization and reasonable salaries.

II. ETHICAL FRAMEWORK

“Distributive justice provides principles of moral guidance for the political processes and structures that affect the distribution of economic benefits and burdens in societies. These economic frameworks are the result of human political processes and they constantly change both across societies and within societies over time. The structure of these frameworks is important because the economic distributions resulting from them fundamentally affect people's lives.”

The relatively simple principle of distributive justice examined is strict Egalitarianism, which calls for the allocation of equal material goods to all members of society. John Rawls' alternative distributive principle, which he calls the Difference Principle, is examined next. The Difference Principle permits diverging from strict equality so long as the inequalities in question would make the least advantaged in society materially better off than they would be under strict equality. Some have thought that neither strict equality nor Rawls' Difference Principle capture the important moral roles of luck and responsibility in economic life. The “Luck Egalitarianism” literature comprises varying attempts to design distributive principles that are appropriately sensitive to considerations of responsibility and luck in economic life.

In this case, the possible ethical framework is the “John Rawls theory”. According to Rich (2006), “for us, the primary subject of justice is the basic structure of society, or more exactly, the way in which the major social institutions distributive fundamental rights and duties and determine the division of advantages from social cooperation. In defining the subject of his theory in this way, Rawls is not concerned with a merely formal determination, but with a materially analyzable determination of social justice in the form of basic principles that the free and rational persons concerned to further their own interests would accept in an initial position of equality as defining the fundamental terms of their association.”

John Rawls is widely regarded as one of the most important political philosophers of the second half of the twentieth century. He is primarily known for his theory of justice as fairness, which develops principles of

justice to govern a modern social order. Rawls' theory provides a framework that explains the significance, in a society assumed to consist of free and equal persons, of political and personal liberties, of equal opportunity, and cooperative arrangements that benefit the more and the less advantaged members of society. (Rawls' Mature Theory of Social Justice, 2005).

The dominant economic view is that wealth is most readily increased in systems where those who are more productive earn greater incomes.

Two Principles of Justice.

1. Each person has an equal claim to a fully adequate scheme of equal basic rights and liberties, which scheme is compatible with the same scheme for all; and in this scheme the equal political liberties, and only those liberties, are to be guaranteed their fair value.

2. Social and economic inequalities are to satisfy two conditions:

a.) They are to be attached to positions and offices open to all under conditions of fair equality of opportunity; and

b.) They are to be to the greatest benefit of the least advantaged members of society (A Theory of Justice, Rawls 1993, pp. J-6)

In the foreseeable future the possibility of earning greater income will bring forth greater productive effort. This will increase the total wealth of the economy and, under DP, the wealth of the least advantaged.

Milton Friedman's theory about the social responsibilities of business is an extremely important and influential position. Almost everyone who writes on the topic writes at least partly in reaction to Friedman. Friedman's position was first stated in *Capitalism and freedom*. A substantially different version is presented in his later essay "Social Responsibility of Business". The first formulation says that the one and only obligation of business is to maximize its profits while engaging in "open and free competition without deception or fraud". The second formulation says that business executives are obligated to follow the wishes of shareholders (which will generally be to make as much money as possible) while obeying the laws and the "ethical customs" of the society.

Maximizing profits while engaging in "open and free competition without deception or fraud" is not the same as maximizing profits while obeying the laws and ethical customs of one's society. Acts which involve fraud or deception or which do not constitute open and free competition are not necessarily contrary to society's laws or ethical customs. Further the laws or ethical customs of a society might prohibit certain actions which are permitted by injunction to engage in "open and free" competition without deception or fraud." (www.jstor.org (1993)).

III. PATIENTS BEING PATIENT

This paper aims to answer the question "How can the Philippine government balance its functions of providing effective and efficient health care services to its people, most

especially to indigent patients while maintaining fiscal soundness on the other?" Fiscal soundness is the requirement that managed care organizations have sufficient operating funds, on hand or available in reserve, to cover all expenses associated with services for which they have assumed financial risk. This paper also wishes to give answer to the question "What are the plans of the government to the people below the poverty line as they plan to privatize the only public hospital that specializing on bone trauma and diseases?" The government's duty is to provide various services such as health care, education, security and many more but they are planning to modernize the only public hospital specializing on bone trauma, where modernization is essentially a move to privatize the government-owned health infrastructure. Normally, private hospitals have a motive of just making a high profit and how much money they will earn from it. Will indigents still be able to afford the services of Philippine Orthopedic Center once it will be privatized?

The Philippine Orthopedic Center is a government medical facility under the Department of Health which is tasked to provide health care delivery to patients with musculoskeletal disorder and related conditions. It was designed to serve as a center for trauma and orthopedics in the country. The Department of Health (DOH) is the one mandated the article and is being responsible for ensuring access to basic public health services. Being under the DOH, the Philippine Orthopedic Center should abide the laws implemented by the government. In this case, did the DOH considered the situation of the indigents in planning for modernization of the said hospital? Did they think what would the effect to the majority if it will pushes through?

The Modernization of Philippine Orthopedic Center (MPOC) is said to be the answer to the problem of the POC, they use private capital and expertise to make the hospital more innovative and efficient. It is designed after the Aquino Health Agenda aiming to fortify the National Health Insurance program.

Indigents people will be greatly affected by the modernization of the POC, since most of them have low income and their money is only sufficient for their basic needs, they cannot afford if the POC will soon be modernized. On the other hand, as an individual we should not blame everything to the government because we have our own responsibility to ourselves, we must save money to pay for unexpected situation. Not just only to our own health but also for the emergency purposes that we might have. Since life is unpredictable and change is constant. However, not everybody has the same thinking and attitude in life.

Marginalization is the process whereby something or someone is pushed to the edge of a group and accorded lesser importance. This is primarily a social phenomenon by which a minority or sub-group is excluded, and their needs or desires ignored.

People go to public hospitals because of financial issues. Rawl's theory of justice as fairness, provides a framework that explains the significance, in a society assumed to consist of free and equal persons, of political and personal liberties, of equal opportunity, and cooperative arrangements that benefit the more and the less advantaged members of society. If the privatization of POC will push through, they will no longer feel that they have equal opportunity since they will now be marginalized as their rights to have the free medical health care will not be prioritized anymore. It might be an advantage for the

government but having interviewed the people at POC, it transpired that it was extremely a disadvantage for the majority.

IV. SOCIALIZED HEALTH CARE SERVICES SYSTEM

Poverty is one of the most critical and serious problems in our society. It takes time and a good governance to resolve this kind of problem. The population of the Philippines as of 2014 is estimated at 100,096,496 and more than 25.8% of it or 25,824,895.97 of the total population- fell below poverty line according to the data from the National Statistical Coordination Board. Philippines' latest poverty line marks a per capita income of 10,534 pesos a year. Sometimes, being in the poverty line is similarly being marginalized. There are some cases that they are not capable of doing things such as providing their basic needs.

The "Privatization of the Philippine Orthopedic Center" research shows how others being marginalized due to the plans of the government to partner with private sectors, or by just simply planning to modernize government institutions with the help of a private partner which is a step closer to its total privatization.

In conclusion, the initial decision of the government to modernize the POC is unjustifiable. The researches have seen these in three main parts. First, the government could still do its functions by providing healthcare to the indigent people or rather to those who cannot afford to pay the hospital bills. Secondly, the Government has the power to raise the allotted fund of the DOH to the Philippine Orthopedic Center to compensate the insufficient fund merely for the indigent people.

Third, the government can also provide/innovate health care systems such as the so-called, "Socialized Health Care Services System." This system will categorize the patients and those who cannot meet the expenses to pay for the health care services will base the system or payment of the bill as public hospital, the treatment is free (though paid through taxes) while those who can afford the hospital bill will be paying bills as what a normal public- private owned hospital would mandate.

The researchers insist that the government may implement subsidies to the problem of the POC to make sure that indigent people receive health care services that they deserve as citizens of this country and as stated by the law. The basic function and duties of the government in providing the basic needs of the society must be provided properly. The government should realize the importance of a healthy society. Thus, instead of promoting public-private partnerships of hospitals in the country, they should have thought first of strategies on how to allocate the country's budget for health care to serve its people knowing that in the Philippines, millions are under the poverty line.

ACKNOWLEDGEMENT

The researchers owes much many people who in one way or another have been instrumental in this complicated and challenging endeavour. To them the researchers expresses their appreciation and gratitude.

First, to **Professor Nikolo Michael C. Panganoron**, for sharing his expertise passionately, for patiently enhancing the contents of this research, and for looking at every part that resulted in the improvement of the study.

Dean Ellen Soriano-Dizon, Professor Zandro O. Pua, and the whole **School of Business and Management, Colegio de San Lorenzo**, for the support and motivations they had given to the researchers. Their advices helped them to bring this study into success.

The Researchers' Parents for their unending love, understanding, encouragement, substantial financial support and being their inspiration to finish this paper.

And most especially, to **God Almighty** who gave the researchers strengths in facing the odds all the way to the completion of this paper.

REFERENCES

- [1] Rawls, John. (1971). A Theory of Justice. The Belknap Press of Harvard University Press Cambridge, Massachusetts London, England
- [2] Rawls, John. (1993). Political Liberalism. Columbia University Press, 1993
- [3] Loaiza, M. V., CNN en Espanol. (2016, February 09). Girl with 'Butterfly-skin' Dies. Retrieved from <http://edition.cnn.com/2016/02/09/americas/colombia-butterfly-skin-death/>
- [4] Lamont, J., & Favor, C. (2013, January 2). Distributive Justice. Retrieved from <http://plato.stanford.edu/entries/justice-distributive/>
- [5] Modernization of Philippine Orthopedic Center. (n.d.) Retrieved from http://ppp.gov.ph/?ppp_projects=modernization-of-philippine-orthopedic-center
- [6] Rawls' Mature Theory of Social Justice. (2005). Retrieved from
- [7] <http://people.wku.edu/jan.garrett/ethics/matrawls.htm>
- [8] Roles of Government. (1969, December 31). In MegaEssays.com. Retrieved from
- [9] <https://www.megaessays.com/viewpaper/90920.html>