

PhilHealth Board Assessment 2022

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INTRODUCTION

The PhilHealth Board of Directors (BoD) Annual Assessment 2022 was held last December 20, 2022, at the Infinity Tower Suites, Makati City. The meeting was conducted in a hybrid format, with both in-person and online attendees. In attendance were **thirteen (13) Board Members (BM) and nine (9) SVPs and VPs**. The BMs and members of senior staff were given the links to the online survey forms on Dec 13, 2022, and were given until Jan 4, 2023, to accomplish these. For the 2022 Board Assessment, a total of 17 BMs (and/or designates) responded and 9 Senior Management subordinates participated in the assessment process.

The annual assessment of the PhilHealth Board of Directors began after this policy was adapted during its regular BoD meeting of December 2016 wherein a policy and a process, as proposed by the Governance Committee (GovCom), to assess the PhilHealth Board, its committees, and its members on an annual basis was implemented through **PhilHealth Board Resolution 2196**. The PhilHealth Manual of Corporate Governance considers board assessments as “a tool to enhance professionalism and to incentivize the Directors, as well as to develop effective induction and training programs for Board Members (BM).”

The objective of the 2022 Board evaluation remains to assess the Directors’ performance of their roles, including their strengths and weaknesses. A brief orientation on the basis and process of the assessment were done to orient new Board Members. Board Committee evaluation was also done despite the limited interaction and meetings that had transpired particularly for the new BMs.

Some of the challenges encountered in previous assessments remained for this assessment. New to this year’s assessment is the change in leadership in PhilHealth, as well as the change in administration of the Philippine government. This new leadership directs PhilHealth towards fulfillment of its mandate and attainment of the goals of the UHC law, particularly through creating benefits policies aligned with UHC, strengthening engagement with external stakeholders, and improving synergy within PhilHealth. The organization devoted considerable effort on work related to the implementation of the UHC law, such as purchasing of services from networks, the Konsultasyong Sulit at Tama (Konsulta) package, and the shifting of provider payment mechanisms to use DRGs instead of case rates. As in previous assessments, efforts were exerted to ensure that the annual assessment process would continue to guide and provide the necessary information that will allow for more robust plans and improvements as these relate to the work of good corporate governance.

ASSESSMENT OBJECTIVES

In continuation of previous Board assessment practices rooted in the need to augment and underscore information presented to BMs during their onboarding, the assessment orients BMs on governance matters, board functions and the various committees. Thus, the following were the objectives articulated for the 2022 PhilHealth Board Assessment:

1. To ground the board’s understanding and ownership of their roles within the organization and in the achievement of its strategies, contextualized further considering current realities and challenges.

2. To internalize and reflect on each board members' performance of their roles and duties toward accountability and growth; and,
3. To assess the readiness and commitment of the board members to take on their roles, pursue organizational strategies and deliver results.

ASSESSMENT FRAMEWORK AND METHODOLOGY

Figure 1 below describes the various components considered in doing the assessment. The Board assessment is grounded in the mandate and mission of the Philippine Health Insurance Corporation, and particularly the pursuit of Universal Health Coverage. From this context, the assessment framework asks the BM to reflect on and assess in turn the overall Board, the committees, and finally the individual Board members. Assessments of self and peers were incorporated. Where possible, assessments of superiors and subordinates were included.

Assessment questions and indicators were based on PhilHealth's Charter on Board duties but augmented where necessary. Despite the uneven terms of service of Board members¹, an overall board assessment and committee assessments were also done with the best effort. Assessments of trainings conducted, and BM competencies was also done at the end to better ascertain needed support to the BMs.



Figure 1: Assessment Dimensions

The Board Assessment was done primarily through Google forms, with the BMs given from December 13, 2022, to January 4, 2023, to accomplish the forms. On December 20, 2022, a meeting was held at the Infinity Tower Suites. Board members were given the option to join in person or online through MSTeams. During that meeting, a brownbag session on leadership and governance was provided to all participants, followed by an orientation on board mandates, board structure, and committee accomplishments. Changes to the 2022 Board assessment (as compared to the previous years' board assessment) included the leadership and governance brownbag and, the restructuring/improvement of the forms, and a revision to the questions to the Overall Board assessment.

The option of filling up the assessment forms via Google continues to be a helpful tool as it allows a broader range of stakeholders to do the assessment, particularly the ex-officio BMs who sent representatives to the workshop as well as representatives from management (SVPs and VPs). In

¹ At the time of the board assessment meeting on December 20, 2022, 13 BMs had been in position not more than 6 months, while 6 BMs had more than 2 years of service as BMs. Two of these had been in service for four years or more, while three of the six are appointive members.

addition, it allows for more responses to be received, as all BMs and management were given access to the survey form and were given three weeks to answer. The form also provides the possibility of having a 360-degree evaluation, as it allows for members of management to provide feedback to the Board Members.

HIGHLIGHTS OF THE 2021 BOARD ASSESSMENT

Prior to the conduct of the 2022 Board Assessment, the following highlights of the 2021 Board Assessment were shared to the BMs:

- 12 Board Members (and/or designates) & 6 Senior Management Most respondents **strongly agreed** that the Board **enlisted secretariat support for documentation, exercised participatory governance**, was **transparent and accountable**, and **sought reliable data for decision-making**.
- Overall, respondents assessed themselves and their peers as **Very Good** to **Excellent** in terms of performance.
- Most self-assessments **strongly agreed** that Committee meetings **covered the agenda** and stimulated **productive discussion**, and that the Committee enlisted **secretariat support** for proper documentation.
- Most reported having **advanced** personal competencies in **professionalism/integrity, accountability/follow through, intellectual curiosity/lifelong learning, and fiduciary responsibility**. There is least confidence in technical competencies on the **costing of health services**.
- All trainings were considered relevant, but most especially on the **UHC IRR, Healthcare financing** in PhilHealth, and **Health Technology Assessment (HTA)**.

The following were the recommendations generated from the discussions during the 2021 Board Assessment:

- Regular round of **assessment-related activities** needs to be held in a serious effort to examine and meet BM **skills inventory and training needs**.
- **On-boarding** sessions for BMs must be made **dynamic and comprehensive** while building upon previous board assessments and recommendations
- Amidst continued **UHC Law** rollout: Urgent conduct of activities on planning for and conducting **strategic** conversations on **Board roles, responsibilities and mandates** as shaped by the law
- Board and the Office of the Corporate Secretary to **build upon accomplishments and milestones** of previous years while **improving on challenging and problematic areas**
- All BMs recommended to undergo a **self-assessment early** in the year (or term) to serve as **baseline information** for subsequent assessments.

RESULTS OF THE 2022 BOARD ASSESSMENT

The Board is composed of both Appointive and Ex Officio members. The Appointive members are composed of three Experts and four sectoral representatives, namely for Health Care Providers, Direct Contributors, Indirect Contributors, and Employers. Ex Officio members on the other hand represent either the DOH, DBM, DOF, DOLE, or DWSD. As of the December 20 meeting, the representative for Indirect Contributors remains unfilled.

Thirteen Board Members and nine from PhilHealth's Management Team joined the meeting on December 20, 2022. The full list of attendees is on Annex A. A brownbag session on leadership and governance was presented which provided a review of corporate governance, a discussion of management concept, a review of the main characteristics of the UHC law, and a review of mandates

and responsibilities of the Board and its special functions.

OVERALL BOARD ASSESSMENT

For the year **2022**, the following are key information that were presented to serve as inputs:

- 15 Regular Board Meetings were held from January 12 to November 16, 2022
- 6 Special Board Meetings were held from March 9 to October 4, 2022
- 56%% average attendance by all board members
- 75 PhilHealth Board Resolutions (PBR) issued during Open Session
- 3 PhilHealth Board Resolutions (PBR) issued during Executive Session

The following, on the other hand, were the definitions provided as guide for the assessment scale used:

STRONGLY DISAGREE	DISAGREE	AGREE	STRONGLY AGREE	NOT APPLICABLE
Criteria is rarely or never met	Criteria is met less than half the time with unsatisfactory results	Criteria is met more than half of the time with satisfactory results	Criteria is met consistently and exceptionally	Limited knowledge and experience to do an adequate assessment

A total of **29** responses were received for the Overall Board Assessment. Of these, 18 responses were from the Board Members (and / or their official designates) and 11 responses were from representatives of management. Most respondents strongly agreed on nine (9) statements and agreed on the remaining thirteen (13) statements. The results of the Overall Board Assessment are laid out in **Figure 2**.

Strong agreement was most frequent for three of the four questions for **Board Membership and quality**, namely the questions on Board member talent and experience, membership representing diversity of stakeholders, and members involving themselves in discussions and decisions. There are some room for improvement mentioned. The Board is seen as needing more expertise in healthcare financing, and the level of representation provided by sectoral representatives can be improved.

For **Board governance**, most members strongly agreed on the board setting strategic direction but most only agree that the board devotes sufficient time to understanding and influencing PhilHealth's strategic direction. There are some dissenting opinions on this however, with some stating that the Board does not set strategic direction and allows management to steer the discussions, leading to discussions that can become bogged down in operational rather than strategic concerns. Most agree to the board being transparent and accountable, while there is mostly strong agreement that the Board seeks out and uses reliable data for decision making. The opinions expressed on this are mixed – while there is confidence that the Board makes use of reliable data provided as the basis of its decisions, there is also a perception by some that data analytics is incomplete and fragmented. Historical data is noted as difficult to retrieve.

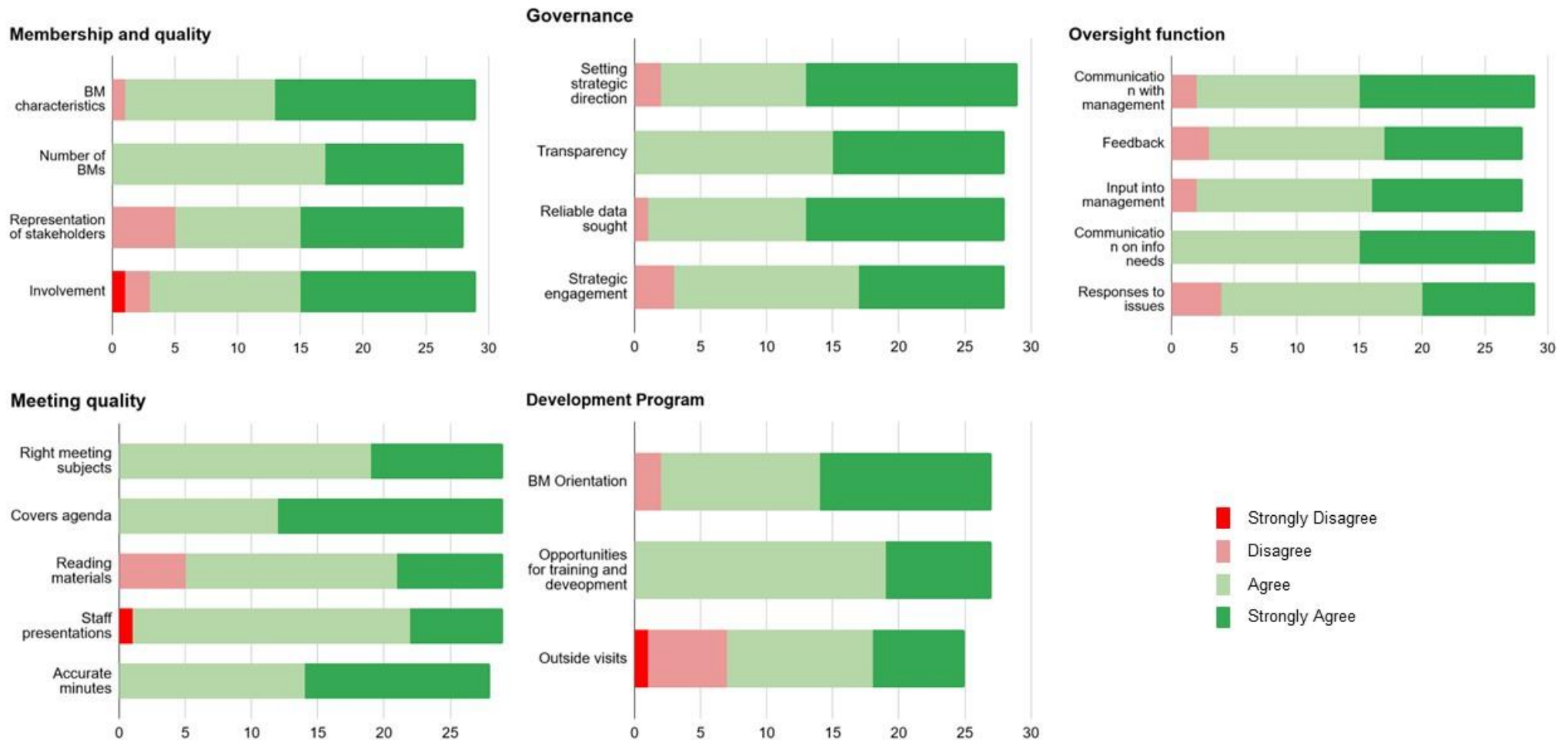


Figure 2: Overall Board Performance

For **Board Oversight**, most agreed, but did not strongly agree that the Board receives regular feedback from management, provides sufficient input and effectively oversees management, clearly communicates its information needs, and receives appropriate follow up to issues raised. Some have expressed that oversight can be difficult when there is absence of strategic direction, making oversight simply be about addressing current issues rather than overall goals. There were also mixed responses on feedback and updates, with some saying that these were adequate and done in compliance with Board directives, while some stating that feedback is delayed or not given to all Board Members.

Similarly, most agreed but did not strongly agree to statements on **meeting quality**, namely that the board receives pre-reading materials far enough in advance, and that minutes of meetings are accurate. Nearly twice as many people merely agreed rather than strongly agreed that subjects covered in meetings are the right subjects, while three times as many merely agreed but did not strongly agree that presentations done by staff are data driven and useful. This is particularly apparent in the perception that the agenda of meetings should be of a more strategic rather than operational or punitive nature. Discussions should have the forward planning characteristics of adherence to a strategic plan. Information provided for the meetings is provided but giving these earlier and with executive briefs would be helpful.

For the **board development program**, most agreed that there are relevant and continuing opportunities for development, and that there are occasional visits to outside locations. There is some disagreement and strong disagreement however on the availability of outside visits to sites of PhilHealth's stakeholders, with some commenting that such opportunities simply did not exist. There is sentiment that there are basic courses that are essential especially for new BMs, namely UHC, health policy development, and health economics.

COMMITTEE ASSESSMENT

Based on GCG Memorandum Circular No 2014-03 Section 3.3.2, "*All GOCC Directors, both Ex Officio and Appointive, shall be officially designated at least one (1) committee where their presence shall be determinative of quorum.*"

During the meeting, the BMs reviewed the updated active committees for the year 2022 and their accomplishments (see Annex B). In addition, the organizational value of committees was reviewed, to wit:

- Boards often delegate work to committees of directors *to more effectively deal with complex or specialized issues and to use directors' time more efficiently.*
- Committees make recommendations for action to the full board, which retains collective responsibility for decision making.
- Involvement in committees *allows directors to deepen their knowledge of the organization, become more actively engaged and fully utilize their experience*
- The *board must continually monitor each committee's activities* as part of their duties of care, diligence, and good faith.

Self-Assessment of Committee Performance

A total of 20 responses were received from Board Members (including their official designates). The BMs who responded were members of the following committees: Audit Committee, Benefits Committee, Committee on Appeals and Administrative Cases, Expanded Governance Committee, and Risk Management Committee.

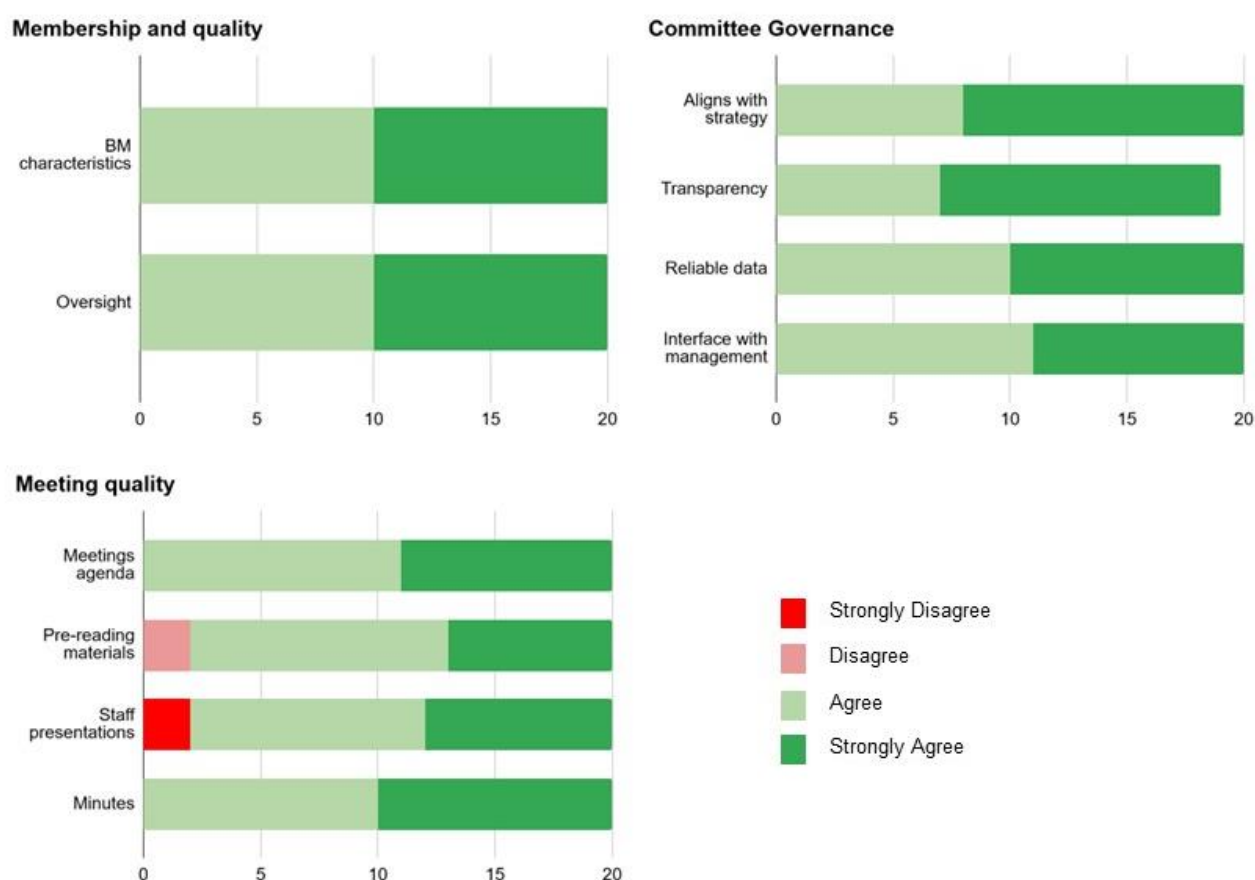


Figure 3: Committee Performance Self-Assessment

On Committee membership and quality, exactly half of all respondents agreed and the other half strongly agreed that members have the right experience and diversity, and that the committee exercises appropriate oversight. For committee governance, most strongly agreed that the committee aligns with strategy and is transparent, while more only agreed that the committee interfaces with management. For quality of committee meetings, most only agreed that meetings cover the agenda, pre-reading materials are provided, and staff presentations.

Peer Assessment among Committee Members

To perform a more comprehensive peer assessment of committee members, the mandates and accomplishments of each committee for the year 2022 were reviewed (See Annex B). For the Peer Assessment, the following criteria for rating was used.

1 – Poor	2 – Fair	3 – Good	4 – Very Good	5 - Excellent
SEVERE shortcomings. Delivered unsatisfactory results	SIGNIFICANT shortcomings. Delivered limited results.	MODERATE shortcomings. Delivered average results.	MINOR shortcomings. Delivered satisfactory results.	NO shortcomings. Delivered results above and beyond expectation

Seventeen (17) responses were recorded for the Peer Assessment. All Committees were assessed but the number of responses for each committee were uneven, with the fewest for the Audit Committee (9) and the most for the Expanded Governance Committee (13).

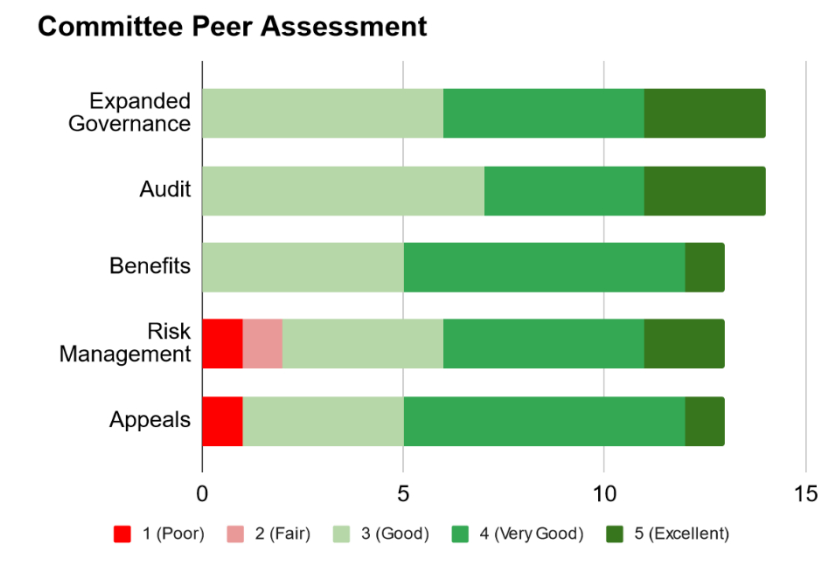


Figure 4: Committee Performance Peer-Assessment

Figure 4 shows the responses to the committee performance peer assessment. Most Committees received Good or Very good as the most frequent rating. Only the Risk management committee received a fair rating while both the risk management and the appeals committee received poor ratings.

BOARD DIRECTOR'S ASSESSMENT

The legal basis for the Directors' Assessment is in alignment with GCG MC 2014-03: Criteria for Performance Evaluation of Directors. The percentage allocation proffered by GCG guidelines is sixty percent (60%) - GOCC Performance (GCG MC 2013-02), twenty-five percent (25%) - Director Performance Review (GCG MC 2014-03), and fifteen percent (15%) - Attendance (GCG MC 2012-07).

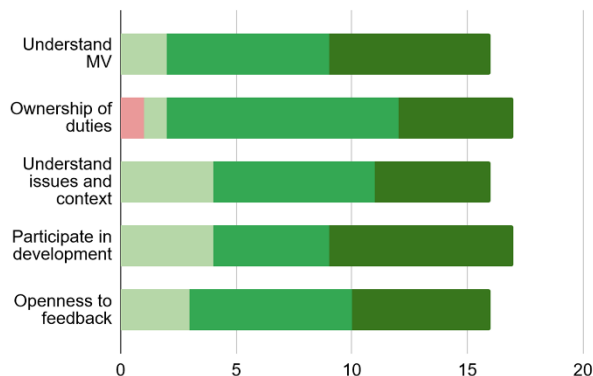
The Director Performance Review is envisioned to be a 360-degree evaluation consisting of: (a) Self Appraisal: 10%, (b) Anonymous Peer 1 Appraisal: 5%, (c) Anonymous Peer 2 Appraisal: 5%, (d) Chairman's Appraisal: 5%. For the 2022 Assessment, the Chairman's Appraisal was not done. Thus, only the results of the self-appraisal and the peer assessment were done, and no percentage allocation was implemented.

Director's Assessment (Self Appraisal)

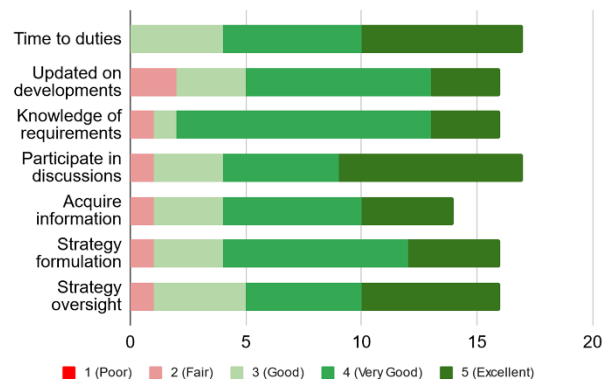
Figure 5 shows the responses to the performance self-assessment. Seventeen (17) Board Members (or designates) provided self-appraisal responses. On Knowledge and personal development, an equal number of respondents rated themselves as very good or excellent in understanding the mission and vision of PhilHealth. Most rated themselves very good in knowing and owning their duties, understanding the issues that affect PhilHealth, and being open to feedback on their performance. Most rated themselves as excellent in willingness to participate in director development activities.

1 – Poor	2 – Fair	3 – Good	4 – Very Good	5 - Excellent	NOT APPLICABLE
SEVERE shortcomings. Performs the behavior <60% of the time.	SIGNIFICANT shortcomings. Performs the behavior 60-74% of the time.	MODERATE shortcomings. Performs the behavior 75-84% of the time.	MINOR shortcomings. Performs the behavior 85-94% of the time.	NO shortcomings. Performs the behavior 95- 100% of the time.	The rater has limited knowledge or experience to make a valid evaluation

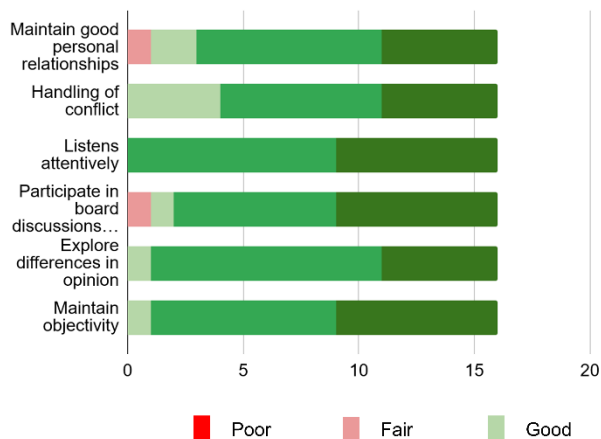
Knowledge and personal development



Preparedness and Participation



Teamwork and Communication



Conduct and behavior

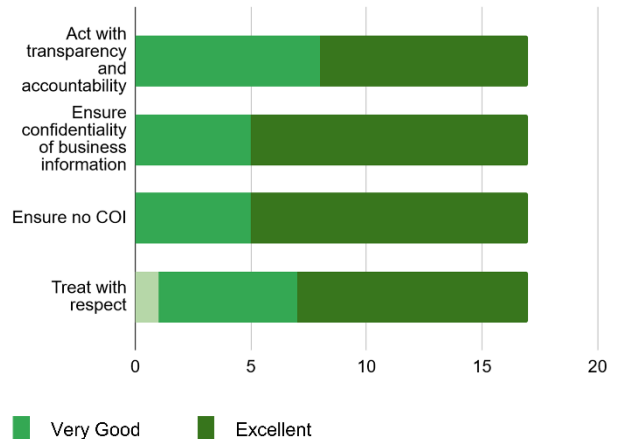


Figure 5: Director's Performance Self-Assessment

On preparedness and participation, majority of the respondents rated themselves as very good in having working knowledge on legal and regulatory requirements affecting PhilHealth, while half rated themselves as very good in being updated on financial and operational developments in PhilHealth and on contributing to strategy formulation. Most rated themselves as excellent in devoting time and attention to performing their duties, participating in discussions, and being involved in oversight and strategy execution. Compared to the other domains, a good number of respondents rated themselves as merely Fair for the statements on preparedness and participation.

On teamwork and communication, majority of respondents rated themselves as only very good, rather than excellent on all the statements. Twice as many rated themselves as very good rather than excellent on exploring differences of opinion in a positive way. On the other hand, an equal number rated

themselves as very good and excellent on participating in board discussions and deliberations.

On conduct and behavior in contrast, most respondents rated themselves as excellent in all statements. More than twice as many rated themselves as excellent rather than very good on ensuring confidentiality of business information and ensuring that their personal interests do not conflict with the interest of PhilHealth. A nearly equal number of respondents rated themselves as very good rather than excellent for acting with transparency.

Director's Assessment (Anonymous Peer Appraisal)

For the Peer Appraisal, each BM respondent was assigned 2 - 3 fellow BMs to be anonymously assessed. A total of 28 responses were recorded, with each respondent evaluating 2 - 3 fellow BMs. **Figure 6** (next page) shows the responses to the performance peer-assessment. Most respondents assessed their peers as **Very Good** in 15 of the areas. While not as distinct as with the self-assessment, the peer assessment shows a similar pattern as the self-assessment. Areas rated as Excellent were treating anyone in PhilHealth with respect (15), treating business information as confidential (13), acting with transparency and accountability (13), and participating in board discussions (15).

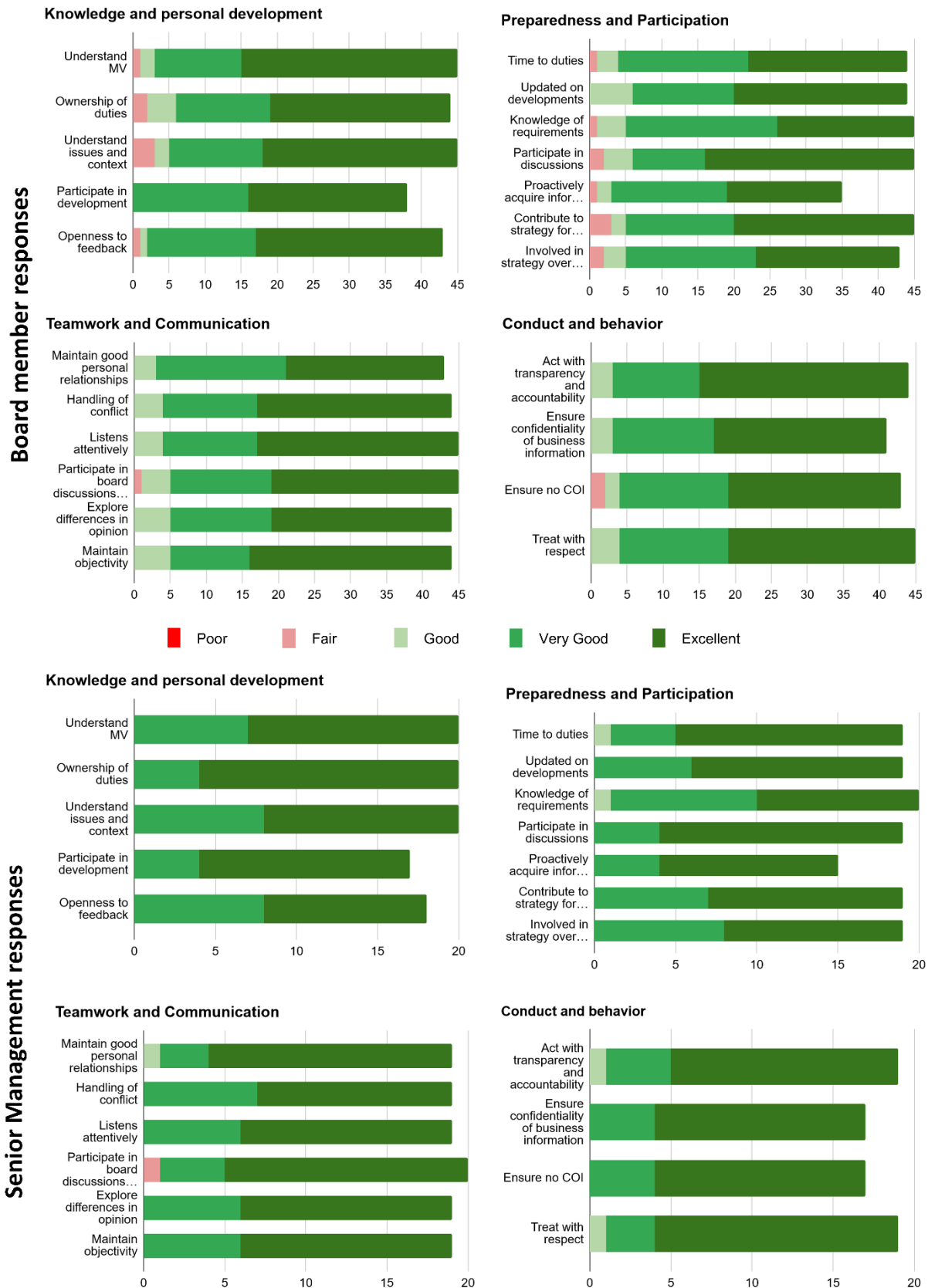


Figure 6: Director Peer assessment

INVENTORY OF BM COMPETENCIES

An important component of the annual PhilHealth Board Assessment is having the BMs do a review and inventory of competencies that are deemed necessary and contributory to good and responsible performance of Board Directors. The inventory is designed to help identify the strengths and skills of PhilHealth's current Board and is used to design, plan and conduct appropriate capacity building and training sessions that are offered to the Board Members. This is to help the Board optimally utilize the competencies of its members and so that it can also improve and sustain its performance.

None	Beginner	Intermediate	Advanced	Not Applicable
SIGNIFICANT shortcomings. Shows little evidence of the competency and is unable to use it most of the time.	MODERATE shortcomings. Possesses the competency to a noticeable degree and uses it some of the time.	MINOR shortcomings. Possesses the competency to a respectable degree and uses it most of the time.	NO shortcomings. Possesses the competency to a considerable degree and uses it all of the time.	The rater has limited knowledge or experience to make a valid evaluation.

Core competencies

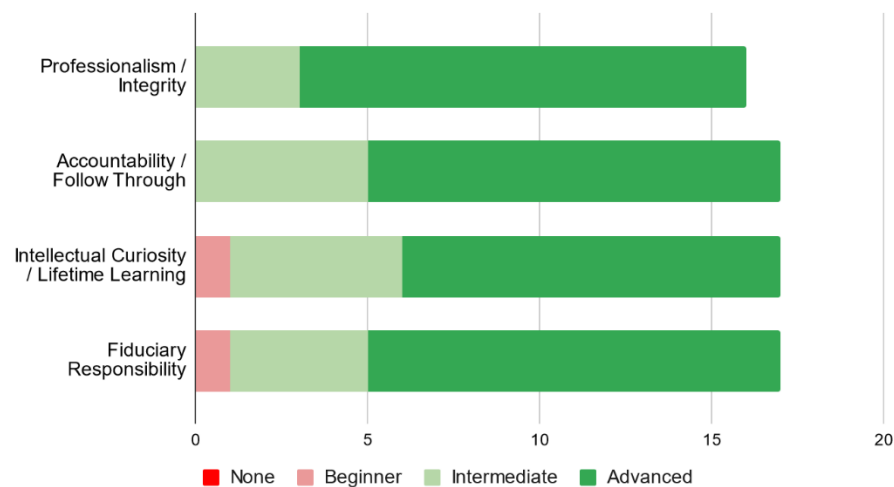


Figure 7: Core Competencies Assessment

Figure 7 shows the responses to the assessment of core competencies. There was a total of 17 BM responses received. Most respondents reported having advanced competencies in all four core competencies of professionalism/integrity, accountability/follow through, intellectual curiosity/lifetime learning, and for fiduciary responsibility.

Core technical competencies

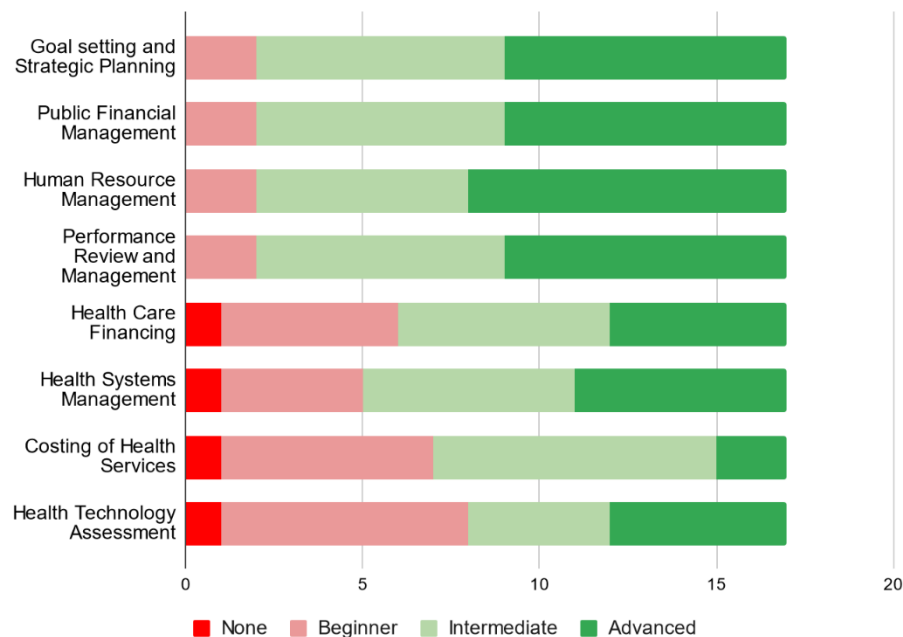
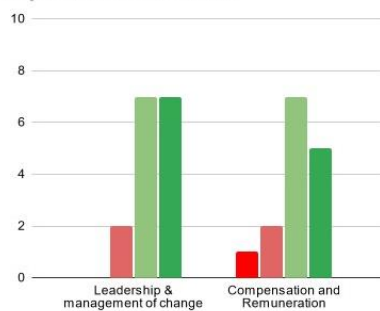


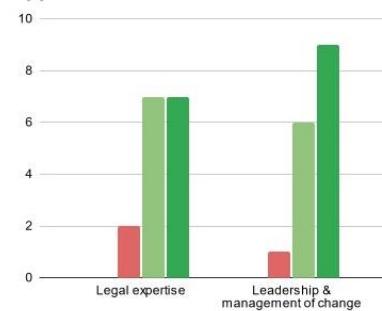
Figure 8: Core Technical Competencies Assessment

Figure 8 shows the responses to the assessment of core technical competencies. Most respondents rated themselves as having advanced competency in goal setting and strategic planning, public financial management, and human resource management. Only slightly fewer however responded as having an intermediate level in these. An equal number of respondents rated themselves as having intermediate or advanced competencies on health systems management, and most rated themselves as having intermediate competencies on healthcare financing and costing of health services. Most rated themselves as beginners for the costing of health services.

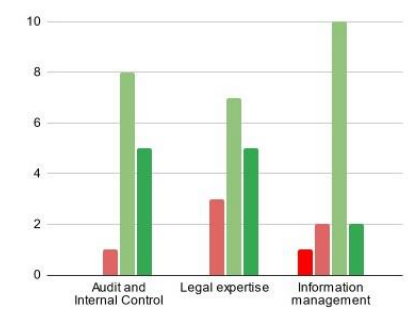
Expanded Governance



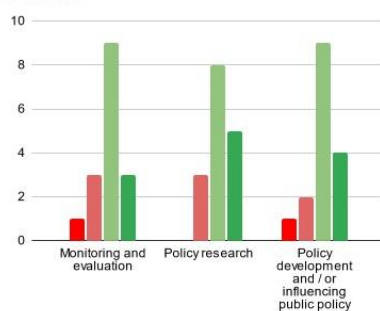
Applied Administrative Cases



Audit



Benefits



Risk Management

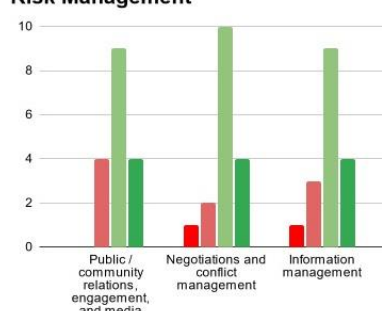


Figure 9: Committee Specific Competencies Assessment

Figure 9 shows the responses to the assessment of committee specific competencies. Most respondents rated themselves as having an intermediate level of competency for almost all of the committee specific competencies. More respondents rated themselves as having advanced competency in leadership and management of change in the context of the applied administrative cases committee, while an equal number of respondents rated themselves as either intermediate or advanced in leadership and management for expanded governance, as well as in legal expertise for the applied administrative cases committee.

TRAININGS

For the 2022 Board Assessment, trainings conducted in 2022 were considered. **Table 2** below lists the trainings and dates considered in the assessment.

Table 2. List of trainings and training dates

TRAINING	DATE/S	# of ATTENDEES
8th Executive Certificate in Advanced Financial Statement Analysis Program	November 24, 29, December 1, and 6, 2022	1
Corporate Governance Orientation Program for GOCCs	May 31 and June 1, 2022; November 8-9, 2022	2
Orientation on Costing Health Services	September 29, 2022	6
Orientation on Health Care Financing and UHC	August 9, 2022	10
Orientation on Health Technology Assessment (HTA)	October 5, 2022	6

Figure 10 below summarizes the results of the survey form on Training. All trainings were considered as mostly very relevant. All trainings were also considered to have improved the participants knowledge, but this is most apparent with the training on the National Health Insurance program. An equal number of respondents considered an improvement in knowledge from the UHC IRR training, while more respondents claimed moderate rather than significant improvement in the HTA training. There is mixed feedback on the methods used for the trainings. Most respondents claimed that the methods used for the corporate governance were very effective, while most respondents claimed that the methods used for the HTA, and the National Health Insurance were effective but not very effective. The same pattern is seen in the materials used for the training but is less stark. More respondents claimed that the materials used for the corporate governance training were very effective while more claimed that the materials used for the HTA training were merely effective.

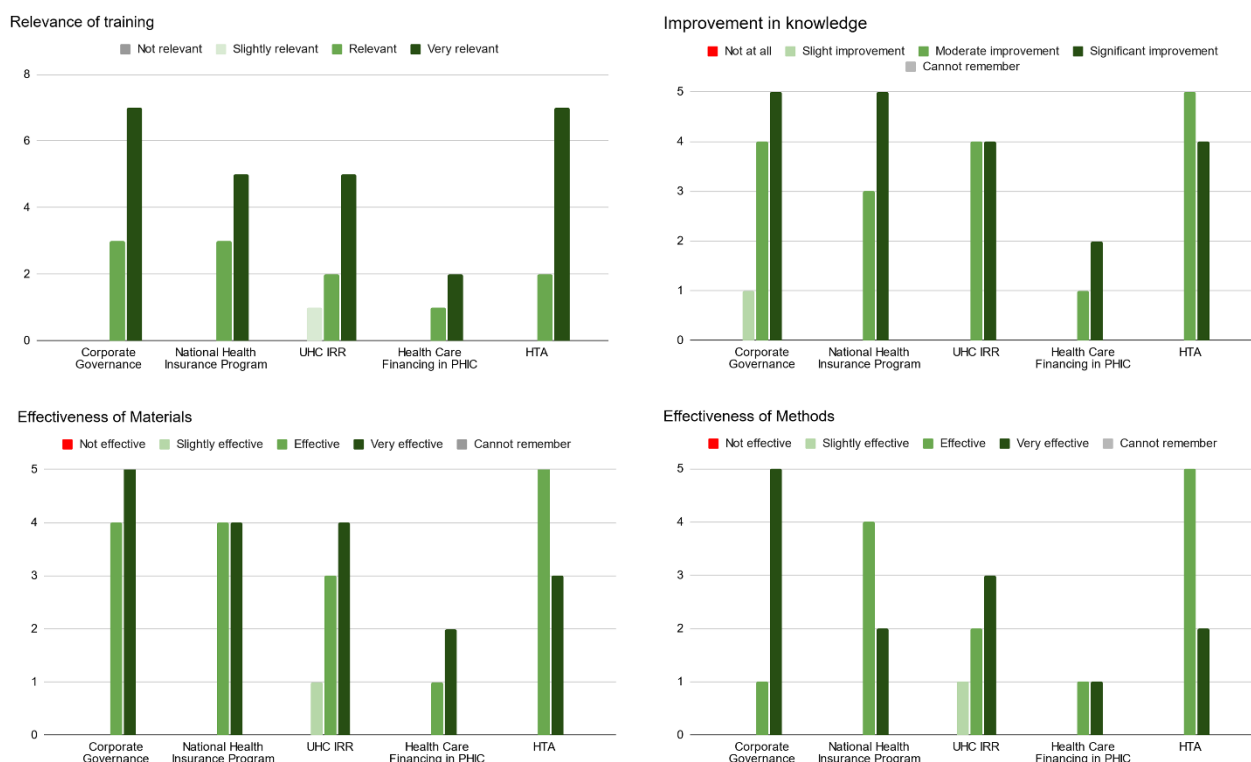


Figure 10: Trainings Assessment

RECOMMENDATIONS

The recommendations provided in the previous Board Assessments remain relevant. PhilHealth faces many of the same challenges that existed previously. The roll-out of UHC continues, and consequently need for clarity with regards the roles and responsibilities of the board and its committees. The challenge over the turnover of the Board of Directors and PhilHealth's Senior Leadership likewise remains a continuing challenge.

The recommendation to conduct regular rounds of assessment-related activities throughout the year is once again reiterated and emphasized. The results of this year's assessment again highlight the need for continuing training and development, particularly for new Board members. It is again suggested that the Office of the Corporate Secretary work in tandem with the Social Health Insurance Academy (SHIA) in designing and developing sessions for the BM's continuous learning and professional development. These can be offered as online learning modules that the BMs can access at their own pace and time. Additional online learning resources regarding UHC are also available in the DOH Academy E-Learning Platform (<https://learn.doh.gov.ph>). Links to these resources can be shared with the BMs.

On-boarding sessions for the BMs continue to provide a good opportunity to engage the BMs in a dynamic and comprehensive manner. It is crucial that, during the on-boarding, all BMs are informed thoroughly about the different components of the assessment activity so that at the end of the calendar

year, the assessment process will be more robust and become more useful for the work of the board and its committees. In this way, information from the previous years' assessments and recommendations proffered can also be considered by the BMs as they carry out their duties and responsibilities. The following are some broad recommendations following from the results of the 2022 assessment:

1. As both PhilHealth and DOH work on the roll out of the UHC Law, it is highly encouraged to consider as both urgent and important the conduct of activities focused on planning for and conducting strategic conversations on how the Board of Directors' roles, responsibilities and mandates are shaped by the provisions of the UHC Law. Topics related to roles and responsibilities of the Board as they relate to management and technical operations are crucial and important.
2. It remains essential that all board members undergo a self-assessment either early in the year or at the start of their term to serve as baseline information. This can then serve as basis for the year-end assessment that is usually done before the end of the current calendar year.
3. Future training provided to Board Members should draw from the results of the training assessment conducted. Training on basic topics such as UHC, health policy development, and governance need to be provided to all new BMs. Topics identified as weak points needing training include health financing, costing, and HTA². The most effective materials and methods can be identified to ensure that future training courses are appropriate and relevant. A systematic and structured capacity building program can be developed by the Office of the Corporate Secretary together with SHIA. The support of Development Partners can be sought for this.
4. The conduct of meetings and the working relationship between management and the Board can be refined and improved using the feedback from the Board Assessment. In this assessment, several points of feedback can be acted on. This includes providing strategic focus on Board meetings, providing information packets with executive briefs and complete staff work to BMs well in advance of meetings, and ensuring the availability and quality of data used in decision making.
5. The Board of Directors' performance is only as good as the openness, willingness and ability to continuously ensure that a dynamic, inclusive and transparent work ethic and culture pervades among the BMs as well as within the entire corporation. The annual assessment process remains to be an important step in contributing to this and must thus be seriously attended to and its recommendations considered.

These recommendations are broadly aligned with those provided through earlier versions of this report. Understanding the larger amount of time and effort necessary for the general recommendations, we are also providing some recommendations that may be more **readily implementable**, as follows:

1. Convene Board meetings specifically for fleshing out strategic directions and the roles and responsibilities of Board members.
2. Compile and prepare standard materials on basic courses such as PhilHealth governance, UHC, and health financing. This can serve as a reference manual for all new and current Board Members. This set of materials can be continually improved year after year.
3. Agree on the lead-time necessary for pre-meeting materials to be sent to Board Members prior to a meeting. This may be facilitated by the office of the Corporate Secretary.
4. Provide executive briefs to Board Members prior to Board meetings at an agreed lead-time
5. Where data unavailability restricts the analysis provided in briefs, this can be explained as an issue in and of itself and discussed as part of Board meetings where necessary.

² The <https://hta.doh.gov.ph/>, specifically, the HTA Philippines Social Values Guide: bit.ly/HTAPHSVG2022 is a useful resource to provide the BMs.

6. Examine other methods and formats of Board member development other than the training sessions currently being conducted.
7. Develop learning materials or sessions for Board members on HTA and health financing.

It is hoped that this can pro-actively allow the Board through the Office of the Corporate Secretary to plan, execute and monitor the various activities of the Board so that better synergy and stronger alignment happens in the entire organization of PhilHealth particularly considering the very significant role it plays towards the fulfillment of the UHC Law.

ANNEXES

ANNEX A: ATTENDANCE TO THE DECEMBER 20, 2022 MEETING

Board Members

Wilford Will L. Wong	Ex-Officio Alternate 1	DBM
Tina Rose Marie L. Canda (Former BM)	Ex-Officio Principal	DBM
Atty. Ryan S. Lita (Former BM)	Ex-Officio Alternate	DBM
Atty Felipe N. Egargo, Jr.	Ex-Officio Alternate 1	DOLE
Atty. Lennard Constantine C. Serrano	Ex-Officio Alternate 2	DOLE
Atty. Megan Therese Y. Manahan	Ex-Officio Alternate 2	DSWD
Hon. Alejandro L. Cabading	Appointive	Expert panel
Emmanuel R. Ledesma, Jr.	Appointive	Expert panel
Maria Grace Garayblas-Gonzaga MD (Former BM)	Appointive	Expert panel
Jack Domingo G. Arroyo MD	Appointive	Expert panel
BGen Marlene R. Padua, AFP	Appointive	Health Care Providers Sector
Jason Roland N. Valdez MD	Appointive	Direct Contributors Sector
Rene Elias C. Lopez MD	Appointive	Employers Group

SVP or VP

SVP Atty Jose Mari F. Tolentino	Legal Sector
SVP Nerissa R. Santiago	Actuarial Services and Risk Management Sector

ASVP Lemuel T. Untalan	Member Management Group
COO Atty. Eli Santos	Chief Operating Officer
VP Atty. Jay R. Villegas	Arbitration Office
ASVP Clementine A. Bautista	PhilHealth UHC Surge Team
ASVP Rex Paul R. Recoter	Formal Sector-Member Management Group
ASVP Atty. Francis Jay E. Remigio	International and Local Engagement Department
ASVP Gregorio Ruloda	
SVP Israel Francisco Pargas	Health Finance Policy Sector

ANNEX B: COMMITTEE ACCOMPLISHMENTS PRESENTED DURING THE DECEMBER 20 MEETING

Expanded Governance Committee

- CY 2021 Accomplishment Report of Governance Committee
- Revision of the PhilHealth Manual of Corporate Governance
- Selection and Appointment of 1 Executive and Managerial Position
- Proposed Organizational Structure and Staffing Pattern (OSSP)
- Interim Staffing pattern of PARD
- Creation of JOC lawyers for Appointive Board Members
- Selection and Appointment of 8 Executive and Managerial Positions
- 2023 Proposed GCG Scorecard
- Details of the Approved Supplemental Budget CY 2022 for JOC Positions
- Change in Mode of Procurement from PS-DBM to other Modes
- Amendments on Information System Strategic Plan (ISSP)
- Migration of Board-Approved Proposed Organizational Structure and Staffing Pattern (OSSP) to the GCG-Prescribed Organizational Structure
- Confirmation of Special Assignments of Officers and Employees in the Head Office
- Updates of Procurement Oversight Committee on PhilHealth Corporate Center

Committee on Appeals and Administrative Cases

- Update on the request of PRO-NCR for the Total Claims by Dr. Allan Valdez
- Clarification by the Legal Sector of DOJ Opinion No. 18, s. 2021
- CA Decision in the Case of David Harold C. Gosiengfiao vs. PHIC and Pacific Eye Institute vs. PHIC
- Issuance of Certificate of Finality for the Case of Cardinal Santos Medical Center
- Motion for Reconsideration of St. Luke's Medical Center (PHIC Case No. HCP-NCR-19- 0167)
- Review and Deliberation of Various Appealed Administrative Cases, including but limited to:
 - Appeal of San Pedro Hospital of Davao City, Inc. ((PHIC Case No. HCP-XI-16-1830)
 - Appeal of Almazan Renal Care Center (PHIC Case No. HCP-NCR-16- 2142)
 - Appeal of Notre Dame De Chartres Hospital (PHIC Case No. HCP-CAR-19- 2546 to 2552; PHIC Case No. HCP-CAR-20-0021; and PHIC Case No. HCP-CAR-20- 2764 to 2840)
 - Appeal of Quezon City Eye Center (PHIC Case No. HCP-NCR-16- 1917 to 2006)
 - Appeal of Puerto Community Hospital (PHIC Case No. HCP-X-13-092 to 099)

- Appeal of Dr. Amando L. Garcia Medical Center (PHIC Case No. HCP-III-19-0887)
- Appeal of Allah Valley Medical Specialist Center (PHIC Case No. HCP-XII-19- 1670)
- Appeal of Diosdado P. Macapagal Memorial Hospital (PHIC Case No. HCP-III-17-1230)
- Appeal of Bernardino General Hospital (PHIC Case No. HCP-CAR-18- 0721)
- Appeal of Margosatubig Regional Hospital (PHIC Case No. HCP-IX-19-1758)
- Appeal of San Lorenzo Ruiz Women's Hospital (PHIC Case No. HCP-NCR-19- 2535)
- Appeal of Bontoc General Hospital (PHIC Case No. HCP-CAR-19- 1062)
- Appeal of National Kidney and Transplant Institute (PHIC Case No. HCP-NCR-17- 1216)

Audit Committee

- Audit on Procurement Process (Central Office)
- Audit on Risk Management Process in PhilHealth
- Audit on PhilHealth Corporate Dashboard
- Audit on HCP-PAS: Medical Post Audit, MMHR, and Routine Facility Visit
- Audit on PhilHealth Provident Fund Cash Account CYs 2015-2020
- Audit on Hemodialysis Package
- Audit on Corporate Information Security
- Audit on Process of Enrollment of and Accounts Management of Self-Earning Individuals (SEI) and Professional Practitioners
- Audit on PhilHealth Disaster Preparedness and Emergency Program
- Audit on Membership Information System
- Audit on All Case Rates (ACR) in the Central Office and PRO 4A
- Audit on PhilHealth Konsulta Package
- Audit on Paid Contracts for ICT Projects with Similar Names for CY 2016-2020
- Audit on Processes of Enrollment and Accounts Management of 4Ps/Modified Cash Transfer (MCCT) and Listahanan Benefits
- Audit on COVID-19 Community Isolation Benefit Package
- Audit on Z-Benefits for Children with Visual Disability
- Audit on Process Enrollment and Accounts Management of Employers in the Private Sector in the CO and PRO5
- Audit on Lifetime Member Program in the CO, PROs NCR-South Branch and 5
- 2022 Revised PhilHealth Internal Audit Charter

Benefits Committee

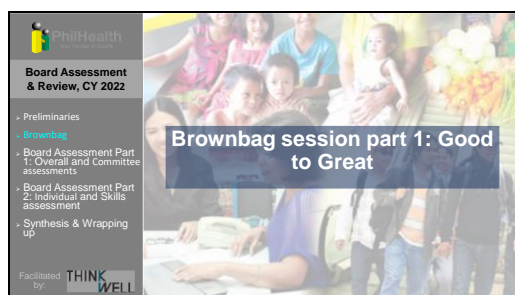
- Covid 19 Inpatient Benefit Package, Covid-19 Antigen Testing Package, Covid 19 Home Isolation Benefit Package
- PhilHealth Coverage on Outpatient Hemodialysis Package to a Maximum of 144 Sessions for CY 2022
- Chairmanship of the Benefits Committee
- Benefits Development Process and Benefits for Improvement/Expansion for CY 2023-2025
- Enhancement of the Z- Benefits for Selected Orthopedic Implants
- Amending Financial Risk Protection Benefit for Health Workers with Covid 19 based on Public Health Recovery
- Primary Care Provider Network (PCPN) Contracting Arrangement Through Konsulta Package Under Sandbox Setting
- Conduct of Sanitation Prioritized Monitoring Survey on Health Care Institutions
- Governing Policies of the Comprehensive Outpatient Benefit Package (COBP)
- Policy Research and Development of Standards and Requirements for the Recognition of Third-Party Accreditation Mechanisms In line with Incentive Under the Universal Health Care
- Analysis on the Premium Contributions, Benefit Utilization and Reasons for Confinement for OFWs

Risk Management Committee

- Supplemental Budget CY 2022
- Status of PhilHealth Investments as of December 31, 2021
- CY 2021 Accomplishment Report of the Project Management Team for Risk Management (PMT-RM)
- Proposal on Corporate Bonds Investments:
 - a. Approved Pool of Qualified Corporate Bonds for Investments
 - b. Compliance to DOF-Asset Liability Management Committee (ALCO) Directive on the Lifting of Restrictions on Conglomerate Companies with Exposure to Liquor
- Status of PhilHealth Investment as of September 30, 2022
- PMT-Risk Accomplishment as of 3rd Qtr 2022 and Critical Risk Areas in 1st Semester 2022
- COB CY 2023

ANNEX C: SLIDES OF THE BROWNBAG SESSION

Slide 1



Slide 2



Slide 3



Slide 4

Corporate Governance

- Corporate governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders – shareholders, investors, employees, customers, suppliers, environment and the community at large and holds those at the helm to account by evaluating their decisions on transparency, inclusivity, equity and responsibility
- Corporate Leadership need to be attentive in effecting good corporate governance and for this purpose they should possess specific leadership characteristics

Source: Gonshekar, 2015. Critical Leadership Qualities for Good Corporate Governance

Slide 5

The importance of effective corporate governance

- “Good governance may not be visible to the average person, but its absence is usually apparent when a social enterprise fails to reach its potential”
- If an organization does not have good governance, it may manifest as not having proper guidance and oversight. When an organization faces an accounting, regulatory or compliance problem, it is almost always linked to a lack of oversight. When an organization misses the mark on an important strategic milestone or growth opportunity, it is often because the management team did not receive the strategic guidance and support to ensure its success

* Source: Gonshekar, De Souza, Mills, & Chandrasekaran

Slide 6

Leadership Standards of Corporate Governance

- For corporate governance to be effective, it must focus on:
 - **FAIRNESS** by ensuring the protection of shareholder rights in particular the rights of minority and foreign shareholders. These rights can be strengthened by ensuring the enforceability of contracts made by the providers of capital.
 - **TRANSPARENCY** by the timely disclosure of adequate, clear and comparable information concerning corporate performance, governance and ownership
 - **ACCOUNTABILITY** by clarifying governance roles and responsibilities and by means of voluntary efforts to ensure the convergence of managerial and shareholder interests as monitored by the board of directors.
 - **RESPONSIBILITY** by ensuring corporate compliance with other laws and regulations reflecting the extant society's values.

Source: Williams, 2009

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Better corporate governance is highly correlated with better leadership

Study by Klapper & Love, 2002

Slide 8

Essential Qualities of Effective Leadership


- **COMPETENCY:** "For a leader to be genuinely competent, they need to demonstrate both professional and leadership competencies"
- **ACCOUNTABILITY:** a concept in ethics and governance with several meanings. often used synonymously with such concepts as responsibility, answer-ability, blameworthiness, liability and other terms associated with the expectation of account-giving (Development, 2003)
- **INTEGRITY:** In exercising leadership, integrity of the leader, being a model for others also be manifested through transparent working systems and procedures.

Slide 9

Essential Qualities of Effective Leadership

- **RELATIONSHIPS:** The corporate leaders maintain relationships between the board and the stakeholders. In the corporate life, the way the leaders communicate and building relationships especially with the stakeholders have positive or negative effect on the way they make governing decisions. The style of receiving and giving certain information by using any language is another aspect to be considered
- **VALUES:** Values is the intrinsic worth, quality or excellence that renders a thing useful or desirable (Emerging Markets ESG, 2005). It is a core belief that describes what is right and fair in terms of one's actions and interactions with others. It is the moral tool used by the corporate leader in making corporate decision.

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PhilHealth
Department of Health

Board Assessment & Review, CY 2022


- Preliminaries
- Brownbag**
- Board Assessment Part 1: Overall and Committee assessments
- Board Assessment Part 2: Individual and Skills assessment
- Synthesis & Wrapping up

Facilitated by: **THINK WELL**

Essential Qualities of Effective Leadership

- **STEADINESS:** The most influential parties involved in corporate governance include government agencies and authorities, stock exchanges, management (including the board of directors and its chair, the Chief Executive Officer or the equivalent, other executives and line management, shareholders and auditors). Other influential stakeholders may include lenders, suppliers, employees, creditors, customers and the community at large. Each of them have differing interests from and to the firm. Meeting the requests and demands of these differing parties put the leaders in a trouble which arises the need for leaders to become steady in governing. (Kehinde et al., 2012)

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Department of Health

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GOOD TO GREAT

- The main premise of Good to Great is that any organization can become a "great" organization by systematically implementing key principles outlined in the book by Jim Collins
- Each of the good-to-great organization showed a clear transition point, after which they showed, in the context of profit-driven private companies, steady growth that outpaced their market and their industry

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PhilHealth
Department of Health

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FRAMEWORK (KEY PRINCIPLES)

Disciplined People


Level 5 Leadership	First Who...Then What
--------------------	-----------------------

↓

Disciplined Thought

Confront the brutal facts	Hedgehog Concept
---------------------------	------------------

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**PhilHealth**
Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022


Preliminaries

Brownbag

Board Assessment Part 1: Overall and Committee assessments

Board Assessment Part 2: Individual and Skills assessment


Synthesis & Wrapping up

Facilitated by: 

5 LEVELS OF LEADERSHIP

- Level 1 – Highly Capable Individual
 - Makes productive contributions through talent, knowledge, skills, and good work habits.
- Level 2- Contributing Team Manager
 - Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

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**PhilHealth**
Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022


Preliminaries

Brownbag

Board Assessment Part 1: Overall and Committee assessments

Board Assessment Part 2: Individual and Skills assessment


Synthesis & Wrapping up

Facilitated by: 

5 LEVELS OF LEADERSHIP

- Level 3 – Competent Manager
 - Organizes people and resources toward the effective and efficient pursuit of pre-determined objectives.
- Level 4 – Effective Leader
 - Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.
- Level 5 Executive
 - Builds enduring greatness through a paradoxical blend of personal humility and professional will.
 - Every good-to-great company had Level 5 leadership during the pivotal transition years.

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**PhilHealth**
Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022


Preliminaries

Brownbag

Board Assessment Part 1: Overall and Committee assessments

Board Assessment Part 2: Individual and Skills assessment


Synthesis & Wrapping up

Facilitated by: 

5 LEVELS OF LEADERSHIP

- Level 5 leaders set up their successors for even greater success in the next generation, whereas egocentric Level 4 leaders often set up their successors for failure.
- Level 5 leaders display a compelling modesty, are self-effacing and understated. In contrast, two-thirds of the comparison companies had leaders with gargantuan personal egos that contributed to the demise or continued mediocrity of the company.

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PhilHealth
Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022


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5 LEVELS OF LEADERSHIP

- Level 5 leaders are fanatically driven, infected with an **incurable need to produce sustained results**. They are resolved to do whatever it takes to make the company great, no matter how big or hard the decisions.
- Level 5 leaders display **workmanlike diligence** – more plow horse than show horse.

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Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022


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5 LEVELS OF LEADERSHIP

- One of the most damaging trends in recent history is the tendency (especially by boards of directors) to select dazzling, celebrity leaders and to de-select potential Level 5 leaders.
- Potential Level 5 leaders exist all around us, if we just know what to look for, and that many people have the potential to evolve into Level 5.

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PhilHealth
Philippine Health Insurance Corporation

Board Assessment & Review, CY 2022

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FIRST WHO, THEN WHAT

First Who has four primary components:

- 1) Get the right people on the bus.**
 - Rigorous in our selection process for getting new people on the bus.
 - Invest substantial time in evaluating each candidate, making systematic use of at least three evaluation devices, e.g., interviews, references, tests.
- 2) Get the right people in the right seats.**
 - Have 100% of the key seats on the bus filled with the right people.
 - This doesn't mean 100% of ALL seats have the right people, but 100% of the key seats
 - Whenever possible, give a person the chance to prove himself or herself in a different seat, before we draw the conclusion that he or she is a wrong person on the bus.

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Board Assessment & Review, CY 2022

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FIRST WHO, THEN WHAT


3) Get the wrong people off the bus.

- When we know we need to make a people change—after we have given the individual full opportunity to demonstrate that he or she might be the right person—we deal with the issue.
- We autopsy our hiring mistakes, applying the lessons systematically to future hiring decisions.

4) Put who before what.

- A significant portion of our time is spent in one form or another with people decisions: getting the right people on the bus, getting the right people in the right seats, getting the wrong people off the bus, developing people into bigger seats, planning for succession, etc.

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Board Assessment & Review, CY 2022

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CONFRONT THE BRUTAL FACTS

Confront the Brutal Facts has three primary components:

1) Create a climate where the truth is heard.

- When things go wrong, we conduct “autopsies without blame”—we seek to understand underlying root causes, rather than pin the blame on an individual.


2) Get the data.

- We make particularly good use of trend lines (to see where we are declining) and comparative statistics (to see where we are falling behind others) to discover and highlight brutal facts.

3) Embrace the Stockdale Paradox.

- Retain unwavering faith that you can and will prevail in the end, regardless of the difficulties, AND AT THE SAME TIME have the discipline to confront the most brutal facts of your current reality, whatever they might be.

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Board Assessment & Review, CY 2022

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HEDGEHOG CONCEPT

The Hedgehog Concept has three primary components:

1) Keep it simple—be a hedgehog, not a fox.

- If forced to choose between describing us as foxes (crafty creatures that know many things) or hedgehogs (simpler creatures that know one big thing), we would weigh in with the hedgehogs. We keep it simple.
- We have a simple, coherent strategic concept that we pursue with relentless consistency.
- If we have multiple options for how to accomplish an objective, we almost always pick the simplest option that will work. In other words, at each fork of the road, we tend toward the path of simplicity, rather than complexity.

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Board Assessment & Review, CY 2022

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HEDGEHOG CONCEPT

2) Get your three circles right.

- o Our Hedgehog Concept reflects deep understanding of the three circles:
 - 1) what we can be passionate about,
 - 2) what we can be the best in world at, and
 - 3) what best drives our economic or resource engine.

3) Act with understanding, not bravado.

- o Believe that great results come about by a series of good decisions—actions taken with understanding, not bravado—accumulated one on top of another, in line with our Hedgehog Concept.

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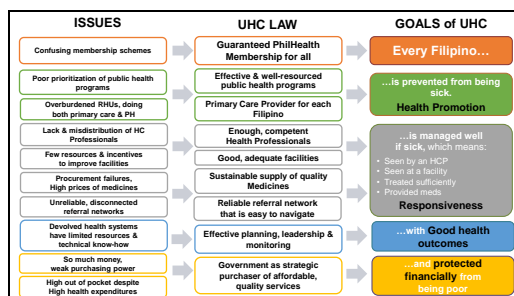
- Preliminaries
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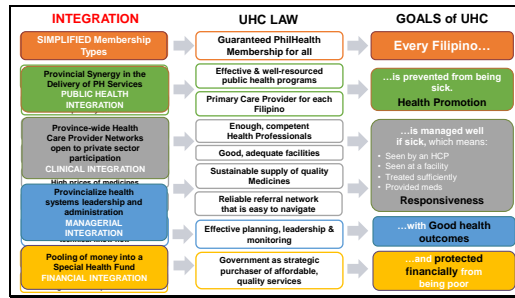


**Brownbag session part 2:
PhilHealth and the UHC Law**

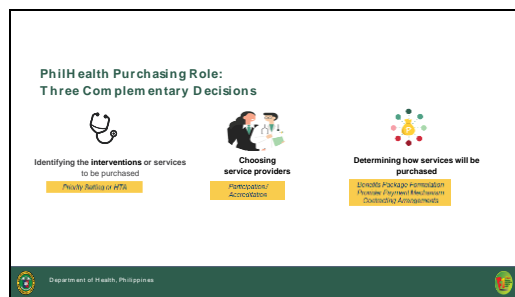
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Implications of the UHC law to PhilHealth Governance		
Area of Reform	Pre-UHC law	UHC law
Function		
Structure		
Relationship with PHIC Management	Oversight + Firefighting	Oversight + Change management
Relationship with DOH	Unclear, overlap of roles: Weak purchaser + Weak regulator with double dipping	Clear role delineation: Strategic purchaser enabled by a strong regulator

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Go to www.menti.com and use the code 8782 4881

How should PhilHealth's performance be measured?

PhilHealth logo

Go to www.menti.com and use the code 8782 4881

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Slide 29

Go to www.menti.com and use the code 8782 4881

How can PhilHealth achieve its performance goals within the next year? next five years?

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PhilHealth
Department of Health

Board Assessment & Review, CY 2022


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- Board Assessment Part 2: Individual and Skills assessment
- Synthesis & Wrapping up

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REFLECTION QUESTION

How should Board Governance be reformed in order for PhilHealth to achieve its objectives for UHC?


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Mandate, functions & responsibilities

CAVEAT


- Being presented as is written in the PhilHealth Manual of Operations
- Must be revisited in light of UHC reforms
- Revisions will be reserved for another meeting; but may be prioritized for now


Maintain


Revisit



Remove


Slide 32




Board mandate and general responsibilities


- 1. Provide the corporate leadership of PhilHealth**, subject to the rule of law and the objectives set by the National Government, the GCG, and the Charter.
- 2. Establish PhilHealth's vision and mission, strategic objectives, policies and procedures**, as well as define its value and standards through Charter Statements and Strategy Maps as mandated by best business practices.


Maintain


Revisit



Remove


Slide 33




Board mandate and general responsibilities


- 3. Foster the long-term success of PhilHealth and secure its sustained competitiveness.**
- 4. Determine the organizational structure of PhilHealth**, defining the duties and responsibilities of its officials and employees, and adopting a compensation and benefit scheme that is consistent with the GOCC Compensation and Position Classification System (CPCS).


Maintain


Revisit


Remove




Slide 34




Board mandate and general responsibilities

5. Ensure that personnel selection shall be on the basis of merit and fitness and that all personnel action shall be in pursuance of applicable laws, rules and regulations.

6. Provide sound written policies and strategic guidelines on PhilHealth's operating budget and major capital expenditures, and prepare the annual and supplemental budgets of the Corporation.

 **Maintain**
 **Revisit**
 **Remove**




Slide 35




Board mandate and general responsibilities

7. Comply with reportorial requirements, as required by the Charter and by other applicable laws, rules and regulations.

8. Adopt and conduct annually the mandated Performance Evaluation System and the Performance Scorecard and timely and accurately report the results to the GCG.




 **Maintain**
 **Revisit**
 **Remove**

Slide 36




Board mandate and general responsibilities

9. Ensure the fair and equitable treatment of all stakeholders and enhance PhilHealth's relations with stakeholders.

 **Maintain**
 **Revisit**
 **Remove**

Slide 37





PhilHealth
Your Partner in Health


Specific Board Functions

a. **Meet regularly to properly discharge its responsibilities.** Independent views during Board meetings shall be given due consideration and all such meetings shall be properly documented in the minutes of the Board meeting.


b. **Determine PhilHealth's purpose and value, as well as strategies and policies,** to ensure that PhilHealth survives and thrives despite financial crises and its assets and reputation are adequately protected.


Maintain


Revisit


Remove

Slide 38





PhilHealth
Your Partner in Health


Specific Board Functions

c. **Determine important policies that bear on the character of PhilHealth** with view towards ensuring its long-term viability and strength.


d. **Monitor and evaluate** on a regular basis the implementation of corporate strategies, policies and business plans and operating budgets, as well as Management's over-all performance to ensure optimum results.


Maintain


Revisit


Remove

Slide 39





PhilHealth
Your Partner in Health


Specific Board Functions

e. **Ensure that PhilHealth complies with all relevant laws, regulations and codes of best business practices.**


f. **Select, appoint, and discipline Officers** with the appropriate level of motivation, integrity, competence and professionalism as may be deemed necessary and upon the recommendation of the President and CEO of the Corporation.


Maintain


Revisit


Remove


Slide 40




Specific Board Functions

g. Establish a competitive selection process to ensure that the Officers of PhilHealth have the necessary motivation, integrity, competence and professionalism.


h. Adopt a professional development program for Officers and employees, and succession planning for Officers of PhilHealth.



Maintain




Revisit



Remove


Slide 41




Specific Board Functions

i. Align the remuneration of the Board and Officers with the long-term interests of the Corporation, subject to applicable laws, rules and regulations.


j. Monitor and manage potential conflicts of interest of Management and the Board, including misuse of corporate assets and abuse in related party transactions.



Maintain




Revisit



Remove


Slide 42




Specific Board Functions

k. Ensure the integrity of PhilHealth's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk, management and financial and operational control, and compliance with the law and relevant standards.


l. Oversee the process of disclosure and communications.



Maintain




Revisit



Remove

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Slide 43




Specific Board Functions

m. Implement a system of internal checks and balances, which may be applied in the first instance to the Board. Such systems should be regularly reviewed and updated.


n. Identify, monitor, and endeavor to provide appropriate technology and systems for the identification and monitoring of key risks and key performance areas.



Maintain




Revisit



Remove


Slide 44




Specific Board Functions

o. Constitute an Audit Committee and such other specialized committees as may be necessary to assist the Board in discharging its functions.


p. Conduct and maintain the affairs of PhilHealth within the scope of its authority as prescribed under the Charter, the Revised IRR, and applicable laws, rules and regulations.



Maintain



Revisit



Remove
