The Impact of Government-Mandated Healthcare Subsidies on Small and Independent Pharmacies: A Cross-Transnational Comparative Study

Mark Stheve Cañas Yosores
https://orcid.org/0009-0005-5019-2682
markyosores@gmail.com
Philippine Christian University Manila, Philippines

Abstract

Small and independent pharmacies serve as essential providers of healthcare access, especially in underserved communities, yet their sustainability is increasingly shaped by government mandated subsidy programs. This study investigated the operational and financial impacts of PhilHealth GAMOT in the Philippines, MediShield Life in Singapore, and the Pharmaceutical Benefits Scheme in Australia through a sequential explanatory mixed methods and transnational comparative design. Quantitative results revealed that reimbursement delays averaged over 40 days in the Philippines, nearly 30 days in Singapore, and just above 20 days in Australia, with these delays directly linked to cash flow disruptions, inventory constraints, and increased administrative costs. Qualitative reflexive thematic analysis reinforced these findings, showing that pharmacies faced significant documentation and compliance burdens, pricing rigidities, and staff overload. At the same time, respondents demonstrated resilience through financial buffers, cost monitoring, digital automation, service diversification, and strengthened patient counseling. Integrating these results revealed that while subsidy programs expand equitable access to medicines, they also impose systemic inefficiencies that undermine the long-term sustainability of smaller pharmacies. Policy adjustments that prioritize timelier reimbursements, simplified documentation, broader coverage, and technological support are needed to preserve pharmacy viability without compromising the accessibility and affordability of healthcare.

Keywords: International Healthcare Systems and Business Management, government healthcare policy, healthcare subsidy, operational sustainability, pricing mechanisms, and cash flow constraints, sequential explanatory mixed methods design, reflexive thematic analysis, and cross-transnational comparative study, Philippines, Singapore, and Australia.