

Cashless Payment Solutions in BGHMC: An emergent need amidst the Covid-19 Pandemic

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Abstract.

Cashless payment solutions have been existing in the society since the online payment platforms were introduced in the market. The use of these platforms have been intensified and accelerated during the Covid-19 pandemic whereby restrictions such as travels and limited movement outside residence is widely implemented in Baguio City and its neighboring towns: (LISTT) La Trinidad, Itogon, Sablan, Tuba, and Tublay. The purpose of this study is to propose cashless payment solutions to BGHMC in response to the pandemic. Interviews were conducted together with the partner institutions of BGHMC to facilitate the research. Social and physical distancing are declared to be strictly implemented in all business and establishments to avoid the spread of the virus that can be transmitted through droplets. Further, the virus can be transmitted through currencies such as bills and coins, thus face to face transactions are discouraged. Cashless payments will contribute to the solution to encountered problem. With the implementation of cashless payments, clientele of BGHMC will attain desired convenience in finishing transactions with regards to paying services acquired from the latter. In the adaptation of cashless payment solutions, BGHMC will not only provide convenience to its clients but also help in preventing the spread of the virus.

Keywords: Cashless Payment Solutions; BGHMC (Baguio General Hospital and Medical Center); Covid-19 Pandemic

1. Introduction

Cashless payments as introduced into the market, have been one of the ultimate providers of speed and convenience that are important factors for any transaction. The vast use of cashless payment systems has proven the versatility of transactions through global innovations and has improved people's daily life in terms of efficiency and practicality. In the Philippines where cash is king, Filipinos made a major shift in the wide use of cash to cashless payment alternatives since the beginning of the Covid-19 pandemic. Since the strict implementation of rules and protocols to avoid the spread of the virus in all parts of the country, including Baguio City, residents from the latter and

its neighbouring towns resorted to cashless payment transactions to avoid going out and adhere to safety measures implemented by the city.

Baguio General Hospital and Medical Center (BGHMC) caters to hundreds of clientele from all parts of Benguet and the Ilocos Region acquiring of the institution's medical service. Since there is no existing remote or digital means of payments under the system of BGHMC in terms of collection for services rendered, all clientele must directly proceed to the collection area of the institution to pay bills or charges due. Before, this is not considered to be a problem being encountered, however, given the restrictions caused by the pandemic, the researchers have identified a safer way to deliver convenience for clients to pay for services rendered by the agency. The use of cashless payments is both beneficial to BGHMC and its clients as both parties will lessen the risk of being infected while providing quality healthcare. However, cashless payment systems also have its risks and limitations when in use. Therefore, the primary purpose of this paper is to successfully propose cashless payment solutions to the thriving clientele payment collection service of BGHMC amid the pandemic while also identifying the challenges of the solution stated.

2. Methodology

Qualitative research was employed in this study that aimed to successfully propose cashless payment solutions in Baguio General Hospital and Medical Center (BGHMC) which is an emergent need during the crisis brought about by the Covid-19 pandemic.

The researchers conducted semi-structured interviews using a mixture of closed and open-ended questions with the partner institutions of BGHMC who are currently in use of cashless payment solutions that can be adopted. The interviews for data gathering to suffice the need for cashless payment solutions were conducted within the city of Baguio and participated by Government Owned and Controlled Corporations (GOCCs) and private companies. The researchers gathered data in partnership with Baguio Water District (BWD), LandBank of the Philippines (LBP), Development Bank of the Philippines (DBP), and with PayMaya Philippines Inc.

The institutions and companies interviewed paved way to understanding the benefits and possibilities of adopting cashless payment solutions that can be successfully proposed to BGHMC to incorporate on its collection system. Advantages on the features of the payment solutions as well as their limitations were also identified and discussed for a more guided use of the platforms, especially considering the fact that it is cashless therefore requiring technology intellect. Further, the researchers employed qualitative analysis of the gathered data through the conducted interviews and also assessed/tested the available cashless payment solutions to deliberate on the capability and suitability of the platforms which will cater to the needs of BGHMC paying clientele and the organization itself.

3. Review of Related Literature

Various technologies existing in the modern world has made revolutionary changes in the lives of all people whether in the rural or urban areas of every country, especially Philippines. With the country being among the top 10 countries in the world when it comes to investments in telecommunications [1] a wide array of transactions requiring online connectivity is undeniably accessible to all Filipinos. This transitions Philippines into a digital and cashless economy. In a cashless economy, transactions are settled using electronic communication rather than physical cash. The cashless system has been preferred by most economies on the grounds that it ensures transactions are quickly settled [2]. Electronic payments (E-Payments) is increasingly becoming a daring means of today's business world [3]. E-payments among establishments, businesses, and government affiliated agencies or organizations continue to extend through various online platforms in replacement of cash-based payments to services and/or goods.

With the emergence of the Covid-19 global pandemic, and declared on March 8, 2020 as a public emergency [4] these e-payments are variable solutions to the needs of Filipino communities, given that modified restrictions are duly adhered to such as minimum public health standards during community quarantine [5]. The city of Baguio, just like any other cities in the country, strictly observes minimum health protocols to help contain and prevent the spread of the virus. Within the heart of Baguio stands Baguio General Hospital and Medical Center (BGHMC), a hospital that began operating in 1902 and is the largest government funded tertiary hospital in the Cordillera Administrative Region, which provides a wide range of services including intensive care, nephrology, laboratory services, a maternity department, etc. [6]. The government agency does not only cater to patients and clientele within Baguio City, but also to its neighboring communities such as but not limited to La Trinidad, Itogon, Sablan, Tuba, and Tublay. Thus, with hundreds of clientele catered in days, e-payments are suitable in acquiring the services and goods of the hospital.

An example of an existent cash-based payment online alternative is Link.Biz Portal by LandBank of the Philippines (LBP). LandBank Link.Biz Portal is an e-payment facility that allows clients to pay for products and services via the internet from both the government and private institutions/sectors. The system aims to provide convenience and efficiency to all involved institutions as well as safer delivery of funds, decrease the direct and indirect costs associated with physical cash or distribution of in-kind goods, establish accountability and tracking of financial flows, resulting in less corruption and theft, and de-clog lobby traffic and save on operation costs [7]. It also ensures security as it uses high grade security on its system usage. While Link.BizPortal is a bank-based e-payment system, PayMaya is a free wallet app that can be accessed through any mobile smart phone with connection. PayMaya Philippines, Inc. (formerly Smart eMoney, Inc.) is the pioneer in mobile money and payments, having established brands such as PayMaya, the first prepaid online payment app that enables the financially underserved to pay online without a credit card. [8]. In addition to that, Development of the Philippines (DBP) Point-of-Sale (POS) is also popularly in use

where its bank cardholders can make use of the DBP ATM Card in transactions with over 15,000 merchants nationwide. These include: supermarkets, department stores, and specialty shops.

The World Health Organization is encouraging countries to take advantage of e-payment systems as an alternative to cash-based transactions. This is to limit the use of cash in making transactions, since cash itself is a potential agent of transfer of the COVID-19 virus [9]. Insofar, Philippines continue to increase in the number of its citizens acquiring online or e-payments for their day-to-day transactions evolving the economy to a more digital approach.

4. Results and Discussions

The researchers conducted interviews to the partner institutions of BGHMC to evaluate and identify what cashless payment solutions are suitable and applicable to augment the current collection systems of the hospital where cashless payment alternatives are emergent amidst the pandemic.

During the interview with Baguio Water District, the researchers found out that the said organization is employing multiple cashless payment solutions in partnership with 7/11 Stores using Cliqq, SM Payment Center, and G-Cash and DBP ATM payments. Consumers of BWD are given several options on how they can pay their water bills at their convenience. Collections of payment are remitted to BWD in full as transaction fees are being charged to the paying clientele.

An interview was also conducted at Land Bank of the Philippines – Baguio Branch. Through the interview, the researches learned that LBP is offering various cashless payment solutions to its partners. One of which is the LANDBANK Link.Biz Portal. This portal allows clients to pay for their fees online, anytime, anywhere. The portal is accessible from 12:01 am to 11:00 pm, 7 days a week, but subject to service period, maintenance time and any uncontrollable circumstances. It offers real-time debit from clients' account and batch credit to BGHMC's account with Land Bank Baguio Branch. Transaction fees are charged to clients who use the portal, so collections will be credited to BGHMC intact. Point-of-Sale is also being offered by LBP. Point-of-Sale is utilized with the use of MasterCard and Visa debit and credit cards. Clients can use their debit or credit cards to pay their bills. However, corresponding charges will be applied to BGHMC when the set quota of collection using the point-of-sale is not met.

The researches have also set an appointment with DBP and PayMaya to conduct interviews. DBP offers Point-of-Sale using debit and credit cards but limited only to MasterCard and is free of charge. All collections will be credited to BGHMC without any deduction and there is no quota to be met. With PayMaya, the researchers found out that they offer both online and face-to-face payment solutions. Online solutions include email invoicing which allows the merchant to send invoices to its clients. E-mail invoicing is provided by PayMaya. Check-out is another online collection solution

which can be integrated to the existing systems of merchants. Collections are credited to merchant since

Charges can be imposed to the paying client. For the face-to-face solutions, PayMaya One is discussed. It is a multi-payment fund source which accepts PayMaya, Visa, MasterCard, JCB, Alipay, WeChat, and other wallets. The POS terminals will be provided by PayMaya for free, no quota, no rental fees to be collected. Standard charges will be applied in using the POS through cards.

5. Conclusions and Recommendation

Cashless payment solutions identified in this paper varies in their features and benefits to end-users. The partner institutions of BGHMC provided a wide range of knowledge about these payment solutions that can be acquired by the latter in addition to providing quality service in the healthcare sector. IT has been discovered and identified that digitalized modes of transactions such as payments is an emergent need during a pandemic considering the restrictions provided by the government to avoid contracting the virus such as boarder restrictions and social distancing. The use of PayMaya is the most recommended cashless payment solution for Baguio General Hospital and Medical Center in serving its paying clientele as it best suits their needs in transacting online payments safely and with minimum charges. PayMaya is indeed an advance approach to the collection system of National Government Agencies such as BGHMC transitioning to a more modern and efficient community.

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