PHILHEALTH RULES ON ADMINISTRATIVE CASES (PROAC) INVOLVING HEALTH CARE PROVIDERS, MEMBERS AND PHILHEALTH EMPLOYEES

Title I
QUASI-JUDICIAL PROCESS

Rule I
QUASI-JUDICIAL POWERS OF THE CORPORATION

SECTION 1. Quasi-Judicial Powers

The Corporation shall be vested with the following powers:

a. To conduct investigations for the determination of a question, controversy, complaint or unresolved grievances; issue orders and resolutions; and render decisions accordingly. It shall proceed to hear and determine cases in the presence of all concerned parties or even *ex parte* with due notice to all parties. It shall conduct proceedings in public or in executive session; adjourn hearings at any time and place; refer technical matters or accounts to experts and consider submissions and/or reports as evidence; direct parties to be joined or excluded from the proceedings; and issue orders and directives as may be necessary or expedient in the determination of the dispute pending before it;

b. To summon parties to a controversy, issue subpoenas requiring the attendance and testimony of witnesses or the production of documents and other materials necessary to a just determination of the case under investigation;

c. To suspend temporarily, deny application and/or renewal, or restore the accreditation of a health care provider or the right to benefits of a member, and/or impose fines after due notice and hearing. The decision shall immediately be executory even pending appeal.

The previous conviction of a health care provider for violation of RA 7875, as amended by RA Nos. 9241, 10606 and 11223 and their respective Implementing Rules and Regulations, PhilHealth Circulars and any and/all Rules, Regulations and Policy Issuances by the Corporation may operate as a ground for denial of the application for contract or accreditation, or disqualification from obtaining another contract or accreditation under the same name, under a different name or through another person whether natural or juridical.

Rule II
THE PHILHEALTH BOARD OF DIRECTORS

SECTION 2. The PhilHealth Board of Directors

The PhilHealth Board of Directors, hereinafter referred to as the Board, is hereby reconstituted to have a maximum of thirteen (13) members consisting of the following: (1) five (5) ex-officio members, namely the Secretary of Health, Secretary of Social Welfare and Development, Secretary of Budget and Management, and Secretary of Finance, Secretary of Labor and Employment; (2) three (3) expert panel members with expertise in public health, management, finance, and health economics; and (3) five (5) sectoral panel members representing the direct contributors, indirect contributors, employers, health care providers to be endorsed by their national associations of health care institutions and health care professionals, and representative of the elected local chief executives to be endorsed by the League of Provinces of the Philippines, League of Cities of the Philippines and League of Municipalities of the Philippines: Provided, That at least one (1) of the expert panel members and at least two (2) of the sectoral panel members are women.

The sectoral and expert panel members must be Filipino citizens and of good moral character. The expert panel members must: (a) be of recognized probity and independence, and must have distinguished themselves professionally in public, civic or academic service; (b) be in active service in their professions for at least seven (7) years; and (c) not be appointed within one (1) year after losing in the immediately preceding regular or special elections.

The Secretary of Health shall be the ex-officio non-voting Chairperson of the Board. All appointive members of the Board shall be required to undergo training in health care financing, health systems, costing health services, and Health Technology Assessment (HTA) prior to the start of their term. Non-compliance shall be a ground for dismissal.

SECTION 3. Quorum and Votes Required

When sitting en banc or in divisions, the concurrence of the majority of all participating members shall be required to render decisions in all cases.

Rule III
INVESTIGATORS, PROSECUTORS, AND ADJUDICATORS OF THE CORPORATION

SECTION 4. Authority of the Investigators, Prosecutors, and Adjudicators of the Corporation

Investigators shall exercise, among others, the powers and functions enumerated under Section 16 (m) of RA 7875, as amended, and to administer oaths in the performance of official functions and duties.

Prosecutors of the Corporation shall have the power and authority to conduct preliminary investigations on complaints filed by any person or by the Corporation against health care providers and/or members, and if a prima facie case exists, to file and prosecute the Complaint before the Adjudication Office. The Prosecutor may also administer oaths in the performance of official functions and duties.

The Adjudicator shall exercise original and exclusive jurisdiction over all complaints filed with the Corporation in accordance with RA 7875, as amended, and these Rules. They shall have the power to administer oaths and issue subpoenas, and such other powers vested in them by RA 7875, as amended by RA Nos. 9241, 10606 and 11223, and its respective Implementing Rules and Regulations.

Rule IV
COMPLAINTS, VENUES, AND PARTIES

SECTION 5. Who May File

Any person, natural or juridical, may file a complaint against a health care provider and/or member. The Corporation shall, however, have the authority to motu proprio direct the conduct of a fact-finding investigation and the subsequent filing of a case against HCPs and/or members, if necessary.

SECTION 6. Grounds for Complaints Against Health Care Providers and/or Members

A written complaint against a health care provider and/or member may be filed for the commission of any of the offenses enumerated in Section 38 of RA 11223, RA 7875, as amended, and their Implementing Rules and Regulations, and other rules prescribed by PhilHealth.

SECTION 7. Venue for Filing of Complaints

A written complaint against a health care provider and/or member may be filed before any PhilHealth Office.

Anonymous complaints shall be entertained, provided that the act complained of is of public knowledge or the allegations can be verified or supported by documentary or direct evidence.

Rule V
CENTRALIZED DOCKETING SYSTEM

SECTION 8. Docketing of Administrative Cases

There shall be a centralized docketing system where each complaint-affidavit received shall be assigned a unique docket number.

Complaint-affidavits emanating from the PRO-Legal Offices or the FFIED shall be forwarded to the Prosecution Department.

Rule VI
PHILHEALTH REGIONAL OFFICE (PRO) – LEGAL OFFICE AND FACT-FINDING INVESTIGATION AND ENFORCEMENT DEPARTMENT (FFIED)

SECTION 9. Complaints Filed Before the PRO –Legal Office

Upon receipt of the complaint or report filed before the PRO – Legal Office, the following procedures shall be observed:

a. Conduct the necessary fact-finding investigation, issue the Fact-Finding Investigation Report (FFIR) along with its recommendations whether to dismiss the complaint or file a case within sixty (60) days.

b. In case the recommendation is for filing of a complaint, a complaint-affidavit and its annexes shall be filed with the Prosecution Department in one (1) original copy and/or certified true copy and three (3) copies per respondent.

c. In case the recommendation is for the dismissal of the complaint, the FFIR shall be forwarded to FFIED for its evaluation and recommendation within ten (10) days. The FFIED shall review and submit within fifteen (15) days its recommendations to the Office of the Senior Vice-President for Legal Sector for approval.

d. A criminal and/or administrative complaint before the appropriate court or body against erring health care providers and their personnel, or members shall be filed by PRO Legal Office having territorial jurisdiction, as may be warranted by the evidence.

SECTION 10. Complaints Filed Before the Fact-Finding Investigation and Enforcement Department

For a complaint or report filed directly with the FFIED, it shall conduct the necessary fact-finding investigation and issue the FFIR with recommendations whether to dismiss the complaint or file a case within sixty (60) days from receipt of the complaint or report.

In case the recommendation is for filing of a complaint, a complaint-affidavit and its annexes shall be filed with the Prosecution Department in one (1) original copy and/or certified true copy and three (3) copies per respondent within the prescribed period.

SECTION 11. Visitorial Power of Investigators

For the purpose of investigating complaints, the investigators or duly authorized personnel of the PRO Legal Office and the FFIED shall have the power to visit, enter and inspect facilities of health care providers and employers, during office hours, unless there is reason to believe that inspection has to be done beyond office hours, and where applicable secure copies of their

medical, financial, and other records and data pertinent to the claims, accreditation, premium contribution, and that of their patients or employees, who are members of the program.

Health care providers and employers and their employees shall cooperate with the investigators and promptly provide the information and/or records and data required by the investigators. Provided that non-cooperation by health care providers and employers and their employees shall be penalized under Section 38 of RA 11223 without prejudice to any criminal liability defined and penalized under the Revised Penal Code.

SECTION 12. Temporary Suspension of Payment of Claims and/or Withdrawal of Accreditation/Contract

The FFIED or the PRO shall recommend temporary suspension of payment of claims and/or withdrawal of accreditation/contract in accordance with the policy issuance of the Corporation on the existence of fraud, abuse of authority and unethical practices of a health care provider.

Rule VII
THE PROSECUTION DEPARTMENT

SECTION 13. Powers and Responsibilities of the Prosecutor

For complaints or reports filed directly with the Prosecution Department, it shall conduct a preliminary investigation and issue a resolution with its recommendations on whether to dismiss the complaint or file a case within sixty (60) days.

Upon receipt of the complaint-affidavit, the Prosecutor shall immediately conduct the preliminary investigation. The Prosecutor may, based on the examination of allegations in the complaint-affidavit and other supporting evidence, outrightly dismiss the same on any of the following grounds:

a. Lack of jurisdiction over the subject matter, HCPs and/or parties involved;
b. Failure to state a cause of action; or
c. Insufficiency of evidence.

The Prosecution Department shall furnish the FFIED and/or the concerned PRO-Legal Office a copy of the resolution dismissing the case.

SECTION 14. Directive to File Answer

If no ground for dismissal is found, the Prosecutor shall issue the corresponding directive to the respondent health care provider and/or member directing the same to file a verified answer to the complaint-affidavit in triplicate copies within ten (10) working days from receipt of the directive.

In case the HCP/member fails to submit an answer within the reglementary period despite proper notice, the Prosecutor shall resolve the complaint based on available evidence on record.

The following pleadings shall not be allowed:

a. Motion for Reconsideration;
b. Motion to Dismiss, except on the ground of lack of jurisdiction over the subject matter, failure to state a cause of action, if the action is barred by res judicata or statute of limitation;
c. All other pleadings that may unnecessarily delay the proceedings before the Prosecution Department.

SECTION 15. Finding of Prima Facie Case

If the Prosecutor finds a prima facie case against the respondent health care provider/member upon evaluation of the complaint-affidavit and/or answer and other supporting evidence, the Prosecutor shall submit the resolution recommending the filing of formal charge against the HCP/member, including the filing of criminal complaint or administrative complaint before the appropriate court or body, for the approval/disapproval of the Senior Vice-President for Legal Sector. Upon approval of the resolution, the FFIED and/or PRO shall be immediately furnished with a copy of the same.

The Prosecutor shall file the appropriate formal charge with the Adjudication Office within five (5) working days from receipt of the approved resolution.

SECTION 16. Action of the Senior Vice-President for Legal Sector (SVP-LS)

The SVP-LS or his authorized representative shall have five (5) working days from receipt of the resolution to accordingly act on the same.

SECTION 17. Finality of Resolutions

The resolution of the Prosecutor duly approved by the SVP-LS shall be final. No appeal or Motion for Reconsideration (MR) or any other similar pleadings shall be entertained.

RULE VIII
CONTENTS OF THE FORMAL CHARGE

SECTION 18. Contents of the Formal Charge

The formal charge shall contain the following information:

a. Name and address of the complainant;
b. Name/s, and postal address/es of the respondent health care institution/s including their officers and owners, and/or employees;

c. Pertinent information relative to the respondent health care institution including but not limited to the level and type of contract or accreditation, whether government or private, complete information of claims involved;
d. Clear and concise statement of cause/s of action and laws, rules violated; and
e. Specific relief/sought.

RULE IX
THE ADJUDICATION OFFICE

SECTION 19. Formal Charge

A formal charge shall be filed by the Prosecution Department with the Adjudication Office in three (3) original copies with attached photocopies of annexes and additional one (1) copy per respondent. The receiving officer shall immediately endorse the formal charge to the assigned Adjudicator for appropriate action(Sec. 94 of the RIRR of RA 10606).

SECTION 20. The Adjudication Office

The Adjudication Office shall exercise original and exclusive jurisdiction over all formal charges filed with the Corporation in accordance with RA 7875, as amended, and these Rules. The Adjudication Office shall be under the direct operational and administrative jurisdiction of the Office of the Executive Vice-President and Chief Operating Officer (EVP and COO) of the Corporation.

For formal charges filed with the Adjudication Office, it shall conduct proceedings and issue a decision with its recommendations on whether to dismiss the formal charge or impose the appropriate penalties within sixty (60) days from receipt of the formal charge.

SECTION 21. Powers of the Adjudicator

The Adjudicator shall have the following powers:

a. Conduct proceedings either in public or in executive session;
b. Adjourn conference at any time and place;
c. Refer technical matters or accounts to experts and consider submitted reports as evidence;
d. Direct parties to be joined or excluded from the proceedings;
e. Give such directions as may be deemed necessary or expedient in the resolution of disputes;
f. Summon the parties to a controversy/complaint;
g. Issue subpoenas requiring the attendance and testimony of witnesses, or the production of documents and other necessary information;
h. Take full control of the proceedings and as may be necessary, ask clarificatory questions to the parties and their witnesses with respect to the matters at issue;
i. Limit the presentation of evidence to matters relevant to the issue/s.
j. Administer oaths;
k. Certify official acts;
l. Recommend to the Board the constitution of Ad Hoc Committee and deputizing the same with temporary authority to hear and adjudicate administrative cases

against health care providers/professionals and/or members to augment the Adjudication Office or to handle specific cases of particular interest;

m. Order the preventive suspension of accreditation/contract for maximum of three (3) months either motu propio or upon the motion of the Prosecutor; and

n. All other powers that may be delegated by the Board.

SECTION 22. Civil Contempt

Whenever a person, without lawful excuse, fails or refuses to take an oath or to produce documents for examination or to testify, in disobedience to a lawful subpoena issued by the Adjudicator, the latter may invoke the aid of the Regional Trial Court within whose territorial jurisdiction the case is being heard to cite such person in contempt, pursuant to Section 14, Chapter 3, Book VII of the Revised Administrative Code.

SECTION 23. Service of Summons

Upon receipt of the docketed formal charge, the Adjudicator shall issue the summons to the respondent/s directing them to file their verified answers in three (3) copies within five (5) working days from receipt thereof furnishing the Prosecution Department with a copy, with a notice that unless the respondent/s so answers, the complainant may take judgment by default and demand from the Adjudicator the relief/s being sought.

A copy of the formal charge with the supporting documents shall be attached to the original copy of the summons. Service of summons shall be made either personally, by registered mail, or any other mode of service as may be sufficient and practicable under the circumstances.

In case of service by registered mail and no Registry Return Receipt (RRR) is received by PhilHealth, the same is considered served after the lapse of fifty-five (55) days from the date of mailing of the summons within Metro Manila, and seventy-five (75) days if outside of Metro Manila.

SECTION 24. Verified Answer

Within five (5) working days from service of the summons along with the copy of the formal charge and its supporting documents, the respondent shall file a verified answer, copy furnished the Prosecution Department. Affirmative and negative defenses not pleaded shall be deemed waived except for lack of jurisdiction over the subject matter. Failure to specifically deny any of the material allegations in the formal charge shall be deemed admitted.

No Motion to Dismiss shall be entertained except on the ground of lack of jurisdiction over the subject matter, failure to state a cause of action, res judicata or statute of limitation.

SECTION 25. Default

Upon acquiring jurisdiction over the respondent and upon failure to file a verified answer to the formal charge within the prescribed period, the Adjudicator may, motu propio or on motion of the complainant with notice to the respondent, declare the respondent in default. Thereupon, the adjudicator may proceed to render judgment by default as may be warranted by the facts and evidence alleged in the formal charge.

SECTION 26. Affidavits and Position Papers

After a verified answer is filed and the issues are joined, the Adjudicator shall issue an order requiring the parties to submit their respective position papers within ten (10) working days from receipt of the order. The position paper shall contain a brief statement of the positions of the parties, setting forth the facts and the law relied upon, including the affidavits of the witnesses and other evidence on the issues.

SECTION 27. Conduct of Clarificatory Conference is Discretionary
The Adjudicator may, at its discretion, require the submission of Clarificatory Conference Brief and conduct a clarificatory conference. Should the Adjudicator find it necessary to conduct a clarificatory conference, an order setting the clarificatory conference shall be issued. Such order shall further set the date or dates of the hearings and specify the witnesses who will be called upon to testify.

Conduct of conference shall not be bound by the rigidity/stringency of Rules of Court.

SECTION 28. Procedures of Clarificatory Conference

Whenever the conduct of a clarificatory conference is deemed necessary by the Adjudicator, the affidavits submitted by the parties shall constitute the testimonies of the witnesses. Witnesses who testify may be subjected to clarificatory questions by the Adjudicator. No witness shall be allowed to testify unless a corresponding affidavit was previously submitted to the Adjudicator.

SECTION 29. Postponement of Clarificatory Conference

Motion for postponement of clarificatory conference shall not be allowed except for meritorious grounds.

SECTION 30. Records of Proceedings

The Adjudicator shall make a written summary of the proceedings, including the substance of the evidence presented. The written summary shall be signed by the parties and shall form part of the official records.

SECTION 31. Non-Appearance of Parties

When the complainant or respondent fails to appear at the proceedings despite due notice, the Adjudicator may motu proprio or upon motion of the opposing party, dismiss the case or deem the case submitted for resolution based on the records.

SECTION 32. Consolidation of Cases

When there are two or more cases arising from similar facts and incidents pending before adjudicators involving the same health care provider, the Adjudicator may, motu propio or upon motion of either of the parties, consolidate the cases. Notwithstanding the consolidation of cases, each count shall be considered as one offense and shall be treated accordingly in the imposition of applicable penalties.

SECTION 33. Prohibited Pleadings

The following pleadings shall not be allowed:

a. Motion to dismiss except on the ground of lack of jurisdiction over the subject matter, failure to state a cause of action, or if the action is barred by res judicata or Statute of Limitations;
b. All other pleadings that may unnecessarily delay the proceedings before the Adjudication Office or the Board.

SECTION 34. Rendition of Judgment

The Adjudicator shall have a period of thirty (30) days from receipt of the last pleading submitted by the parties and upon submission of the case for resolution within which to render its judgment.

Motion for reconsideration on the decision rendered by the Adjudication Office shall not be allowed.

SECTION 35. Content of Decision

The decision of the Adjudicator shall be clear and concise and shall include a brief statement of the following:

a. Facts of the case;
b. Issue/s involved;
c. Applicable laws or rules;
d. Conclusions and the reasons thereof; and
e. Specific remedy or relief granted.

SECTION 36. Service of Notices, Resolutions, Orders, Summons, Decisions and Other Official Issuances

Summons shall be served, through personal service, postal services, private courier, electronic mail, or any other practical means available to the respondent/s and any other party to the case by the Legal Office staff or its designated authorized personnel of the concerned PhilHealth Regional Office (PRO). The authorized personnel of the PRO-Legal Office shall accordingly indicate in his "Certificate of Service" the complete name and position of the recipient.

Other orders, processes and official issuances may be served through personal service, postal services, private courier, electronic mail, or any other practical means available.

Service by electronic means shall be made if the party concerned consents to such mode of service.

Service by electronic means shall be made by sending an e-mail to the party's or counsel's electronic mail address, or through other electronic means of transmission as the parties may agree on, or upon the direction of the adjudication office.

Completeness of Service of notice/order/decision and other processes:

a. Personal Service is complete upon actual delivery.
b. Service by registered Mail is complete upon actual receipt by the addressee, or after five (5) calendar days from the date the respondent received the first notice of the postmaster, whichever date is earlier.
c. Service by private courier is complete upon actual receipt by the addressee, or after at least two (2) attempts to deliver by the courier service, or upon the expiration of five (5) calendar days after the first attempt to deliver, whichever is earlier.

Electronic Service is complete at the time of the electronic transmission of the document, or when available, at the time that the electronic notification of service of the document is sent. Electronic service is not effective or complete if the party serving the document learns that it did not reach the addressee or person to be served.

SECTION 37. Proof of Completeness of Service

For documents sent through the PhilHealth Regional Office -Legal Offices, the signed Mailing Transmittal List shall be forwarded to the Adjudication Office together with the Certificate of Service signed by the authorized personnel of the PRO-Legal Office who delivered the official document which shall be filed on the corresponding case record.

For documents sent through other modes of service, proofs of service such as registry return receipts, airway bills and other proofs of receipt shall be attached to the corresponding case record and shall be considered as completed service.

SECTION 38. Finality of Decision of the Adjudication Office

If no appeal is taken from the decision of the Adjudication Office within fifteen (15) days from receipt of the copy by the parties, the decision shall be final and executory. The Adjudication Office shall issue a Certificate of Finality which shall contain the dispositive part of the decision

and signed by the Executive Arbiter certifying that such decision has become final and executory.

A. Issuance of Writ of Execution

After the decision of the Adjudication Office has become final and executory and there is a corresponding penalty to be imposed, the Adjudication Office shall motu propio issue the Writ of Execution to the FFIED.

B. Service of the Writ of Execution

The Adjudication Office shall issue a directive to FFIED to serve the Writ of Execution within fifteen (15) days from receipt of the Travel Authority, through personal service to the respondent.

C. Enforcement of the Writ of Execution

1. The FFIED shall ensure the satisfaction of judgment within thirty (30) days from receipt of the writ by the respondent, and submit a report on the compliance or partial compliance or non-compliance to the Adjudication Office of the Writ;

2. Within ten (10) days prior to the commencement of the suspension or denial of accreditation in the Writ, the FFIED and/or representatives from the Legal Office and Accreditation Section of the PRO, shall post Notices of Suspension/Denial of Accreditation in three (3) conspicuous areas within the facility, preferably near the *"PhilHealth Accredited"* signage, the main entrance of the respondent health care provider's building/location, and near the Billing or Accounting Office of the respondent health care provider where settlement of hospital bills are transacted;

3. For the imposition of suspension of accreditation, the Accreditation Department shall effect the necessary revisions to the Accreditation Database and shall inform the FFIED that the necessary suspension has been effected and reflected in the database.

For unpaid fines/receivables or where the respondent failed to timely satisfy the penalty of fine, the same shall be deducted from the benefit claims pending for processing or to be filed by the respondent health care provider with the Corporation, or from any other money claims and/or receivables by the health care provider from the Corporation. The unpaid fine shall be recovered from the directors, incorporators or officers of the respondent.

RULE X
APPEALED ADMINISTRATIVE CASES

SECTION 39. Filing of Appeal

An appeal before the PhilHealth Board may be filed within fifteen (15) days from receipt of the decision issued by the Adjudication Office. No Motion for Extension of the period to file an appeal shall be allowed.

The appeal shall be filed with the Office of the Corporate Secretary either personally, by registered mail, or private courier, or through electronic mail with copies sent to the email addresses of those supposed to be recipients of the appeal.

a. If filed through personal service, the appeal shall be deemed filed with the Board on the date stamped on the face thereof by the Office of the Corporate Secretary;
b. If sent through registered mail, the date of mailing stamped by the Post Office shall be the date of filing of the appeal; and

c. If sent through private courier, the appeal is deemed filed on the date of receipt of the Office of the Corporate Secretary.
d. If sent through electronic mail, the date that the respondent or the complainant has sent the appeal through email shall be deemed the date of filing of the appeal.

The secretariat of the Philhealth Board shall provide the parties of the emails of those supposed recipients of the appeal.

SECTION 40. Perfection of Appeal

The appellant shall file the Memorandum of Appeal (eight original copies) with the Office of the Corporate Secretary, copy furnishing the other party and the Adjudication Office, and duly supported by the certified true copies of the official receipts as proof of payment of the appeal fee, appeal bond (cash bond) and legal research fund.

Requisites of a Perfected Appeal:

a. Filing of the Memorandum of Appeal in eight (8) original copies within the fifteen (15) day reglementary period. When the appeal is filed through electronic email, the appellant must file a memorandum of appeal.

b. Submission of Certified True Copy of the proof of payment of appeal fee, appeal bond (cash bond) and legal research fund; and

c. Proof of receipt of copy of Memorandum of Appeal by the other party and the Adjudication Office.

Failure to comply with the above-mentioned requirements shall be a ground for automatic and immediate dismissal of the appeal by the Clerk of the Board and the decision of the Adjudication Office shall become final and executory where Section 37 of Rule IX shall apply.

A. Contents of the Memorandum of Appeal

The Memorandum of Appeal shall contain the following details:

a. Date when the appealed decision was received;
b. Grounds relied upon;
c. Supporting arguments; and
d. Relief(s) prayed for.

B. Payment of Appeal Fee, Appeal Bond (Cash Bond) and Legal Research Fees:

The appeal fee shall be ten percent (10%) of the imposed fine but shall not to exceed ten thousand pesos (P10,000.00).

The appeal bond (cash bond) is equivalent to the penalty of fine imposed in the decision of the Adjudication Office.

An additional one percent (1%) of the appeal fee but not less than P10.00 shall likewise be collected for the legal research fund of the UP Law Center pursuant to RA 3870.

Appeal fees, appeal bond, and legal research fund may be paid at the nearest PhilHealth Office. Certified true copies of proof of payment of fees and bond posted shall be attached to the Memorandum of Appeal.

C. Exemption on Payment of Appeal Fee and Bond:

The appeal fees and appeal bond shall be waived under the following conditions:

a. When the appellant is PhilHealth; and
b. When the appellant is an indirect contributor he/she shall present proof as indirect contributor.

The Corporate Secretary shall issue a certificate of exemption on payment of appeal fee and bond.

SECTION 41. Transmittal of Records

The Adjudication Office shall transmit the original case record to the Office of the Corporate Secretary, accompanied by an Executive Briefer within ten (10) calendar days from receipt of the copy of the Memorandum of Appeal.

SECTION 42. The Clerk of the Board

The Clerk of the Board shall have the following powers and functions:

a. Supervise the creation, coordination, and maintenance of permanent record of Board actions, including historical and current official records; conduct research, interpret and analyze various reports and activities in relation to the issues brought to CAAC for deliberation; and assure that legally required Board operational processes and procedures are followed.

b. Send notices and other legal correspondence, if deemed necessary, and issue Certificate of Service or Certificate of Finality as the case may be, of a resolution of appealed administrative cases before the Board.

SECTION 43. Composition of the Committee on Appealed Administrative Cases (CAAC)

The CAAC shall be composed of a Chairperson, Vice-Chairperson, and at least three (3) members, one of whom is preferably a lawyer, or as may be determined by the Board of Directors.

SECTION 44. Functions of the CAAC

The CAAC shall have the following functions and responsibilities:

a. Study and review the decisions on administrative cases brought before the Board on appeal;
b. Review the grounds of appeal;
c. Deliberate and issue a decision on the appealed case within sixty (60) days from receipt of the Memorandum of Appeal; and
d. Provide reports and recommendations to the Board *en banc.*

SECTION 45. Conduct of Review of the CAAC

A. Deliberation of Administrative Cases on Appeal

The CAAC shall deliberate and issue a decision on the appealed case within sixty (60) days from receipt of the appeal.

The CAAC may require the parties to appear before them and/or submit its comment on the appeal as they may deem necessary. The CAAC may further invite the Adjudication Office, FFIED or PRO for clarificatory questions in resolving the appeal pending before them.

Upon judicious deliberation and discussion and with the concurrence and approval of the majority of all its members, the CAAC shall elevate its written report and draft decision for consideration and approval of the Board *en banc*.

B. Inhibition of CAAC Members in the Deliberation of Appealed Cases

Any member of the CAAC or the Board shall inhibit from participating in the deliberation and resolution of the appealed case should any of the following grounds exist:

1. If the Board member has a pecuniary interest (directly or indirectly in the case, or if he/she is related to the appellant or its Board of Directors/Trustees, Management or employees within the fourth civil degree;

2. If the Board member had been an executor, administrator, employee, consultant, guardian, trustee or counsel for the appellant;

3. Personal prejudice, hostility or any other similar reasons that may result in unwarranted bias in the resolution of the appeal, as may be determined by the CAAC or the Board as the case may be; and

4. Any other analogous grounds and/or provisions of laws that would constitute conflict of interest on the part of the Board Member.

C. Determination and Recommendation

The CAAC, in its recommendation to the Board, may affirm, modify, or reverse and set aside the decision of the Adjudication Office. It may also recommend to remand the case to the Adjudication Office for further proceedings.

D. Report and Recommendation to the Board

The Chairperson of the CAAC shall present the recommendation for consideration and approval by the Board *En Banc*. The recommendation shall include the following information:

1. Record of other cases filed against the appellant health care provider;
2. Proximity of other contracted/accredited health care institutions in the province, cities and municipalities served by the appellant;
3. Summary of claims paid and utilized within six (6) months before and after the date of the subject benefits claims; and
4. Such other documents that the Board may require.

SECTION 46. Decision on Appeal

The Board shall resolve the appeal within thirty (30) days from receipt of the CAAC recommendation.

A. Contents of Decision

The **Decision** of the Board shall state clearly and distinctly the following:

1. Findings of facts;
2. Issues and conclusions of law;
3. Relief/s denied or granted/, if any; and
4. If warranted, circumstance/s to consider the decision as imbued with public interest to justify its immediate execution.

B. The Decision of the Board Shall Be Immediately Executory Under Any of the Following Circumstances:

1. Where the act/s committed by the appellant health care provider/member endanger public health/safety of members/dependents;Where the act/s committed by the appellant health care provider/member is/are detrimental to the viability of the Program fund; and

2. Other analogous circumstances as may be determined by the Board when public interest so requires.

C. Issuance of Decision

Upon the issuance of the resolution, the Clerk of Board shall furnish copies to the parties and other concerned offices of PhilHealth, either by personal service, private courier or registered mail within seven (7) working days.

D. Entry of the Decision of the Board

The Clerk of Board shall record in its book the following:

1. Docket number;
2. Title of the case;
3. Dispositive portion of the decision.

The said book shall be under the official custody of the Clerk of Board or any officially designated custodian of the Office of the Corporate Secretary. Immediately after recording of the decision, the Clerk of Board shall forward the original case folder to the Adjudication Office.

SECTION 47. Motion for Reconsideration or Any Other Related Pleadings

Only one (1) Motion for Reconsideration shall be allowed on decisions rendered by the PhilHealth Board on administrative cases against health care providers to be filed within fifteen (15) days from service of decision. No other pleadings shall be entertained.

SECTION 48. Execution of Decision of the PhilHealth Board

A. Execution of Board Decision Pending Appeal

1. The decision of the Board shall be immediately executory even pending appeal when the Board, as discussed in its decision;

2. The Corporate Secretary shall issue a 'Certificate of Execution' (COE) and accordingly forward the same to the Adjudication Office copy furnished the parties to the case;

3. Upon receipt of the COE by the Adjudication Office on the execution of the decision pending appeal, it shall issue the 'Writ of Execution' copy furnished the parties and the concerned PhilHealth Office/s.

4. Upon the lapse of the reglementary period to file an appeal and no appeal is filed by the parties, the Clerk of Board shall issue a Certificate of Finality (COF) and furnish the parties and the Adjudication Office with the COF;

The Certificate of Finality shall contain the following:

a. Dispositive portion of the decision of the Board of Directors;
b. Signature of the Clerk of Board certifying that such decision has become final and executory.

5. Upon receipt of the decision of the Board and the COF, the Adjudication Office shall motu propio issue the Writ of Execution and shall issue the necessary orders and directives to the concerned PhilHealth offices accordingly within three (3) days from issuance of the Writ.

SECTION 49. Execution, Satisfaction and Effects of Judgment

The decision of the Board on an appeal of a health care provider/member shall be executed after it has become immediately executory or final and executory, as the case maybe, provided that the penalty of fine shall be satisfied in the following order: (1) Forfeiture of the appeal bond; (2) Actual payment of the fine; (3) Charge to future claims; and, (4) Restitution of paid claims.

A. Issuance of Writ of Execution

After the decision of the Board has become final and executory or immediately executory even pending appeal when imbued with public interest and there is a corresponding penalty to be imposed, the Adjudication Office, upon the receipt of the COE or COF, shall motu propio issue a Writ of Execution to the FFIED.

B. Service of the Writ of Execution

For decisions of the Board not imbued with public interest and therefore not immediately executory pending appeal, the Adjudication Office, motu proprio or upon motion for the issuance of writ of execution by the Prosecution Department, shall issue a Writ of Execution, and thereafter directly coordinate with the FFIED for the proper and effective service and execution of the Writ.

C. Enforcement of the Writ of Execution

1. The FFIED shall ensure the satisfaction of judgment within thirty (30) days from receipt of the Writ by the respondent, and submit a report on the compliance or partial compliance or non-compliance to the Adjudication Office of the Writ.

2. Within ten (10) days prior to the commencement of the suspension or denial of accreditation in the Writ, the FFIED and/or representatives from the Legal Office and Accreditation Section of the PRO shall post Notices of Suspension/Denial of Accreditation in three (3) conspicuous areas within the facility, preferably near the *"PhilHealth Accredited"* signage, the main entrance of the respondent health care provider's building/location, and near the Billing or Accounting Office of the appellant-respondent health care provider where settlement of hospital bills are transacted.

3. For the imposition of suspension of accreditation, the Accreditation Department shall effect the necessary revisions to the Accreditation Database and shall inform the FFIED that the necessary suspension has been effected and reflected in the database.

For unpaid fines/receivables or where the appellant-respondent failed to timely satisfy the penalty of fine, the same shall be deducted from the benefit claims pending for processing or to be filed by the respondent health care provider with the Corporation, or from any other money claims and/or receivables by the health care provider from the Corporation. The unpaid fine shall also be recovered from the directors, incorporators or officers of the appellant-respondent.

SECTION 50. Compliance/Report to the CAAC and the Board

The Adjudication Office shall submit to the Board through the Office of the Corporate Secretary the FFIED Compliance Report within fifteen (15) days from receipt of the same.

The Compliance Report shall contain the following information:

a. Date of service of Writ of Execution;
b. Effectivity of suspension of accreditation;
c. Date and details of payment of fine;
d. Other pertinent information

SECTION 51. Posting of Decision in the PhilHealth Website

Decisions of the PhilHealth Board which have been deemed final and executory shall be posted in the PhilHealth Website subject to the provisions of the Data Privacy Act of 2012.

SECTION 52. Applicability of this Rules

Complaints and formal charges already filed with and under deliberation by appropriate bodies of the Corporation prior to the effectivity of these Rules shall be governed in accordance with the previous rules.

Title II

DEFINITION OF OFFENSES AND PENALTIES

RULE XI
OFFENSES BY INSTITUTIONAL HEALTH CARE PROVIDERS

SECTION 53. Classifications of Offenses

Offenses committed by health care providers are classified as follows:

a. Fraudulent acts,
b. Unethical acts, and
c. Abuse of authority.

SECTION 54. Penalties

Fraudulent acts, unethical acts, and abuse of authority committed by health care providers as defined in the Act shall be penalized, after due notice and hearing, with a fine of Two Hundred thousand pesos (P 200,000.00) per count, or suspension of contract up to three (3) months or the remaining period of its contract or accreditation, whichever is shorter, or both, at the discretion of PhilHealth, taking into consideration the gravity of the offense.

SECTION 55. Definition of Offenses

PhilHealth shall prescribe the definitions of offenses of health care providers.

A. Fraudulent Acts shall include, but not limited to the following:

Committed by Health Facility, Community-Based Health Care Organization, Pharmacy or Drug Outlet, and Laboratory and Diagnostic Clinic:

1. Padding of claims, reports and/or health and health-related data;
2. Submission of claims, reports and/or health and health- related data for non-admitted or non-treated patient;
3. Extending period of confinement;
4. Post-dating of confinement period;
5. Misrepresentation by furnishing false or incorrect information;
6. Fabrication and/or possession of fabricated forms and supporting documents; and
7. Other fraudulent acts.

Committed by Professional:

1. Misrepresentation by furnishing false or incorrect information; and
2. Other fraudulent acts.

B. Unethical acts shall include, but not limited to the following:

Committed by Health Facility, Community-Based Health Care Organization, Pharmacy or Drug Outlet, and Laboratory and Diagnostic Clinic:

1. Overbilling;
2. Upcasing, upcoding, diagnosis creeping or procedure creeping;
3. Recruitment practice
4. Harboring ghost patients or recruitment practice;
5. Refusal to admit and/or provide appropriate service; and
6. Other unethical acts.

Committed by Professional:

1. Overbilling;
2. Upcasing, upcoding, diagnosis creeping or procedure creeping;
3. Harboring ghost patients or recruitment practice;

4. Refusal to admit and/or provide appropriate service;
5. Violation of code of ethics; and
6. Other unethical acts.

C. Abuse of authority shall include, but not limited to the following:

Committed by Health Facility, Community-Based Health Care Organization, Pharmacy or Drug Outlet, and Laboratory and Diagnostic Clinic:

1. Filing of multiple claims, reports and/or health and health related data;
2. Non-compliance with no co-payment/co-payment policy;
3. Breach of the Warranties of Accreditation/Performance Commitment;
4. Unauthorized procedures beyond service capability; and
5. Other unauthorized acts.

D. Committed by Professional

1. Non-compliance with no co-payment/ co-payment policy;
2. Breach of the Warranties of Accreditation/Performance Commitment; and
3. Other unauthorized acts.

E. Liabilities of Officers and Employees of Health Facility, Community-Based Health Care Organization, Pharmacy/Laboratory and Diagnostic Clinic.

If the health care provider is a juridical person, its officers and employees or other representatives found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable. Recidivists may no longer be contracted as participants of the Program.

I. FRAUDULENT ACTS

SECTION 56. Padding of Claim, Report and/or Health and Health-Related Data

Any health care provider who prepares or submits a claim, report and/or health and health-related data for benefits which are in excess of the benefits actually provided by adding drugs, medicines, supplies, procedures or services.

SECTION 57. Submission of Claim, Report and/or Health and Health-Related Data for Non-Admitted or Non-Treated Patients

Any health care provider who submits a claim, report and/or health and health-related data for a non-admitted or non-treated patient in the following manner:

a. Making it appear that the patient was actually confined or treated in the health facility; or
b. Using such other machinations that would result in the submission of a claim, report and/or health and health-related data for non-admitted or non-treated patients.

SECTION 58. Extending Period of Confinement

Any health facility who submits a claim, report and/or health and health-related data with unnecessary extension of confinement by:

a. Increasing the number of hours of confinement of any patient;
b. Continuously charting entries in the Doctor's Order, Nurse's Notes and Observation, and other clinical/health and health-related data despite actual discharge or absence of the patient; or
c. Using such other machinations that would result in the unnecessary extension of confinement.

SECTION 59. Post-Dating of Confinement Period

Any health facility who alters the period of confinement to conform with the prescribed period of filing of claim, report and/or health and health-related data, or such other prescriptive periods as the Corporation may prescribe.

SECTION 60. Misrepresentation by Furnishing False or Incorrect Information

Any health care provider shall be liable when it furnishes false or incorrect information concerning any matter required by RA 7875, as amended, and the Universal Health Care Act. This offense includes but is not limited to the following acts involving benefit claims/reimbursements for diagnosis-related groupings:

a. Code substitution – claiming for unrelated illness or procedure with higher benefit payment in lieu of actual illness or procedure or to be able to qualify for reimbursement;

b. Adding a non-existing condition in the diagnosis in order to qualify for reimbursement or receive higher benefit payment; or

c. Making it appear that the patient suffered from a compensable illness or underwent a compensable procedure.

SECTION 61. Fabrication and/or Possession of Fabricated Forms and Supporting Documents

Any health care provider who is found preparing claims, reports and/or health and health-related data with misrepresentations or false entries, or to be in possession of claim forms, reports and/or health and health-related data without authority, and other documents with false entries.

SECTION 62. Other Fraudulent Act

Any health care provider who performs an act that deviates from the normal procedure and is undertaken for personal gain, resulting thereafter to damage and prejudice to the National Health Insurance Program (NHIP) which may be capable of pecuniary estimation.

II. UNETHICAL ACTS

SECTION 63. Overbilling

Any health care provider who charges patients which are above and/or beyond what is necessary or reasonable.

SECTION 64. Upcasing, Upcoding, Diagnosis Creeping or Procedure Creeping

Any health care provider shall be liable when it files a claim, report and/or health and health related data for a related illness or procedure of higher severity or complexity to qualify for reimbursement or to gain higher benefit payment.

SECTION 65. Recruitment Practice

Any health care provider who engages in solicitation of patients by any means or form or through any medium.

Recruitment practice pertains to the conduct of any health care provider or through other individuals, who knowingly or willfully offers, pays, solicits or receives anything of value for the purpose of obtaining patients. Such practices shall include but not limited to the following:

a. Medical missions in which a health care provider has directly or indirectly entered into a contract or any agreement and/or linked up or tied-up with a non-government organization or an institution in the guise of charity or community service for the sole purpose of soliciting PhilHealth patients;

b. Medical missions limited to PhilHealth members and their beneficiaries only;

c. Medical missions primarily done for purposes of profit or gain which do not promote the best interest of the patient or the NHIP;

d. The health facility solicits patients through other recruitment schemes for the purpose of enrollment to PhilHealth; and

e. Other analogous activities.

SECTION 66. Harboring Ghost Patients

Any health care provider who, either intentionally or unintentionally, includes in its list of patients or members who are either dead, fictitious, cannot be located for a period of at least six (6) months, or a patient who had not visited them within a period of two (2) years from last confinement or check-up.

SECTION 67. Refusal to Admit and/or Provide Appropriate Service

Any health care provider who refuses to admit and/or provide appropriate service to any patient.

SECTION 68. Other Unethical Acts

Any health care provider who performs an act contrary to the Code of Ethics of the responsible person's profession or practice, or other analogous acts which put or tends to put in disrepute the integrity and effective implementation of the NHIP.

III. ABUSE OF AUTHORITY

SECTION 69. Filing of Multiple Claim/Report and/or Health and Health-Related Data

Any health care provider who files two or more claims, reports and/or health and health related data for a patient who has been confined or underwent outpatient treatment once but was made to appear as having been confined or undergone outpatient treatment for two or more times and/or for two or more different illnesses for the same confinement or outpatient treatment.

SECTION 70. Non-Compliance to No Co-Payment/Co-Payment Policy

Any health care provider who failed to comply with the no co-payment/co-payment policy.

SECTION 71. Breach of the Warranties of Accreditation/Performance Commitment

Any health care provider who commits any breach of its Warranties of Accreditation/Performance Commitment.

SECTION 72. Unauthorized Procedures Beyond Service Capability

Any health facility who performs procedures not within its authorized capability, except in emergency cases to save lives or referral to a facility with suitable capability is physically impossible.

SECTION 73. Other Unauthorized Acts

Any health care provider who performs any other acts that go beyond what is authorized by the Universal Health Care Act and RA 7875, as amended and their Implementing Rules and Regulations that are inimical to the public.

IV. APPLICATION OF MITIGATING AND AGGRAVATING CIRCUMSTANCES

SECTION 74. Mitigating and Aggravating Circumstances

The following circumstances shall affect the gravity of the violation and the liability of the erring health care provider:

a. Mitigating circumstances – voluntary admission of guilt; good track record; or first offense.
b. Aggravating circumstances – previous conviction of an offense as provided for in these Rules; connivance and/or conspiracy to facilitate the commission of the violation; or gross negligence.
c. Such other similar circumstances that may mitigate or aggravate the violation and liability of the health care provider as may be determined by the Adjudication Office or by the Board, as the case may be.

SECTION 75. Application of Circumstances in the Imposition of Penalties

a. The presence of a mitigating circumstance without any aggravating circumstance shall limit the imposable penalty of suspension to its minimum.

b. When there is neither a mitigating nor an aggravating circumstance, the imposable penalty of suspension shall be in its medium period. The same shall apply when both mitigating and aggravating circumstances are present.

c. The presence of any aggravating circumstance without any mitigating circumstance shall increase the penalty for the offense to its maximum.

Suspension of Contract/Accreditation and/or Fine		
Minimum	**Medium**	**Maximum**
1 day to 1 month suspension and/or fine of P 200,000.00	1 month 1 day to 2 months suspension and/or fine of P200,000.00	2 months 1 day to 3 months suspension and/or fine of P 200,000.00

V. CRIMINAL CASE

SECTION 76. Violation of RA 7875, as Amended, and RA 11223 (Universal Health Care Act)

In addition, a criminal complaint shall be filed against the officers, employees or other representatives of the health facility, community-based health care organization, pharmacy/laboratory and diagnostic clinic, found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation.

Recidivists may no longer be contracted as participants of the Program. A criminal violation is punishable by imprisonment of six (6) months and one (1) day up to six (6) years, upon the discretion of the court without prejudice to criminal liability defined under the Revised Penal Code.

VI. CIVIL CASE

SECTION 77. Filing of Civil Action

The filing of an administrative or criminal action does not preclude PhilHealth from filing a separate civil action against the health care provider before the appropriate court.

RULE XII

OFFENSES BY HEALTH CARE PROFESSIONALS

I. FRAUDULENT ACTS

SECTION 78. Misrepresentation by False or Incorrect Information

Any health care professional shall be liable for fraudulent practice when he/she furnishes false or incorrect information concerning any matter required by RA 7875, as amended, and the Universal Health Care Act.

This offense covers or includes but are not limited to the following acts involving benefit claims/reimbursements for diagnosis-related groupings:

a. Code substitution – claiming for unrelated illness or procedure with higher benefit payment in lieu of actual illness or procedure or to be able to qualify for reimbursement.

b. Adding a non-existing condition in the diagnosis in order to qualify for reimbursement or receive higher benefit payment; or

c. Making it appear that the patient suffered from a compensable illness or underwent a compensable procedure.

SECTION 79. Other Fraudulent Acts

Any health care professional who performs an act that deviates from the normal procedure and is undertaken for personal gain, resulting thereafter to damage and prejudice to the NHIP which may be capable of pecuniary estimation.

II. UNETHICAL ACTS

SECTION 80. Overbilling

Any health care professional who charges patients which are above and/or beyond what is necessary or reasonable.

SECTION 81. Upcasing, Upcoding, Diagnosis Creeping, or Procedure Creeping

Any health care professional shall be liable for unethical practice when he/she files a claim/reimbursement for a related illness or procedure of higher severity or complexity to qualify for reimbursement or to gain higher benefit payment.

SECTION 82. Harboring Ghost Patients or Recruitment Practices

Any health care professional who engages in harboring ghost patients and recruitment practice or solicitation of patients by any means or form or through any medium to obtain undue advantage against other health care professionals prejudicial to the NHIP.

Harboring ghost patients refers to the act (deliberate retentions) or omission (failure to update)of any health care professional or health care provider network of keeping in its record a list of patients who are either dead, fictitious, or cannot be located for a period of at least six (6) months, or a patient who had not visited them within a period of three (3) years from last confinement or check-up.

Recruitment practice pertains to the conduct of any health care professional or through other individuals, who knowingly or willfully offers, pays, solicits or receives anything of value for the purpose of obtaining patients. Such practices shall include but are not limited to the following:

a. Medical missions in which a health care professional has directly or indirectly entered into a contract or any agreement and/or linked up or tied-up with a non-government organization or an institution in the guise of charity or community service for the sole purpose of soliciting PhilHealth patients;
b. Medical missions limited to PhilHealth members and their beneficiaries only;
c. Medical missions primarily done for purposes of profit or gain which does not promote the best interest of the patient or the NHIP;
d. The health care provider solicit/s patients through other recruitment schemes for purposes of enrollment to PhilHealth; and
e. Other analogous activities.

SECTION 83. Refusal to Admit and/or Provide Appropriate Services

Any health care professional who refuses to admit and/or provide appropriate service to any patient.

SECTION 84. Violation of the Code of Ethics

Additional administrative charge/s shall be filed against any health care professional who committed acts contrary to the Code of Ethics of the responsible person's profession or practice, or other similar or analogous acts that put or tends to put in disrepute the integrity and effective implementation of the NHIP, before the Professional Regulation Commission (PRC) or before the proper societies and/or associations.

SECTION 85. Other Unethical Acts

Any health care professional who performs an act contrary to the Code of Ethics of the responsible person's profession or practice, or other analogous acts which put or tends to put in disrepute the integrity and effective implementation of the NHIP.

III. ABUSE OF AUTHORITY

SECTION 86. Non-Compliance to No Co-Payment/Co-Payment Policy

Any health care professional who failed to comply with the No Co-Payment/Co-Payment Policy.

SECTION 87. Breach of the Warranties of Accreditation/Performance Commitment

Any health care professional found to have committed any Breach of the Warranties of Accreditation/Performance Commitment.

SECTION 88. Other Unauthorized Acts

Any health care professional provider who performs any other acts that go beyond what is authorized by the Universal Health Care Act and RA 7875, as amended, or their Implementing Rules and Regulations that are inimical to the public.

VI. CRIMINAL CASE

SECTION 89. Violations of RA 7875, as Amended, and RA 11223 (Universal Health Care Act)

In addition, a criminal complaint shall be filed against health care professionals found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation.

Recidivists may no longer be contracted as participants of the Program. A criminal violation is punishable by imprisonment of six (6) months and one (1) day up to six (6) years, upon discretion of the court without prejudice to criminal liability defined under the Revised Penal Code.

V. CIVIL CASE

SECTION 90. Filing of Civil Action

The filing of an administrative or criminal action does not preclude PhilHealth from filing a separate civil action against health care professionals before the appropriate court.

RULE XIII

OFFENSES BY MEMBERS

SECTION 91. Offenses by Members

Members who:

a. Commit any violation of the Act; Fail to pay all missed contributions with interest, compounded monthly, as provided for in Section 9 of the Act; or
b. Knowingly and deliberately cooperate or agree, whether explicitly or implicitly, to the commission of a violation by a contracted health care provider or employer as defined in this section, including the filing of fraudulent claims for benefits or entitlement under this Act, shall be punished, after due notice and hearing, by a fine of Fifty thousand pesos (P50,000) for each count, or suspension from availment of benefits of the Program for not less than three (3) months but not more than six (6) months, or both, at the discretion of PhilHealth.

RULE XIV

OFFENSES BY EMPLOYERS

SECTION 92. Failure or Refusal to Register Employees

Any employer, officer, or responsible employee who deliberately or through inexcusable negligence fails or refuses to register employees regardless of their employment status shall be punished, after due notice and hearing, with a fine of Fifty thousand pesos (P50,000) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

SECTION 93. Failure or Refusal to Deduct Contributions

Any employer, officer, or responsible employee who deliberately or through inexcusable negligence fails or refuses to accurately and timely deduct contributions from the employee's compensation shall be punished, after due notice and hearing, with a fine of Fifty thousand pesos (P50,000) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

SECTION 94. Failure or Refusal to Accurately and Timely Remit Contributions

Any employer, officer, or responsible employee who deliberately or through inexcusable negligence fails or refuses to accurately and timely remit contributions from the employee's compensation shall be punished, after due notice and hearing, with a fine of Fifty thousand pesos (P50,000) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

SECTION 95. Failure or Refusal to Submit Reports

Any employer, officer, or responsible employee who deliberately or through inexcusable negligence fails or refuses to submit reports of the same to PhilHealth shall be punished, after due notice and hearing, with a fine of Fifty thousand pesos (P50,000) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

SECTION 96. Unlawful Deductions

Any employer or its officers or employees who deducts, directly or indirectly, from the compensation of the covered employees or otherwise recover from them the employer's own contribution on behalf of such employees shall be punished, after due notice and hearing, with a fine of Five thousand pesos (P5,000) multiplied by the total number of affected employees or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

If the unlawful deduction is committed by an association, partnership, corporation or any other institution, its managing directors or partners or president or general manager, or other persons responsible for the commission of the act shall be liable for the penalties provided for in this Act.

SECTION 97. Presumption of Misappropriation

Any employer, officer, or employee authorized to collect contributions under this Act who, after collecting or deducting the monthly contributions from the employee's compensation, fails or refuses for whatever reason to accurately and timely remit the contributions to PhilHealth within thirty (30) days from due date shall be presumed *prima facie* to have misappropriated the same and is obligated to hold the same in trust for and in behalf of the employees and PhilHealth, and is immediately obligated to return or remit the amount.

If the employer is a juridical person, its directors, trustees, president, general manager, partners, and other officers and employees or other representatives found to be responsible, whether they acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable.

SECTION 98. Payment of Missed Contributions

PhilHealth shall provide additional Program benefits for direct contributors, where applicable: Provided, That failure to pay premiums shall not prevent the enjoyment of any Program benefits: Provided, further, That employers and self-employed direct contributors shall be required to pay all missed contributions with interest, compounded monthly, of at least three percent (3%) for employers and not exceeding one and one-half percent (1.5%) for self-earning, professional practitioners, and migrant workers.

RULE XV Offenses by PhilHealth Directors, Officers, or Employees

SECTION 99. Offenses by PhilHealth Directors, Officers, or Employees

Any director, officer or employee of PhilHealth who:

a. Without prior authority or contrary to the provisions of this Act or its implementing rules and regulations, wrongfully receives or keeps funds or property payable or deliverable to PhilHealth, and who appropriates and applies such fund or property for personal use, or shall willingly or negligently consents either expressly or implicitly to the misappropriation of funds or property without objecting to the same and promptly reporting the matter to proper authority, shall be liable for misappropriation of funds under this Act and shall be punished, after due notice and hearing, with a fine equivalent to triple the amount misappropriated per count and suspension for three (3) months without pay.

b. Commits an unethical act, abuse of authority, or performs a fraudulent act shall be administratively liable, after due notice and hearing, to pay a fine of Two hundred

thousand pesos (P200,000) or suspension of three (3) months without pay, or both, at the discretion of PhilHealth, taking into consideration the gravity of the offense. The same shall also constitute a criminal violation punishable by imprisonment for six (6) months and one (1) day up to six (6) years, upon discretion of the court without prejudice to criminal liability defined under the Revised Penal Code.

Rule XVI Other Violations

SECTION 100. Other Violations

Other violations of the provisions of this Act or of the rules and regulations promulgated by PhilHealth shall be punished, after due notice and hearing, with a fine of not less than Five thousand pesos (P5,000) but not more than twenty thousand pesos (P20,000).

Failure to submit health and health-related data to PhilHealth by health-related entities shall be penalized, after due notice and hearing, with a fine of not less than Five thousand pesos (P5,000) but not more than Twenty thousand pesos (P20,000.00)per count.

All other violations involving funds of PhilHealth shall be governed by the applicable provisions of the Revised Penal Code or other laws, taking into consideration the rules on collection, remittances, and investment of funds as may be promulgated by PhilHealth.

SECTION 101. Effect of Cessation of Operation

Despite the cessation of operation by a health care provider or termination of practice of an independent health care professional while the complaint is being heard, the proceeding shall continue until the resolution of the case.

RULE XVII

Administrative Protest

SECTION 102. Filing of Protest before the PRO-Claims Review Committee (CRC)

Upon receipt of the notice of denial of the BAS by the Hospital or member, they shall have sixty (60) days to file their Protest before the PRO-CRC.

SECTION 103. Appeal Before the Protests and Appeals Review Department (PARD)

Within fifteen (15) days from receipt of the order of the PRO denying the Administrative Protest of an aggrieved health care provider or member, any party may file a letter-appeal with the PARD with proof of payment of the requisite appeal fee.

The appeal fee shall be prescribed by the Corporation, and may be paid at the nearest PhilHealth Office and certified true copies of proof of payment shall be attached to the letter-appeal.

The appeal fee is not required if the appellant is an indirect contributor of the Program.

SECTION 104. Perfection of Appeal

Requisites of a perfected appeal:

a. Filing of letter-appeal within the prescribed period;
b. Certified true copy of the proof of payment of appeal fee;
c. Electronic copy of claim documents;
d. Submission of soft copy/email copy of claims transmittal list; and
e. Failure to comply with the above-mentioned requirements shall be a ground for immediate dismissal of the appeal.

SECTION 105. Contents of Letter-Appeal

The letter-appeal must contain the following:

a. Date when the appealed order from the PRO-CRC was received;
b. Grounds relied upon;
c. Supporting arguments; and
d. Relief prayed for.

SECTION 106. Modes of Filing of the Appeal

The letter-appeal shall be filed with the PARD, either personally, by registered mail, by private courier, or thru electronic submission. The modes of filing are as follows:

a. If filed through personal service, the Appeal shall be deemed filed with the PARD on the date stamped on the face thereof by the PARD;
b. If sent through registered mail, the date of mailing stamped by the post office shall be the date of filing of the appeal; and
c. If sent through private courier, the appeal is deemed filed on the date of receipt of the PARD.
d. If sent electronically, the appeal is deemed filed on the date of receipt by PARD.

SECTION 107. Non-extension of Appeal Period

No motion for extension of the period to file appeal shall be allowed.

SECTION 108. Decision of PARD

The PARD may grant or deny an appeal based on the evidence and/or proof submitted by the appellant. The PARD shall resolve the appeals, as far as practicable, within a period of sixty (60) days from receipt of the appeal, citing the facts and the law or rules on which the same is based. The resolution of the PARD shall be final and executory.

SECTION 109. Miscellaneous Provisions

A. Liberal Construction

These Rules shall be liberally construed to carry out the objectives of RA No. 7875, as amended, by RA Nos. 9241, 10606, and 11223, and assist the parties in obtaining an expeditious and inexpensive resolution of any case arising under the said Act.

B. Suppletory Application of the Rules of Court and Jurisprudence

The pertinent provisions of the Rules of Court and prevailing jurisprudence may be applied in a suppletory character to all cases in the interest of expeditious resolution of these cases.

C. Technical Rules

The Corporation shall not be bound by the technical rules of evidence.

D. Separability Clause

If any provision of these Rules is declared invalid or unconstitutional, the unaffected provisions shall remain valid and in full force and effect.

E. Repealing Clause

Upon effectivity of these Rules, all Orders, Resolution, Memoranda, Circulars and all other policy issuances inconsistent with these Rules are repealed and/or modified accordingly.

F. Effectivity

These Rules shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon filing a copy thereof with the Office of the National Administrative Register (ONAR) of the UP Law Center.