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13 October 2022

ATTY. ELI DINO D. SANTOS
Officer-In-Charge (OIC)
**PHILIPPINE HEALTH INSURANCE
CORPORATION (PHILHEALTH)**
Citystate Centre, 709 Shaw Boulevard
Pasig City

13 OCT 2022 11:12

PhilHealth / Office of the PCEO

**RE: RESULT OF THE REVALIDATION OF 2019
PERFORMANCE SCORECARD OF PHILHEALTH**

Dear OIC Santos,

This refers to PhilHealth's letters dated 07 December 2021¹ requesting for the reconsideration of the following strategic measures (SMs) under the validated 2019 Performance Scorecard²:

- SM 1: Percentage of Satisfied Customers
- SM 2: Percentage of Eligible Members Avail of the No Balance Billing
- SM 3: Improvement of Provider Payment Mechanism
- SM 8: Increase in the Percentage of Cases Disposed
- SM 9: Percentage of Good Claims Processed within Applicable Time
- SM 10: Percentage of Employees Meeting Required Competencies

Review and evaluation of PhilHealth's request, including the additional documents, are summarized in the "*Result of the Revalidation of 2019 Performance Scorecard*" attached as **Annex A**. Foregoing considered, PhilHealth's revalidated score is hereby **INCREASED** from 43.01% to **62.25%**. PhilHealth remains to have failed to achieve the weighted-average score of at least 90% in the 2019 Performance Scorecard and thus, remains to be ineligible to grant the 2019 Performance-Based Bonus (PBB) to its officers and employees. We take this opportunity to inform PhilHealth that the validated Performance Scorecard shall be posted on PhilHealth's website in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.³

FOR PHILHEALTH'S INFORMATION AND GUIDANCE

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

Atty. GIDEON D.V. MORTEL
Commissioner

**Atty. GERALDINE MARIE B
BERBERABE-MARTINEZ**
Commissioner

cc: COA Resident Auditor - PhilHealth

¹ Officially received by the Governance Commission 09 December 2020.

² Letter of the Governance Commission dated 10 November 2020.

³ Code of Corporate Governance for GOCCs, dated 28 November 2012.

PHILIPPINE HEALTH INSURANCE CORPORATION
Revalidation of 2019 Performance Scorecard

	Component				PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
SATISFIED CLIENTS	SO 1	Total Client Experience									
	SM 1	Percentage of Satisfied Customers	Number of respondents who rated PhilHealth service with at least Satisfactory / Total number of respondents	10%	(Actual/ Target) x Weight Below 80% = 0%	≥ 90%	90.90% Satisfaction Rating	10%	The Customer Satisfaction Survey (CSS) conducted by PhilHealth is non-compliant with the 2018 GCG Guidelines for the Conduct of the CSS	0%	<p>Request for reconsideration is DENIED. GCG notes the following observations:</p> <p>a. It was observed that 12 out of 18 PhilHealth offices conducted its intercept interview in 2020. The Governance Commission reiterates that intercept interview aims to capture in the moment dimension to allow researcher to get “real” rather than “reported” behaviors and provide a level of detail that might not be possible with “after the event” methodologies.</p> <p>b. The GCG reiterates that the PhilHealth did not submit an adequate back-checking and spot-checking report since it did not state whether PhilHealth was able to complete</p>

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Objective/ Measure		Component		PhilHealth Submission		GCG Validation		Supporting Documents		Remarks	
		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
											the required 30% backcheck and/or spot-check. No supporting document (i.e., callsheet) was also submitted by PhilHealth.
SO 2 Responsive Benefits											
SM 2	Percent of Eligible Members Availed of the No Balance Billing	Total Number of Surveyed NBB Claims / Total number of respondents	10%	(Actual/ Target) x Weight	≥ 90%	83.13% (377,127 / 453,660)	9.23%	83.13%	9.24%	-Quick Stats on NBB Compliance based on OCOO Memorandum No. 2016-061 -Summary of Statistics on the NBB Compliance -NBB Compliance Rate of Government HCIs per PRO -Five (5) sample exit surveys per category (Household Help, Lifetime, Senior Citizen, Indigent, 4Ps, and Sponsored Program) -National Narrative	Request for reconsideration is <u>APPROVED</u> . Reported actual based on the NBB Monitoring Reports for the four quarters of 2019. <u>Data Collection Method:</u> Daily interviews of at least 10 patients for discharge. Survey administered by P-CARES, covering healthcare institutions with P-CARES. <u>Limitations:</u> Survey conducted during the workhours of P-CARES. Survey does not include healthcare institutions that implement NBB, but no P-CARES were assigned. Survey does

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Result of the Revalidation of 2019 Performance Scorecard of PhilHealth

Objective/ Measure		Component		PhilHealth Submission		GCG Validation		Supporting Documents		Remarks
Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating	Actual	Rating	
								<u>Report with Descriptive Statistics</u> <u>-Survey Results per Region</u> <u>-PhilHealth Patient Feedback Form</u> <u>-Summary Statistics on the NBB Compliance</u> <u>-NBB Monitoring Report</u>		not include patients with out-of-pocket expenses during admission who are not yet for discharge.
SM 3	Improvement of Provider-Payment Mechanism	Actual Accomplishment	10%	All or Nothing	1. Conduct capacity building of accredited health care providers per area; 2. Conduct capacity building of PhilHealth technical staff on data analysis of the cost data; and 3. Management ExeComm-approved policy on the	Conducted an orientation to selected PRO NCR Officers, technical staff, and institutional health care providers (IHCPs) in NCR on the PhilHealth costing framework and data collection tools last 7-9 November 2018 per CPO No. 2018-2665. Conducted an orientation to	10%	Accomplishment cannot be validated	0%	-Board Resolution No. 2437 s. 2019 dated 19 March 2019 – Resolution Approving the PhilHealth Costing Framework and Data Collection Tools as Integral Part of Institutional Strengthening in Strategic Purchasing and Costing of Healthcare Services <u>Request for reconsideration is DENIED.</u> <u>Except for the submission of attendance sheets, previous observations remained unaddressed. Particularly the lack of Management (ExeComm)-approved policy.</u>

Result of the Revalidation of 2019 Performance Scorecard of PhilHealth

Objective/ Measure		Component		Rating Scale	Target	PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
		Formula	Wt.			Actual	Rating	Actual	Rating		
					institutionalization of the regular submission of cost data, as part of the Performance Commitment, by all accredited health care providers.	the selected technical staff of PhilHealth Regional Offices in Areas II, III, and IV on the PhilHealth costing framework and data collection tools per CPO 2019-0866.				<ul style="list-style-type: none"> -Draft of the PhilHealth Circular in Institutionalization of the PhilHealth Costing Framework and Data Collection Tools as an Integral Part of Institutional Strengthening in Strategic Purchasing and Costing of Healthcare Services -List of Attendees on the "Orientation on PhilHealth Costing Framework and Data Collection Tools" -Corporate Personnel Order No. 2019-0688 dated 14 March 2019 -Corporate Personnel Order No. 2018-2665 	
						Board-Approved Institutionalization of PhilHealth Costing Framework and Data Collection Tools, including regular costing of health services and development of IT solutions in support to the institutionalization of costing.					
						Ongoing drafting of implementing guidelines on the					

Result of the Revalidation of 2019 Performance Scorecard of PhilHealth

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure			Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
							Institutionalization of the PhilHealth Costing Framework and Data Collection Tools as an Integral Part of Institutional Strengthening in Strategic Purchasing and Costing of Healthcare Services.				dated November 13 2018	
			Sub-Total	30%				29.23%		9.24%		
SUSTAINABLE FUND	SO 3	Revenue Generated										
	SM 4	Improve Collection Efficiency rate	Actual collection / Potential collection	10%	(Actual/Target) x Weight	≥ 95% (formal and informal economies, and overseas Filipinos)	78.77% (P77.779 Billion / P98.741 Billion)	10%	77.86% (P76.881 Billion / P98.741 Billion)	8.20%	-Summary of Collection Efficiency as of December 2019 -ASRMS Memo Dated July 09, 2019, re: CY 2019-2023 Projected Potential Collection and Target Collection -OCCO Memo Dated October 8, 2019, re:	Validation of accomplishment using the 2019 COA Annual Audit Report shows that PhilHealth was able to collect a total of P76.881 Billion, or 77.86% of its calculated potential collections.

Result of the Revalidation of 2019 Performance Scorecard of PhilHealth

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Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
											Potential and Target Collection for 2019 -Breakdown of Potential and Target Collection -Actual vs. Potential Collection as of December 2019 -2019 COA Annual Audit Report	
	SO 4	Optimized Asset										
	SM 5	Increase in Benefit Expense to Premium Income Ratio	Benefit Expense / Premium Income	10%	[100%-(Actual-Target)/Target]	1:1	0.94:1 (P136.96 Billion: P146.44 Billion)	10%	0.94:1 (P136.96 Billion: P146.44 Billion)	10%	-Summary of Benefit Expense over Premium Income Ratio -2019 COA Annual Audit Report	Accomplishment accepted.
			Sub-Total	20%				20%		18.20%		
EXCELLENT	SO 5	Boost Innovation in Research, Policy, and Process										
	SM 6	Implement Quality Management System	Actual Accomplishment	10%	All or Nothing	Maintain ISO 9001:2015 certification covering all	Maintained ISO 9001:2015 Certification covering all	10%	ISO 9001:2015 Public Administration	10%	-Attestation and recommended for continued Certification on	Accomplishment accepted.

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Objective/ Measure		Component		Rating Scale	Target	PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
		Formula	Wt.			Actual	Rating	Actual	Rating		
					sites all processes	PhilHealth Regional Offices and Local Health Insurance Offices Certificate No. SCP000242Q Assessed by SOCOTEC Certification Philippines		covering the following Processes: Member Coverage Management, Benefit Delivery, Provider Management, Management, and Support Processes		Public Administration covering the following Processes: Member Coverage Management, Benefit Delivery, Provider Management, Management, and Support Processes issued by SOCOTEC Certification Philippines, Inc. on 11 December 2019; -ISO 9001: 2015 Certification on Public Administration covering the following Processes: Member Coverage Management, Benefit Delivery, Provider Management, Management, and Support Processes	

Result of the Revalidation of 2019 Performance Scorecard of PhilHealth

		Component			PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SO 6	Ensure Operational Effectiveness and Efficiency										
SM 7	Potential Fraud Incidence Rate	Third-party rating	5%	All or nothing	Implementation and establishment of baseline	7.90% (Moderate to High Risk Fraud Risk Index for CY 2018)	5%	7.90%	5%	-Final Third-party Report dated 19 December 2019 on Measuring the Effects of Fraudulent Benefit Claims in PhilHealth; -Fraud Incident Framework; -Memo on the Implementation of the Fraud Incident Framework; -Baseline of Potential Fraud Incidence Rate;	Accomplishment accepted.
SM 8	Increase in the Percentage of Cases Disposed	Number of Cases disposed (resolved or filed with charges) / Total number of cases	15%	All or Nothing	Establish Baseline	FFIED - 55% (3,166 / 5,746) 32.51% (793 / 2,298) Arbitration 46.60% (151 /324)	15%	Failed to present consistent and accurate data and to implement efficient document handling and monitoring systems	0%	-Summary Report from the FFIED, Prosecution, and Arbitration Departments -Scorecards on the disposition of cases -Arbitration Office QuickStats on Resolved cases	Request for reconsideration is <u>DENIED</u> . PhilHealth failed to <u>present consistent and accurate data, and to implement efficient document handling and monitoring systems.</u> The documents provided by PhilHealth indicated <u>action plans to mitigate the repetition of the</u>

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Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
										-Memo on the Basis in the Determination of the Percentage of cases Resolved -FFIED, Prosecution, and Arbitration Database	inconsistencies and discrepancies in the database of the FFIED, Prosecution Department, and Arbitration Office moving forward.
SO 7	Strengthen Customer and Partner Relations										
SM 9	Percentage of Good Claims Processed Within Applicable Time	Number of good claims processed within Applicable Processing Time / Total number of good claims received	10%	(Actual / Target) x Weight 0% = If less than 90%	100%	98.07% (8,466,073 / 8,632,645)	9.81%	98.15% (8,603,574 / 8,765,932)	9.81%	-Summary of Claims processed within and beyond applicable TAT -Explanation on the data gathering for the PhilHealth Corporate Dashboard -Report extracted from PCD on the total claims received in 2019 and their status. - Report on Total claims received extracted from PhilHealth Corporate Dashboard	Request for reconsideration is <u>DENIED</u> . PhilHealth did not present new evidence or details of its request for reconsideration for this measure.

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	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
										dated 19 November 2020 -Standard Operating Procedure on Processing of Electronically Filed Claims (eClaims)	
		Sub-Total	40%				39.81%		24.81%		
STRONG FOUNDATION	SO 8	Ensure Organizational Alignment and Workforce Engagement									
	SM 10	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	10%	All or Nothing	Development of Position Profile and Competency-Based Job Description Establishment of Baseline	Development of Position Profile and Competency-Based Job Description Baseline established	10%	88.68%	10%	-Position Profile -Competency-Based Job Description -AKaPP Survey Result Database -Job Level Competency Assessment Report Database -Sample Individual Competency Report -HRD Memorandum No. 2020-513 dated 25 November 2020 Request _____ for reconsideration is <u>ACCEPTED</u> . Per HRD Memorandum No. 2020-513, the result of the Job Level Competency Assessment Report should be used as baseline data for 2019. As further provided, the assessment covered 6,149 respondents, or an increase of 34 responses from _____ previously submitted data. Results of the assessment showed that 5,453 or 88.68% of respondents were rated with an above standard

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	Objective/ Measure		Component			Target	PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
			Formula	Wt.	Rating Scale		Actual	Rating	Actual	Rating		
												or met the standard proficiency level.
			Sub-Total	10%				10%		10%		
			TOTAL	100%				89.04%		62.25%		

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