



Republic of the Philippines  
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**PhilHealth**



**Ka-Pamilya Mo!**

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**PHILHEALTH CIRCULAR**

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**TO :** ALL CONCERNED LOCAL GOVERNMENT UNITS (LGUs) and LGU-OWNED HOSPITALS; PHILHEALTH REGIONAL OFFICES 6, 7, 8 and 10; HEALTH INSURANCE OPERATIONS SECTOR; and ALL OTHER CONCERNED CENTRAL OFFICE UNITS

**SUBJECT :** IMPLEMENTATION PLAN of PHILHEALTH BOARD RESOLUTION NO. 604 (the QUALITY IMPROVEMENT DEMONSTRATION STUDY or QIDS)

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Pursuant to PhilHealth Board Resolution No. 604 that PhilHealth be guided by scientifically generated and valid policy lessons for the enhancement and expansion of the National Health Insurance Program particularly on the the areas of assuring quality of health care services and equitable cost sharing, the implementing guidelines of the Quality Improvement Demonstration Study or QIDS are attached.

Please be guided accordingly.

  
**FRANCISCO T. DUQUE III, MD, MSc**  
President and CEO

# IMPLEMENTING GUIDELINES of the QIDS

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## A. BACKGROUND

The Quality Improvement Demonstration Study (QIDS) is an Evaluation of Policy Options for the Philippine Health Insurance Corporation to make its benefits result in improved health outcomes. It is four-year research project supported by the U.S. National Institute of Health and led by the University of California in San Francisco and the UPEcon Foundation. Partner institutions for the project are the Department of Health and the UPEcon Foundation.

PhilHealth is expected to actively participate in the implementation of the three QIDS interventions which will include providing technical support to the implementation of the QIDS interventions using Central and Regional PHIC expertise; and budgetary support to the implementation and monitoring of the interventions for quality health care

## B. OBJECTIVE

The primary objective of QIDS is to carefully measure the effectiveness of policy interventions of PhilHealth on the health status of children. The project likewise examines the link between health status and cognitive ability of children so that references can be made on the relationship between policy interventions in health and ultimately, economic growth.

## C. TARGET GROUP

The project will focus on 5 year old or younger children the two diseases commonly afflict this age and are leading causes of mortality among Filipino children.

Five year old or younger child is defined as any dependent who has not yet reached his 6<sup>th</sup> birth date upon admission to a study hospital. Thus, a dependent would be 5 years and 364 days or younger upon admission to be part of the study.

#### D. GENERAL DESIGN of the INTERVENTIONS

Two new types of interventions shall be considered in this project – one related to expanded and assured financial access to health care coverage for children and another related to the use of incentives for quality care. In other sites the existing program or ‘controls’ will be evaluated.

Within each “matched block” of three local government units or LGU- controlled hospitals, the interventions will be randomly assigned and phased in. The randomization process will be conducted by the study team. All hospitals are bound to accept their assigned intervention or control group.

The first intervention will be known as the quality health care incentive intervention or the QUALITY CARE group. The second intervention will be known as the zero co-payment for cases who are 5 year old or younger children or the ZERO CO-PAY group. The third group of hospitals which will implement what would be the current PhilHealth program will be known as the CURRENT group.

In all thirty hospitals, the quality of care will be assessed by the study team and PhilHealth staff with the use of clinical vignettes and other assessment tools. The assessment will be conducted in a semestral basis for hospitals in the CURRENT and ZERO CO-PAY groups. In the QUALITY CARE group, the assessment will be conducted based on the intervention design in the said group.

All thirty hospitals will also be provided with cost guidelines so as to assist them in determining the appropriate costs in providing hospital care to their patients. The cost guidelines will be developed by the study team to be concurred to by PhilHealth at the end of the 3<sup>rd</sup> quarter of 2004.

In all thirty hospitals, all admitted cases of patients 5 years of age and under will be subjected to a selective post-audit mechanism that will focus but not limited to the appropriateness of the hospital admission. The audit is expected to minimize any inappropriate hospital admissions of cases that should have been managed in an outpatient setting.

In addition to monitoring measures that will be discussed below, all other measures that will facilitate the monitoring of the hospitals and the implementation of the QIDS project may also be implemented.

#### E. SPECIFICATION of QUALITY CARE group

There will be 10 selected local government units (LGU)-owned hospitals in this group. They will be subjected to the following intervention:

- a. The initial assessment of the quality of care provided for various medical conditions common among patients who are 5 years of age or younger will be conducted in the 3<sup>rd</sup> quarter of 2004.

- b. Subsequent assessments will be conducted on quarterly basis until the end of the QIDS.
- c. The assessment will be conducted with the use of clinical vignettes and other assessment tools. The clinical vignettes and other assessment tools including their scoring guides will be developed by the US NIH supported study team and to be concurred by PhilHealth at the end of July 2004.
- d. The initial assessment will be conducted by the study team with PhilHealth staff. However, subsequent assessments will be conducted by selected staff from the central office and PhilHealth regional office 6, 7, 8 and 10 offices.
- e. The above selected staff will be trained in the use of the clinical vignettes and the other assessment tools by the 3<sup>rd</sup> quarter of 2004. They will be trained on-site by the study team with PhilHealth support.
- f. The conduct of the assessment entails the evaluation of selected medical staff in each of the ten hospitals as to their compliance to quality care. If the medical staff of a hospital is scored to have passed the assessment for quality health care provision, the hospital is considered to have qualified as a quality care provider.
- g. As quality care providers, the reimbursement rate for professional fees for all in-patient admissions in the succeeding quarter will be set at the specialist rate. The increase in rates will be coupled with a change in the distribution scheme for professional fees in the hospitals. At least 2% of the professional fees reimbursements from PhilHealth will be distributed to all doctors who were assessed and evaluated for compliance to quality care. This amount will be over and above the usual share they will get from the distribution of the rest of the professional fees reimbursements.
- h. The continued setting of the above rates for professional fees will be dependent on the continued compliance of the medical staff to quality care. If in any subsequent quarter, the medical staff is deemed non-compliant, the rates will revert to the usual rates in the succeeding quarter. However, the rates can then be set at again at a higher rate if the medical staff will comply in the next quarterly assessment.

To illustrate:

	3 <sup>rd</sup> quarter 2004	4 <sup>th</sup> quarter 2004	1 <sup>st</sup> quarter 2005	2 <sup>nd</sup> quarter 2005
<b>Quality care assessment</b>	Qualified for incentives	Did Not qualify	Qualified for incentives	Qualified for incentives
<b>RATES</b>	Usual rates	Specialist rates	Back to the usual rates	Specialist rates

- i. In conditions where the above-described incentive scheme is not feasible for any of the study hospitals, other incentive schemes will be provided for the said hospitals subject to the approval of PhilHealth.

- j. In order to facilitate the processing of claims of the participating hospitals assigned to this arm, all claims from these hospitals will be stamped by a **'QIDS-quality care'** stamp in red ink. The claims will also be transmitted to PhilHealth with the transmittal letter detailing that the attached claims are from a QIDS hospital. All stamps, pads, and ink will be provided by the study team.
- k. The feedback mechanism on the quality of care provided by each hospital and each and every health care professional will be developed by the QIDS study team and PhilHealth. The mechanism shall have de-identification processes to ensure the privacy of PhilHealth members and dependents.
- l. A marketing plan specific for these hospitals will be developed and implemented in the respective catchments area of these hospitals.

#### F. SPECIFICATION of ZERO CO-PAY group

There will be 10 selected local government units (LGU)-owned hospitals in this group. They will be subjected to the following intervention:

- a. Similar to the quality care group, an initial assessment of the quality of care provided for various medical conditions common among patients who are 5 years of age or younger will be conducted in the 3<sup>rd</sup> quarter of 2004.
- b. However, unlike the quality care group, subsequent assessments will be done on a semestral basis. These assessments will now be conducted by the study team and the appropriately trained PhilHealth staff.
- c. Upon the conduct of the quality care assessments, the hospitals in this group will institute a zero co-payment scheme for all admitted PhilHealth dependents who are 5 years of age or younger.
- d. In order to facilitate zero co-payment, all of the above described admissions will be classified as intensive cases unless the case is of a higher case classification in which the said higher case type shall apply.
- e. All costs and/or charges beyond PhilHealth benefit limits will be shouldered by the LGU hospital.
- f. All of the described admissions shall not be made to purchase medicines outside the hospital pharmacy unless the exigencies of care so demands. These exceptional cases must be reported to PhilHealth in writing inclusive of all the justifications.
- g. In order to ensure the zero co-payment scheme, all claims of the LGU hospitals will have expedited claims processing from PhilHealth. The claims will ALWAYS be processed faster than the average processing time for all the other claims processed in the region.

- m. In order to facilitate the monitoring of zero co-payment and intensive case classification, all claims forms of admissions 5 years of age or younger will be stamped with a **'QIDS-zero co-pay (5 years old and younger)'** stamp in green ink. All other claims of the said hospital shall be stamped with a **'QIDS-zero co-pay'** stamp in green ink. The claims will also be transmitted to PhilHealth with the transmittal letter detailing that the attached claims are from a QIDS hospital. All stamps, pads, and ink will be provided by the study team.
- n. A marketing plan specific for these hospitals will be developed and implemented in the respective catchments area of these hospitals.

#### G. SPECIFICATION of the CURRENT group

There will be 10 selected local government units (LGU)-owned hospitals in this group. They will only be subjected to the following intervention:

- a. Similar to the above two groups, Similar to the quality care group, an initial assessment of the quality of care provided for various medical conditions common among patients who are 5 years of age or younger will be conducted in the 3<sup>rd</sup> quarter of 2004.
- b. Subsequent assessments will be done on a semestral basis. These assessments will now be conducted by the study team and the appropriately trained PhilHealth staff.
- c. No other interventions will be conducted in this group outside of what is the current PhilHealth programs applied nationally to all other accredited health facilities.

#### H. INTERVENTION SITES

There will be ten triplets of local government units (LGU)-owned hospitals that will be part of the study. The quality incentive arm will be implemented in 10 assigned local government units (LGU)-owned hospitals. The zero co-pay arms will be implemented in a second set of 10 assigned local government units (LGU)-owned hospitals. No new intervention will be implemented in the last set of 10 LGU-owned hospitals.

The thirty hospitals will be selected from eleven (11) provinces which will signify their intent to be part of the study by signing off with Memoranda of Agreements with the US-NIH supported study team.

The chief of hospitals of each of the thirty selected hospitals will sign UNDERTAKINGS which will detail their participation in the study. The signed undertakings will warrant their compliance with the assigned interventions for their hospital.

The eleven provinces and their participating LGU-owned hospitals are as follows:

1. Capiz
  - i. Roxas Memorial Provincial Hospital (Roxas City)
  - ii. Bailan District Hospital (Pontevedra)
  - iii. Mambusao District Hospital (Mambusao)
  
2. Leyte
  - i. Leyte Provincial Hospital (Palo)
  - ii. Carigara District Hospital (Carigara)
  - iii. Hilongos District Hospital (Hilongos)
  - iv. Barauen District Hospital (Barauen)
  - v. Abuyog District Hospital (Abuyog)
  - vi. Dr. Manuel B. Veloso Memorial Hospital (Palompon)
  
3. Iloilo
  - i. Ramon Tabiana Memorial District Hospital (Cabatuan)
  - ii. Dr. Ricardo Ladrado Memorial District Hospital (Lambunao)
  - iii. Rep. Pedro Trono Memorial (Guimbal)
  
4. Negros Occidental
  - i. Alfredo Maranon Sr. Memorial Hospital (Sagay City)
  - ii. Valladolid District Hospital (Valladolid)
  - iii. Kabankalan District Hospital (Kabankalan)
  
5. Bohol
  - i. Cong. Natalio P. Castillo Sr. Memorial Hospital (Loon)
  - ii. Cong. Simeon Toribio Memorial Hospital (Carmen)
  - iii. Teodoro P. Galagar Memorial Hospital (Jagna)
  
6. Cebu
  - i. Danao District Hospital (Danao)
  - ii. Severo Verallo Memorial Hospital (Bogo)
  - iii. Lapu-lapu District Hospital (Lapu-lapu City)
  
7. Negros Oriental
  - i. Bayawan District Hospital (Bayawan)
  - ii. Bais District Hospital (Bais City)
  - iii. Gov. William Villegas Memorial Hospital (Guihulngan)
  
8. Eastern Samar
  - i. Oras District Hospital (Oras)
  - ii. Taft District Hospital (Taft)
  - iii. Albino M. Duran Memorial Hospital (Balangiga)
  
9. Biliran
  - Biliran Provincial Hospital

10. Siquijor  
- Siquijor Provincial Hospital
11. Camiguin  
- Camiguin Island General Hospital

## I. UNDERTAKINGS of the STUDY HOSPITALS

All the participating hospitals shall be bound by the following undertakings:

1. *Participation in the QIDS until the end of the study*
2. *Acceptance of assigned intervention group as randomly assigned by the study team*
3. *Compliance to the rules of their assigned intervention groups*
4. *Cooperation in the conduct of the quality of care assessment*
5. *Provide the study team and PhilHealth staff access to their hospital records and all other pertinent records particularly during the conduct of the post-audit process that will focus but not limited to determining the appropriateness of the hospital admissions of patients 5 years of age and under*
6. *Continued application for renewal of accreditation with PhilHealth*

The undertakings shall be signed and attested to by the chiefs of hospitals or their equivalents in the participating LGU hospitals prior to the initial assessment of quality of care. They must be signed off by July 30, 2004.

Subsequent adherence to the undertakings shall be undertaken upon the renewal of accreditation of the participating hospitals. PhilHealth will facilitate the renewal of the accreditation of the participating hospitals.

## J. CONCURRENT DATA COLLECTION BY THE STUDY TEAM:

So that policy effects can be quantified, measures of children's health including cognitive development and the quality-of care they receive need to be collected. Apart from the usual anthropometric measures (height and weight), blood samples will be drawn to generate other physiologic measures of health such as blood levels of hemoglobin, lead, folate, and C-reactive protein. Quality of care measures will be collected on the patient's end by conducting a follow-up interview of patients 6 weeks after their discharge. On the provider's end, the quality of clinical practice will be assessed by giving doctors vignettes or paper cases of children with typical illnesses.

So that observed outcomes can be properly attributed to policy interventions, it will be necessary to observe policy outcomes before and after the policy interventions are in place or not. Moreover, because data from patients is gathered through patient exit surveys in hospitals, then possible selection biases will be corrected by also collecting data from a random sample of households.

In sum, data collection will (i) be conducted twice during the project duration, (ii) cover 30 sites where the interventions will be phased in overtime, and (iii) include patient exit surveys,

follow-home surveys, random household surveys, and facility surveys with components that evaluate the quality of clinical care using vignettes.

#### K. DESIGNATION OF STAFF

It is reiterated that Dr. Madeleine Valera is a member of the Technical Advisory Board and shall provide advice and inputs on PhilHealth's participation in the study. Dr. Eduardo Banzon is designated to coordinate the operational participation of PhilHealth in the QIDS.

PhilHealth's participation shall include the designation of selected staff from the Accreditation and Quality Assurance (AQA) and Claims Processing (CPU) units of PhilHealth regional offices 6, 7, 8 and 10 to assist in the implementation of the above-described interventions in the 3 groups. Central Office staff shall also be designated in support of the study. The designation shall be undertaken by their respective Assistant Vice Presidents, Department Managers or Vice Presidents with their names submitted to Dr. Eduardo Banzon within thirty days from the effectivity of this circular.

The Management Information Systems Department shall be tasked with all information systems adjustments necessary for the project. The Benefits Development Office shall be primarily tasked with information, education and communication component of the QIDS including addressing communication issues such as the Benefits Payment Notice with the support of the Corporate Communications Department. Other officers and staff may also be subsequently designated to be part of PhilHealth's participation for the study.

#### L. BUDGETARY SUPPORT

All expenses brought about by the training of the staff, implementation of the QIDS interventions, and monitoring shall be charged from the current budget provided for to the Offices in the Health Finance Policy and Services Sector and the concerned PhilHealth Regional Offices. They may also be charged to the research budget of PhilHealth. These expenses shall include but are not limited to travel, per diem, lodging, meetings, documentation, and additional contractors, if necessary..

Future expenses shall also be included in and charged to the budget of the Offices in the HFPSS and the concerned PROs and the research budget of the corporation.

#### M. END of the STUDY

Six months from the declared date of the final concurrent data collection of the study team, all study hospitals shall revert to the prevailing PhilHealth interventions and policies. The study team shall inform PhilHealth of the final date of concurrent data collection one month prior to the said date.