



# ARANGKADA

TUNGO SA KALUSUGANG PANGKALAHATAN

2012 ANNUAL REPORT

PHILIPPINE HEALTH INSURANCE CORPORATION  
2012 ANNUAL REPORT

# ARANGKADA

## TUNGO SA KALUSUGANG PANGKALAHATAN



### COVER STORY

The 2012 PhilHealth Annual Report strives to reflect the message of this year's theme; **"Arangkada: Tungo sa Kalusugang Pangkalahatan"**.

PhilHealth continues to come out with innovative programs and policies to meet the constantly changing health care demands of Filipinos. Moreover, these innovations should roll out in a timely manner to ensure immediate service improvements of its members. In this regard, the company continues to accelerate the development of strategic programs and policies that will provide all-inclusive health coverage to Filipinos.



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We have signed landmark legislative measures that will allow for informed, responsible decision-making, and generate funds that will subsidize the wide-scale implementation of Philhealth programs and other endeavors that elevate the quality of health care in our country.

My warmest greetings to the board, administration, and staff of the Philippine Health Insurance Corporation on the publication of your 2012 Annual Report.

Our government's comprehensive health care initiatives are predicated on every Filipino's right to lead meaningful, dignified lives. To this end, we have signed landmark legislative measures that will allow for informed, responsible decision-making, and generate funds that will subsidize the wide-scale implementation of PhilHealth programs and other endeavors that elevate the quality of health care in our country.

Your accomplishments for 2012 sustain the upward trajectory of success that PhilHealth has enjoyed since the beginning of our administration; 2.5 million new members and dependents, Php47 billion in additional revenue, and a 35% increase in benefit payments, alongside partnerships with the Department of Social Welfare and Development, local government units, and accredited health care providers and professionals.

In our goal to direct our policies towards actual implementation, may you ensure that PhilHealth members, particularly those from households belonging to the lowest quintiles, receive the best possible care; that our response mechanisms are efficient and up-to-date; and that PhilHealth remains a politically-insulated channel for the empowerment of our people.

I count on your continued solidarity as we work to secure a robust future for all Filipinos.

  
**BENIGNO S. AQUINO III**  
President  
Republic of the Philippines



And one of the successes of KP is the strengthened National Health Insurance Program not only with the improvement of the PhilHealth Enrolment Rate but also with the expansion of health benefits especially for the poor.

The Aquino administration places a high premium on health. Acknowledging that health remains to be elusive to a significant part of the population, the Universal Health Care or Kalusugang Pangkalahatan (KP) was formulated and supported to address the issue of inequity in health.

Kalusugang Pangkalahatan is focused on the plight of our poorest countrymen whose health needs have been neglected for so long. We want to ensure that all Filipinos have access to health services and we are doing this by pursuing reforms in the country's health care system. These reforms are strategically directed to 1) improve financial risk protection for the poor, 2) enhance the quality of government health facilities, and 3) scale up public interventions to achieve our Millennium Development Goals (MDGs).

And true to the President's commitment, KP had made great strides for the past three years. And one of the successes of KP is the strengthened National Health Insurance Program not only with the improvement of the PhilHealth Enrolment Rate but also with the expansion of health benefits especially for the poor.

Through the PhilHealth 2012 Annual Report, the Corporation's achievements in terms of improving financial risk protection for all Filipinos can be presented. Also, this Annual Report may serve as an evaluation tool to further improve the National Health Insurance Program.

I am counting on the continued support and expertise of the Executive Committee members and all our officers as well as the commitment and dedication of each and every staff as we pursue the vision of the Corporation. "Bawa't Pilipino Miyembro, Bawa't Miyembro Protektado, Kalusugan natin Segurado" and achieve Kalusugang Pangkalahatan.

Mabuhay tayong lahat!

  
**ENRIQUE T. ONA M.D.**  
Secretary of Health

## THE REPORT OF THE PRESIDENT AND CEO



2012 was admittedly a challenging year of many ups and downs. However, we have also accelerated the development and roll-out of many new and renewed initiatives that have allowed us to not just improve our services, but also to strengthen relationships with our partners and foster a greater sense of involvement within ourselves. Now that we're still at the threshold of 2013, let us look back at the year that was and see how it has truly been a year of many things for us, and our Corporation.

### A year of massive expansion and performance leaps

Coverage of all Filipinos sits prime in our mandate of Universal Health Care. True enough, we expanded our reach with the coverage of all 5.2 million Filipino households and the families in these households that had been deemed as poor by the National Household Targeting System for Poverty Reduction of the Department of Social Welfare and Development (DSWD) (NHTS-PR) into the Sponsored Program. We have enrolled a total of 20.4 million indigents identified by the NHTS-PR.

The Local Government Units (LGUs) on their part, continued to enroll their poor constituents that were not included in the NHTS-PR list. A total of 3.7 million members and 12.6 million dependents were registered in our Sponsored Program by our partner LGUs.

KALUSUGANG  
PANGKALAHATAN  
FOR ALL  
FILIPINOS



At the end of the year, we have registered 84% of the entire population; this translates to a total of 81 million members and dependents nationwide, 2.5 million more than the recorded enrolment figure from the previous year. 41% of our total registered members belong to the Employed Sector (government and private), 29% from the Sponsored Program, and 18% from Individually Paying Program (IPP) while the rest are from the Overseas Workers Program (OWP) and Lifetime Member Program.

Sector	Registered Members	Members and Dependents
Government-Employed	2.03	6.43
Private-Employed	9.61	19.51
Sponsored Program	8.29	36.68
LGU/Regular	3.69	16.25
NHTS-PR	4.61	20.43
Individually-Paying	5.06	11.82
Lifetime Members	0.66	1.25
Overseas Workers Program	2.84	5.23
<b>Total</b>	<b>28.49</b>	<b>80.92</b>

In addition, the year 2012 saw an upsurge in coverage, from 53% in 2010 to an estimated 72% of the entire population; this translates to a total of 69 million members and dependents nationwide.

In addition, we also managed to generate PhilHealth ID Numbers (PINs) for 70 million members and dependents. More and more Filipinos are no longer afraid to be sick and be hospitalized with our health insurance coverage.

Sector	Covered Members	Members and Dependents
Government-Employed	2.03	6.43
Private-Employed	9.61	19.51
Sponsored Program	8.29	36.68
LGU/Regular	3.69	16.25
NHTS-PR	4.61	20.43
Individually-Paying	1.43	3.26
Lifetime Members	0.66	1.25
Overseas Workers Program	0.91	1.68
<b>Total</b>	<b>22.93</b>	<b>68.81</b>

We have coupled this with the expansion of our benefits from A to Z, ranging from improved primary care benefits to benefits for complicated illnesses and the intensified implementation of zero co-payment for the Sponsored Program for the case rates admissions in government hospitals.



The Primary Care Benefit I (PCB I) provides our members with basic quality health care available through accredited public health care providers nationwide. We believe in placing emphasis on preventive health maintenance before the onset of any serious illness. This is the reason why benefits that are offered under PCB I include regular blood pressure monitoring and health promotion like breastfeeding, counseling on lifestyle modification and smoking cessation.

PCB I provides and covers medicines for common diseases like asthma, acute gastroenteritis with no mild dehydration, upper respiratory tract infection, pneumonia and urinary tract infection. As of 2012, PCB I is initially offered to sponsored and organized members.

We have also introduced the “Z benefit”. Following our A-Z classification, our newest package of benefits aims to reduce out-of-pocket health care costs for

Z-level illnesses, or those identified as catastrophic, or accompanying prolonged hospitalization and expensive treatments.

Such treatments tend to be a financial burden to families and may even push them to poverty. With this in mind, we came up with a benefit that will not only cover hospital expenses but also guarantee totality of care and better health outcome.

We have initially classified childhood acute lymphocytic leukemia (ALL), breast and prostate cancer cases under the package. The costs for the complete treatment of these cases are Php210,000.00 for ALL and Php100,000.00 each for breast and prostate cancer. Also included are payments for hospital services such as room and board fees, drugs and laboratory exams, operating room and professional fees for the entire course of treatment.

We also remind our members that pediatric and adult tuberculosis treatments are covered through our Directly-Observed Treatment Short-course (TB-DOTS) Package. We publicly stated the reminder in May of 2012, when we noticed the rise in the number of tuberculosis cases in the country. It currently ranks sixth among the leading causes of morbidity and mortality in the Philippines and claims 75 to 90 lives daily.

For those members with newly-confirmed TB cases, they may enroll in the TB-DOTS programs in any of our more than 800 accredited private and public health facilities nationwide. At the onset, we pay Php4,000.00 for the entire six-month treatment which includes diagnostic work-up, consultation services and drugs provided on or after enrolment in the TB-DOTS program. As of December 2012, we have paid a total of Php22,875,000.00 for some 10,822 TB-DOTS cases.

We continue to push further to achieve our goal of Universal Health Care coverage for Filipinos. Our newly rolled-out health benefits provide greater coverage for our members.

Regarding our existing health packages, we are proud to report that in 2012, we have paid more than Php47 billion to an estimated 5 million claims. Half of the total number of claims paid for the year belongs to the formal sector and 24% from the IPP while 19% were claims from the Sponsored Program. Also, we would like to emphasize that more than a third of the total paid claims for the Sponsored Program were paid through our No Balance Billing Policy. Let us also note that 60% of the total claims were paid through our Case Rate Payment System.

Sector	Jan-Dec 2012	Percent Distribution
Government-Employed	6,846.31	15%
Private-Employed	13,379.02	28%
Sponsored Program	12,094.56	26%
Individually-Paying Program	9,622.85	20%
Overseas Workers Program	1,578.10	3%
Lifetime Program	3,689.70	8%
<b>Total</b>	<b>47,210.54</b>	<b>100%</b>

*“More and more Filipinos are no longer afraid to be sick and be hospitalized with our health insurance coverage.”*

For our partner providers, we managed to resolve 534 long-due pending cases, thanks to our Arbitration Department. Essentially, we have no more pending cases remaining other than the ones filed near the end of last year. We managed to bring down turnaround-time (TAT) of our claims to 33 days for case rates and 40 days for fee for service case with only 2 regions having TAT of more than 60 days. Of course, we also went down to the members and provided ample assistance and guidance for their convenience especially in availing of their benefits. 530 nurses were deployed to various hospitals through the **PhilHealth CARES (Customer Assistance, Relations and Empowerment Staff)** project. The main task of CARES is to provide outright assistance to our members and ensure that they are able to avail of their benefits by providing essential information at the point of service.



## SATISFIED AND EMPOWERED BENEFICIARIES AND STAKEHOLDERS

### A year of notable innovation and revolution

Also for the ease of our members, **PhilHealth MOVES (Mobile Orientation, Validation and Enrollment Scheme)** was deployed to different towns and barangays in tandem with the launching of **PhilHealth Express** in various malls and population centers. MOVES is an integrated marketing approach we have utilized primarily to provide cohesive strategies of ensuring members' commitment and enthusiasm on being informed of their membership coverage.



PhilHealth Express on the other hand, is another innovative approach we have employed to bring our services closer to our members nationwide as PhilHealth Express Offices are strategically positioned in places with high volume of people such as malls, public transport terminals and municipal halls nationwide. The main task of the PhilHealth Express is to expand our operations by providing standard frontline services to our members such as PIN, I.D. and MDR generation, member data amendment, premium collection, eligibility check

including benefit availment and sufficient regularity of payments and address other membership concerns.

We've also increased convenience in transactions through the expansion of the **Electronic Premium Remittance System (EPRS)**, set to be mandatory by 2013. Swift and paperless operations were also pursued through the launching of our full service e-Claims, translating to online filing of claims by 2013. Through the e-Claims, all our accredited health care providers will be given access to our database system enabling them to automatically verify the eligibility of our members and their dependents. We are optimistic that once the e-Claims is fully implemented, transactions will be faster and more convenient for our members and our partner-providers as well.

Even more, we've set up the **PhilHealth Account Management Strategy (PAMS)**. Thus, we are more connected with our partner employers and have a better handle of our monitoring through the 160 PhilHealth Accounts Information Management Specialists (P-AIMS). The PAMS aims to effectively monitor, generate and sustain membership in the Employed Sector. Among the major activities of PAMS in 2012 was the conduct of PhilHealth MOVES for the Employed Sector, main focus of which was to intensify our information campaign for the mandatory adoption of our Electronic Premium Reporting System (EPRS). In addition, the MOVES for the Employed Sector empowered the employers and their employees as they were updated of the latest PhilHealth initiatives for its members.



## A year of strengthened partnership and collaboration

Our effort to strengthen our partnerships does not just end at the transaction level. Moreover, it has further expanded to actual collaborations with corporate stakeholders, government agencies, and like-minded institutions.

For starters, in September 2012, we have signed a MOA with the University of the Philippines for open collaboration in such areas as research, training, etc. By striking a partnership with the premiere government academic institution, we shall be able to expand our knowledge base and improve our over-all service. In terms of information-dissemination, we have also conducted our **SHINES** (Social Health Insurance Educational Series) program before 303 officers and staff at the House of Representatives in August.

Our international collaborations are also starting to bear fruit. We have facilitated the release of Php24 million from the European Union – World Bank Health Sector Reform Project for the premium payment of 80,000 indigent families, who are neither in the NHTS-PR nor in the LGU-SP, in the Autonomous Region in Muslim Mindanao (ARMM). We have also been granted allocation from the Asian Development Bank worth Php1 million for the replication of the PhilHealth Expo in Ifugao, Ilocos Norte and Oriental Mindoro.

Additionally, we conducted the Small Partners' Meeting last August of 2012, wherein three (3) of the four (4) research agenda relating to the Balanced Scorecard have been successfully funded under the Institutional Development Fund of the World Bank. We have also entered into a Memorandum of Understanding between the Manila Economic Cooperation (MECO) and Taiwan Economic and Cultural Office (TECO) for health and health insurance collaboration in such areas as health care financing, payment reforms, insurer organization, quality of care and IT implementation. Overall, we have recorded 134 international development opportunities attended by 85 unique individuals – both PhilHealth officers and employees – from January 1 to December 31, 2012.

We have even found innovative ways to create additional funding. We raised Php22.32 million extra-budgetary support generated from local engagements, inclusive of PhilHealth Run sponsorships commitments.

We have made a valiant effort to strengthen our partner health care providers' knowledge regarding our processes and benefit packages through **PhilHealth REACHOUT**. Last November 2012, we have conducted our first ever ReachOut Forum at the Philippine Medical Association (PMA) in Quezon City. One hundred seventy (170) physicians including officers from different specialty and regional societies attended the said event. The ReachOut Forum provided updates and informed them of new policies/circulars and at the same time provided a venue for immediate feedback through interactive lectures and open forums. A booth was also provided for our accredited doctors wherein they could inquire about their unclaimed cheques, identification cards as well as on site renewal of their accreditation.

Accreditation of institutional health care institutions was streamlined to the licensing process of the Department of Health (DOH) by shifting to contracting, consequently enhancing the sense of trust between DOH and the Corporation. With the launch of basic and advance

provider engagement systems and the preferred provider scheme, appropriate incentives will be provided to health care institutions for supporting zero co-payment and other main priorities of the Corporation. This collaboration with DOH was further solidified and celebrated during the **Joint Operations and Action Summit (JOAS)** – a historic first convening of DOH and PhilHealth to strategically lay out plans for more robust and impact-capable health services and interventions. We worked hard in reducing fraud and abuse and brought in the anti-fraud teams all over the country to spearhead the fight against fraud.

We are proud to say that by the end of the year, we have accredited 9 out of 10 hospitals licensed by DOH. A total of 1,670 Rural Health Units (RHUs) and health centers were accredited as Primary Care Benefit Package providers. While around 1,476 were accredited as Maternity Care Package (MCP) providers and 1,201 were accredited as TB-DOTS package providers.

Of all the LGUs nationwide, 34% has at least one accredited facility providing all three benefit package (PCB, MCP and TB-DOTS); 83% of which has at least one PCB provider, while 45% has at least one MCP provider and 54% has at least one TB-DOTS provider.

We continue to accelerate the number of PhilHealth accredited facilities to ensure high standards and assure our members of consistent and effective top-quality care.

Facilities	Accredited
Hospitals	1,670
Primary Benefit Pacakage Provider	1,805
Freestanding Dialysis Clinics	69
Maternity Care Package Provider	1,476
DOTS Package Provider	1,201
Professionals	27,414

Source: HFPS-HIS & Accreditation Dept.

# ADEQUATE ORGANIZATIONAL CAPABILITY

## A year of significant internal revitalization

**The PhilHealth Officers' Leadership Engagement (POLE)** was held last February 2012 for leadership development. The POLE provided us an opportunity to reinstate new policy directions, thrusts, and strategies towards Universal Health Coverage (UHC). It also gave us a venue to discuss and assess our current position as a corporation. Likewise, the event also provided us a venue to share experiences, inputs and at the same time promote a stronger bond and teamwork within the corporation. This institution of stronger ties and collective role fortification was not only tackled on the management level, but down to our ground level efforts as well. POLE and JOAS became models for the first ever **Local Health Insurance Officers' (LHIO) Huddle**, which engaged the LHIOs in the Corporation's ever evolving and expanding directives. Revitalization was also achieved through the creation of an ad-hoc team within the corporation called the Compass Team, in charge of the development of the PhilHealth Balanced Scorecard. The Balanced Scorecard not only empowered the different offices and units to set their own goals and targets, but it also streamlined and unified all towards a freshly re-articulated Vision and Mission statements. Aside from systemic empowerment, the agents working within these systems were not forgotten. 241 employees were promoted or regularized. 93 officers and staff were sent to trainings and workshops to benchmark ourselves to global best practice. 72 of them were sent overseas. Despite being caught in the scrutiny of the public eye due to the premium payment diversion scam we uncovered in late 2011, we managed to have the diverted premium payment rightfully paid to the fund. And to top these off, seven PRO and LHIOs were recognized and awarded by the Civil Service Commission as centers of excellence.

## A year of impressive revivals

But as much as we relied on new things, we also had our throwbacks to some of our old school methods and improved them impressively. Coverage and enrollment of Individually-Paying Members were enhanced through the re-packaging of KaSAPI into the **iGroup** Program, opening up partnerships with organized groups through the Group Policy Contract (GPC).

The Social Health Insurance Advocates and Champions (SHIAC) was re-packaged as the **PhilHealth Social Health Insurance Educational Series (SHInES)**, which sought to create PhilHealth advocates by directly guiding key people/groups and the public to a better understanding of our core principles, history and direction towards greater buy-in. The previous Outpatient Benefit Package is now the **Primary Care Benefit (PCB) Package**, a promising start towards a more personalized and proactive continuity in health care delivery, inevitably expanding the reach and impact of our health care services.



## A year of strategic leveraging and corporate positioning

We also furthered our reach in providing benefits for our members, leveraging our niche of health insurance and redefining financial risk protection for the better. We've gone from passive to strategic purchasing through case payment, global budget for inpatient care and per-family based global payment for outpatient primary care or **Per Family Payment Rate (PFPR)**.

We designed our benefits not only to be more responsive, but we also made sure that all our members will no longer spend a single centavo when they get hospitalized. Universal Health Care through PhilHealth intends to reduce out of pocket expenditures. The introduction of the **No Balance Billing (NBB)** Policy to our Sponsored Program members is noteworthy evidence that PhilHealth is sincere in its mandate of ensuring that all Filipinos will be provided with quality health care. The NBB Policy will ensure that contracted hospitals and doctors would not charge more than the agreed case rate amounts. The zero co-payment policy has been implemented in government hospitals for our sponsored members and arrangements for its expansion to private hospitals are currently being studied.

In line with this, we are also proud to report that from January to December of 2012, we were able to process payment of some 4.8 million claims; this figure is 23% higher as compared in 2011. Half of the number of claims paid for the year went to members from the formal sector. While 24% went to IPP members and 19% were claims from the Sponsored Members. More than a third of the total claims from the Sponsored Program were paid through the NBB. Moreover, 60% of the total claims were processed using the **Case Rate Payment System**.

*"Behind all great efforts are outstanding individuals"*

We can proudly say that we have not disappointed our public! And all our hard work definitely did not go unnoticed. President Benigno S. Aquino III's third State of the Nation Address (SONA) last July was a powerful and inspiring testimony to the value of NBB or zero co-payment for Filipinos when they need to be hospitalized. The generous trust bestowed on us is evident in the amended Sin Tax Law which earmarks most of the incremental revenues to expanding Sponsored Program coverage of the poor. But more than being a celebration of our triumphs and victories, this is a call for us to continue with our good work.

We should never forget that behind all great efforts are outstanding individuals who make everything possible. The efforts of the Office of the Chairman and the Board of Directors have been instrumental in the corporation's new direction and its revitalization. Moreover, it is you, the people of PhilHealth, who are the most fundamental partners and advocates the corporation can and will ever have; you who are working on the inside to make things work on the outside. This corporation's relationship with its very people – its employees – are of utmost importance. In line with this is the belief on employees' rights to self-organizing, as manifested in the **Collective Negotiation Agreement (CNA)**. Respect to labor relations and the labor process is central to ensuring that our corporation maintains our commendable level of performance and excellence.

*"Less preoccupation, more focus."*

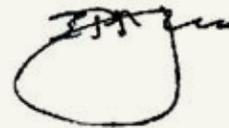
We are at the forefront of even greater possibilities. We're set to fully implement our e-Claims and EPRS systems. We're pushing for an **All Case Rate** payment scheme. **PCB2, PCB3** as well as the development of the PhilHealth Plus which will initially be available for government employees are being readied. The **PhilHealth Plus** are supplementary benefits on top of the basic benefit package funded by either the employer or the members themselves. Other Millennium Development Goals (MDG) Benefit Packages are diligently being developed and enhanced. Individual Policy contracts, micro-financing for health insurance and mandatory coverage are being primed for sustained long-term eligibility and coverage. The guidelines for the implementation of the **PhilHealth Quality Improvement Demonstration Study (QIDS)**, a four-year evaluation of policy option research project whose main objective is to carefully measure the effectiveness of policy interventions of PhilHealth on the health status of children. The QIDS is supported by the U.S. National Institute of Health led by the University of California in San Francisco and in partnership with the Department of Health (DOH) and the UPecon Foundation. All these and much more are well on their way to fruition. There might have been a lot of confusion encountered with the changes and pace of movement our corporation assumed last year, but rest assured that this year wouldn't be the same. This year, we can rest on greater stability in our internal operations and proceedings. Less preoccupation, more focus.

Let us continue to revitalize ourselves and remind us of our purpose. On February 17, 2013, we have the perfect venue not just to celebrate but also to again declare to our country that Universal Health Care (UHC) is possible. After 18 years, in 18 sites, with nearly 100,000 runners, let's show in the **PhilHealth Run** how we've laid the ground to make UHC possible, and re-commit to continuously making it possible.

It has been over 14 months that we have worked together for the corporation, and I have nothing but the deepest and most sincere gratitude for everyone's hard work and commitment to our mandate – **Bawat Pilipino Miyembro, Bawat Miyembro Protektado, Kalusugan Natin Segurado.**

To all management, officers, and staff, my deepest appreciation for your unwavering support and service. You've all done undoubtedly well and our success wouldn't have been possible without your very presence. Be proud! And let us continue making more reasons for us to be proud of this corporation and ourselves.

To a greater year ahead!



**Eduardo P. Banzon**  
President and CEO

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

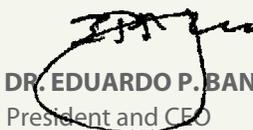
The Management of the Philippine Health Insurance Corporation is responsible for the presentation of the financial statements as December 31, 2012. The Financial Statements have been prepared in accordance with the accounting principles generally accepted in the Philippines.

The financial statements necessarily reflect amounts based on informed judgement and estimates of the expected effects of current events and transactions with an appropriate consideration to materiality.

In meeting our responsibility of our reliability and timeliness of financial information, PhilHealth Management maintains and relies on a system of accounting and reporting which provides for necessary controls to ensure that transactions are properly authorized and recorded, assets safeguarded against unauthorized use or disposition and liabilities are recognized.



**VAL S. VALILA, CPA**  
Senior Vice-President  
Fund Management Sector



**DR. EDUARDO P. BANZON**  
President and CEO

# BALANCE SHEET

As of December 31, 2012  
(In Philippine Peso)

	Notes	2012	2011 ( As Restated )	Increase / (Decrease) Current vs Prior Year
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	3	15,006,716,069	5,831,825,069	9,174,891,001
Short - term Investments	4	13,060,416,669	19,564,221,530	(6,503,804,861)
Receivables - net	5	5,238,097,110	8,677,188,203	(3,439,091,093)
Inventories	6	43,076,426	32,589,493	10,486,933
Total Current Assets		33,348,306,274	34,105,824,295	(757,518,020)
<b>Non-current Assets</b>				
Investments - net	7	91,720,590,897	86,751,979,863	4,968,611,034
Property & Equipment - net	8	1,067,136,041	990,239,874	76,896,167
Intangible Assets - net	9	23,279,499	26,754,033	(3,474,534)
Miscellaneous Assets and Deferred Charges	10	86,645,596	54,947,719	31,697,877
Other Assets - net	11	127,504,425	123,429,316	4,075,109
Total Non-current Assets		93,025,156,458	87,947,350,805	5,077,805,653
<b>TOTAL ASSETS</b>		<b>126,373,462,732</b>	<b>122,053,175,100</b>	<b>4,320,287,632</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	12	10,087,250,469	8,680,391,917	1,406,858,552
Other Payables	13	683,444,403	632,789,541	50,654,861
Total Current Liabilities		10,770,694,872	9,313,181,459	1,457,513,413
<b>Non-current Liability</b>				
Other Deferred Credits	14	520,318,504	30,822,705	489,495,799
Total Liabilities		11,291,013,376	9,344,004,164	1,947,009,212
<b>Equity</b>				
Reserve Fund	19	115,080,991,494	103,170,000,000	11,910,991,493.55
Contingent Capital	20	1,457,863	1,457,863	-
Retained Earnings	21	-	9,537,713,073	(9,537,713,073)
Total Equity		115,082,449,357	112,709,170,936	2,373,278,421
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>126,373,462,732</b>	<b>122,053,175,100</b>	<b>4,320,287,632</b>

# STATEMENT OF INCOME

For the period January 1 - December 31, 2012  
(In Philippine Peso)

	Note/ Sched.	2012	2011 ( As Restated )	Increase / (Decrease) Current vs Prior Year
<b>INCOME</b>	<b>Sch. I</b>			
Premium Contributions	15	47,338,264,241	36,770,011,249	10,568,252,992
Interest and Other Income	16	6,785,214,979	6,675,785,432	109,429,547
Total Income		54,123,479,220	43,445,796,681	10,677,682,539
<b>EXPENSES</b>	<b>Sch. II</b>			
<b>Benefit Payments</b>				
Private Sector		13,379,016,509	12,225,882,331	1,153,134,179
Government Sector		6,846,310,109	5,973,204,213	873,105,896
Sponsored Program - Regular		8,469,797,889	6,104,153,474	2,365,644,415
Sponsored Program - Capitation		3,624,761,901	1,305,360,584	2,319,401,317
Overseas Worker Program		1,578,100,048	1,224,683,126	353,416,922
Individual Paying Member		9,622,854,917	5,826,400,400	3,796,454,517
Lifetime Member Program		3,689,699,217	2,311,874,758	1,377,824,459
Total Benefit Payments		47,210,540,590	34,971,558,886	12,238,981,704
<b>Operating Expenses</b>				
Personal Services	17	2,825,776,122	2,675,328,807	150,447,315
Maintenance and Other Operating Expenses	18	1,713,884,086	1,457,576,959	256,307,126
Total Operating Expenses		4,539,660,208	4,132,905,767	406,754,441
Total Expenses		51,750,200,798	39,104,464,653	12,645,736,145
<b>NET MARGIN (LOSS)</b>		<b>2,373,278,422</b>	<b>4,341,332,028</b>	<b>(1,968,053,607)</b>

# DETAILED STATEMENT OF INCOME

For the period January 1 - December 31, 2012  
(In Philippine Peso)

	2012	2011 ( As Restated )	Increase / (Decrease) Current vs Prior Year
Premium Contributions			
Members' Contributions	33,064,191,000	31,583,867,165	1,480,323,835
NG/LGU Counterpart for Indigent Program	14,274,073,241	5,186,144,084	9,087,929,157
<b>TOTAL PREMIUM CONTRIBUTIONS</b>	<b>47,338,264,241</b>	<b>36,770,011,249</b>	<b>10,568,252,992</b>
Less: Benefit Payments	47,210,540,590	34,971,558,886	12,238,981,704
<b>GROSS MARGIN FROM OPERATIONS</b>	<b>127,723,651</b>	<b>1,798,452,363</b>	<b>(1,670,728,712)</b>
Less: Operational Expenses			
Personal Services	2,825,776,122	2,675,328,807	150,447,315
Maintenance & Other Operating Expenses	1,713,884,086	1,457,576,959	256,307,126
Total Operational Expenses	4,539,660,208	4,132,905,767	406,754,441
<b>NET OPERATING INCOME (LOSS)</b>	<b>(4,411,936,557)</b>	<b>(2,334,453,404)</b>	<b>(2,077,483,153)</b>
Add: Interest Income			
Treasury Bonds	6,354,831,706	6,190,983,685	163,848,021
Treasury Bills	0.00	19,233,120	(19,233,120)
Time Deposits / SSDs	383,812,323	423,406,604	(39,594,281)
Savings & Current Deposits	10,885,554	9,237,846	1,647,708
Other Interest Income	902,023	1,575,825	(673,801)
Total Interest Income	6,750,431,606	6,644,437,080	105,994,526
Add: Other Income			
Accreditation Fees	27,658,562	24,171,010	3,487,552
Gain (Loss) on Foreign Exchange	(196,827)	1,235	(198,062)
Gain (Loss) on Disposal of Assets	247,110	291,246	(44,136)
Fines & Penalties	3,705,757	2,066,739	1,639,018
Income from Grants & Donations	538,388	195,840	342,548
Insurance Income	0.00	912,301	(912,301)
Rent Income	1,294,496	1,333,711	(39,215)
Dividend Income	50,997	72,114	(21,117)
Miscellaneous Income	1,484,890	2,304,156	(819,266)
Total Other Income	34,783,372	31,348,352	3,435,020
<b>NET MARGIN (LOSS)</b>	<b>2,373,278,422</b>	<b>4,341,332,028</b>	<b>(1,968,053,607)</b>
<b>TOTAL INCOME</b>	<b>54,123,479,220</b>	<b>43,445,796,681</b>	<b>10,677,682,539</b>

# STATEMENT OF CHANGES IN EQUITY

As of December 31, 2012  
(In Philippine Peso)

	Notes	2012	2011 (As Restated)	Increase / (Decrease) Current vs Prior Year
<b>RESERVE FUND</b>	19	115,080,991,494	103,170,000,000	11,910,991,494
<b>CONTINGENT CAPITAL</b>	20	1,457,863	1,457,863	-
<b>RETAINED EARNINGS</b>	21			
Balance at beginning of year		9,537,713,072	16,272,412,254	
Adjustment in Retained Earnings		-	7,920,959	
Prior Year's Adjustments		-	1,431,047,832	-
Balance as restated		9,537,713,072	17,711,381,045	
Adjustment in Reserve Fund		(11,910,991,494)	(12,515,000,000)	
		(2,373,278,422)	5,196,381,045	
Net income for the period		2,373,278,422	4,341,332,027	
Balance at the end of year		-	9,537,713,072	(9,537,713,072)
<b>EQUITY</b>		<b>115,082,449,357</b>	<b>112,709,170,935</b>	<b>2,373,278,422</b>

# CASH FLOW STATEMENT

As of December 31, 2012  
( In Philippine Peso )

	2012	2011 ( As Restated )	Increase / (Decrease) Current vs Prior Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Members' Contributions	34,820,301,295	26,711,723,547	8,108,577,749
Counterpart - NG	13,922,263,440	8,460,953,191	5,461,310,249
Counterpart - Other NGAs	151,736,100	1,625,049,996	(1,473,313,896)
Counterpart - LGUs	1,885,907,540	2,268,651,263	(382,743,723)
Accreditation Fees received from Health Care Providers	246,271,720	60,324,521	185,947,199
Cash received from various Operating Activities	84,302,795	34,448,270	49,854,525
Cash received from Unclaimed Refund	26,023,392	61,666,263	(35,642,871)
Cash received in trust	22,756,061	53,150,928	(30,394,867)
Benefit Payments	(45,974,089,440)	(32,997,029,721)	(12,977,059,719)
MOOE/Personal Services/Supplies and Materials paid	(40,512)	532,512	(573,024)
Net Cash Provided (Used in) by Operating Activities	858,016,518	2,236,323,881	(1,378,307,363)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Matured Bonds	1,399,756,254	(14,339,651,583)	15,739,407,837
Placement/Matured T. Bills	0.00	915,377,209	(915,377,209)
Short-Term Investments	1,242,238,959	0.00	1,242,238,959
Interest received on Investments	5,793,499,031	7,444,486,600	(1,650,987,569.43)
Redemption of shares in PLDT stocks	776,297	0.00	776,297
Gain on Foreign Exchange	(196,905)	3,025	(199,930)
Payment of Equipment purchased	(120,553,863)	(115,878,230)	(4,675,633)
Rent collected	1,263,186	1,362,890	(99,704)
Gain (Loss) on Disposal of Assets	91,525	211,115	
Net Cash Provided (Used in) by Investing Activities	8,316,874,483	(6,094,088,974)	14,411,083,048
Net Increase (Decrease) in Cash and Cash Equivalents	9,174,891,001	(3,857,765,093)	13,032,656,095
<b>CASH AND CASH EQUIVALENTS at the Beginning of Year</b>	5,831,825,068	9,689,590,161	(3,857,765,093)
<b>CASH AND CASH EQUIVALENTS as of December 31, 2012</b>	<b>15,006,716,069</b>	<b>5,831,825,068</b>	<b>9,174,891,001</b>

For the period January 1 - December 31, 2012  
(In Philippine Peso)

	Notes	2012	2011 (As Restated)	Increase / (Decrease) Current vs Prior Year
<b>BUSINESS INCOME (Premium Contributions)</b>				
Premium Contributions - Sponsored Program	15			
Counterpart - NG		11,884,094,400	2,587,375,171	9,296,719,228.68
Counterpart - Other NGAs		150,376,000	136,802,930	13,573,070
Counterpart - LGUs		2,239,602,841	2,461,965,983	(222,363,142)
<b>Total Premium Contributions - Indigent Program</b>		<b>14,274,073,241</b>	<b>5,186,144,084</b>	<b>9,087,929,157</b>
Premium Contributions - Regular Program	15			
Contribution - Private Sector		21,282,725,566	20,654,289,732	628,435,834
Contribution - Government Sector		8,159,343,095	8,035,957,420	123,385,674
Contribution - Individually Paying Program		2,522,926,762	2,060,887,393	462,039,369
Contribution - Overseas Workers Program		1,099,195,578	832,732,620	266,462,958
<b>Total Premium Contributions - Regular Program</b>		<b>33,064,191,000</b>	<b>31,583,867,165</b>	<b>1,480,323,835</b>
<b>Total Business Income</b>		<b>47,338,264,241</b>	<b>36,770,011,249</b>	<b>10,568,252,992</b>
<b>INTEREST INCOME</b>				
Treasury Bonds	16	6,354,831,706	6,190,983,685	163,848,021
Treasury Bills		-	19,233,120	(19,233,120)
Time Deposits / Special Saving Deposits		383,812,323	423,406,604	(39,594,281)
Savings & Current Deposits		10,885,554	9,237,846	1,647,708
Other Interest Income		902,023	1,575,825	(673,801)
<b>Total Interest Income</b>		<b>6,750,431,606</b>	<b>6,644,437,080</b>	<b>105,994,526</b>
<b>OTHER INCOME</b>				
Accreditation Fees	16	27,658,562	24,171,010	3,487,552
Gain (Loss) on Foreign Exchange		(196,827)	1,235	(198,062)
Gain (Loss) on Disposal of Assets		247,110	291,246	(44,136)
Fines & Penalties		3,705,757	2,066,739	1,639,018
Income from Grants & Donations		538,388	195,840	342,548
Insurance Income		-	912,301	(912,301)
Rent Income		1,294,496	1,333,711	(39,215)
Dividend Income		50,997	72,114	(21,117)
Miscellaneous Income		1,484,890	2,304,156	(819,266)
<b>Total Other Income</b>		<b>34,783,372</b>	<b>31,348,352</b>	<b>3,435,020</b>
<b>TOTAL INCOME</b>		<b>54,123,479,220</b>	<b>43,445,796,681</b>	<b>10,677,682,539</b>

For the period January 1 - December 31, 2012  
(In Philippine Peso)

	Note	2012	2011 (As Restated)	Increase / (Decrease) Current vs Prior Year
<b>BENEFIT PAYMENTS</b>				
Private Sector		13,379,016,509	12,225,882,331	1,153,134,179
Government Sector		6,846,310,109	5,973,204,213	873,105,896
Sponsored Program - Regular		8,469,797,889	6,104,153,474	2,365,644,415
Sponsored Program - Capitation		3,624,761,901	1,305,360,584	2,319,401,317
Overseas Worker Program		1,578,100,048	1,224,683,126	353,416,922
Individual Paying Member		9,622,854,917	5,826,400,400	3,796,454,517
Lifetime Member Program		3,689,699,217	2,311,874,758	1,377,824,459
<b>Total Benefit Payments</b>		<b>47,210,540,590</b>	<b>34,971,558,886</b>	<b>12,238,981,704</b>
<b>OPERATIONAL EXPENSES</b>				
Personal Services	17			
Salaries & Allowances		1,580,087,716	1,547,161,031	32,926,685
Other Compensation		1,118,667,409	986,573,909	132,093,500
Mandatory Contributions		115,346,799	113,043,925	2,302,873
Other Personal Services		11,674,199	28,549,942	(16,875,743)
<b>Total Personnel Services</b>		<b>2,825,776,122</b>	<b>2,675,328,807</b>	<b>150,447,315</b>
Maintenance and Other Operating Expenses	18			
Traveling Expenses		66,522,376	46,514,874	20,007,502
Training and Scholarship Expenses		12,934,228	6,134,489	6,799,739
Water Expenses		5,734,089	5,089,002	645,087
Electricity Expenses		110,250,001	96,353,180	13,896,821
Gender and Development		2,518,903	0.00	2,518,903
Communication Expenses		106,080,923	106,263,295	(182,372)
Advertising Expenses		37,610,870	24,620,037	12,990,833
Marketing and Promotional Expenses		29,207,863	26,163,770	3,044,093
Transportation and Delivery Expenses		2,160,627	1,255,352	905,275
Taxes, Duties and Licenses		1,951,591	7,992,289	(6,040,698)
Fidelity Bond and Insurance Expenses		9,036,037	8,427,341	608,696
Supplies and Materials Expenses		115,130,262	107,378,107	7,752,155
Gasoline, Oil and Lubricants Expenses		15,965,329	13,574,213	2,391,116
Auditing Services		33,469,007	38,594,685	(5,125,678)
Consultancy Services		2,763,427	2,086,112	677,315
Janitorial Services		42,219,606	38,449,868	3,769,738
Security Services		87,204,084	81,614,709	5,589,375
Remuneration		144,419,427	151,609,919	(7,190,491)
Enumerators Fee		5,200.00	0.00	5,200
Notarial Fee		377,739	212,233	165,506
Contract / Research Services		3,324,848	1,331,480	1,993,368
Project Base Hiring		378,241,270	238,039,013	140,202,258
Honorarium		1,300,723	730,662	570,061
Repairs & Maintenance		16,546,541	14,525,320	2,021,221
Membership Dues and Contri. to Organizations		4,415,859	4,208,660	207,199
Printing and Binding Expenses		32,953,816	17,664,585	15,289,231
Rent Expenses		209,843,661	193,111,693	16,731,968
Representation Expenses		20,528,176	23,758,190	(3,230,014)
Subscription Expenses		1,299,943	908,326	391,617
Rewards and Other Claims		24,745,187	21,411,242	3,333,945
Miscellaneous and Extraordinary Expenses		11,968,992	10,971,525	997,467
Other Expenses		41,225,390	25,996,187	15,229,204
Financial Expenses		14,191,962	13,324,776	867,186
Non-Cash Expenses		127,736,131	129,261,828	(1,525,697)
<b>Total Maintenance &amp; Other Operating Expenses</b>		<b>1,713,884,086</b>	<b>1,457,576,959</b>	<b>256,307,126</b>
<b>Total Operational Expenses</b>		<b>4,539,660,208</b>	<b>4,132,905,767</b>	<b>406,754,441</b>
<b>TOTAL EXPENSES</b>		<b>51,750,200,798</b>	<b>39,104,464,653</b>	<b>12,645,736,145</b>

# NOTES TO FINANCIAL STATEMENTS

December 31, 2012

## 1. GENERAL INFORMATION

The National Health Insurance Act of 1995 (Republic Act No. 7875), as amended by RA 9241, instituted a National Health Insurance Program (NHIP) that *“shall provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines.* This social insurance program shall serve as the means for the healthy to help pay for the care of the sick and for those who can afford medical care to subsidize those who cannot.” The same law created the Philippine Health Insurance Corporation (PhilHealth) as tax-exempt government corporation attached to the Department of Health (DOH) for policy coordination and guidance. Its Head Office is located at 709 CityState Center Building, Barangay Oranbo, Shaw Blvd., Pasig City.

The Corporation is governed by a Board of Directors composed of fourteen (14) members who has the following powers and functions: to formulate and promulgate policies for the sound administration of the Program; to set standards, rules, and regulations necessary to ensure quality of care, appropriate utilization of services, fund viability, member satisfaction, and overall accomplishment of Program objectives; to formulate and implement guidelines on contributions and benefits; portability of benefits, cost containment and quality assurance; and health care provider arrangements, payments methods and referral systems; to establish branch offices as mandated in Article V of RA 7875, as amended; to receive and manage grants, donations, and other forms of assistance; and to organize its office, fix the compensation of and appoint personnel as may be deemed necessary and upon the recommendation of the President of the Corporation.

The National Health Insurance Fund (NHIF) being managed by the Corporation consists of contributions from Program members; balances of the Health Insurance Fund of the Social Security System (SSS) and Government Service Insurance System (GSIS) collected under the Philippine Medical Care Act of 1969, as amended, including arrearages of the Government of the Philippines with the GSIS for the said Fund; other appropriations earmarked by the national and local governments purposely for the implementation of the program; subsequent appropriations provided for under Sections 46 and 47 of RA 7875, as amended; donations and grants-in-aid; and all accruals thereof. Under Section 26, Article VI of RA 7875, as amended, the use, disposition, investment, administration and management of the NHIF, including any subsidy, grant or donation received for the program operations shall be governed by resolution of the Board of Directors of the Corporation.

Processing of benefit payments and operating expenditures has been decentralized to all seventeen (17) PROs

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set forth below. These policies are consistently applied unless stated otherwise.

### 2.1 Basis of preparation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the Philippines, as well as government accounting rules and regulations. The Corporation adopts the calendar year and uses commercial accounting.

The preparation of financial statements requires the use of certain critical accounting estimates and judgements as follows:

- a. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances;
- b. One of the accounting estimates being done is to set-up the accrued benefit payments at the end of each month based on the average benefit payment per claim and computed by dividing the total amount of benefit payment for the month by the total number of claim processed for the same period. The average amount per claim varies geographically.
- c. The amount being set-up for the accrued NHIP premium remittance from collecting banks/agents is based on the assumption that the actual premium collection for the 2nd half of the current month is equivalent to the amount remitted on the 2nd half of the previous month.

- d. The economic life of every property and equipment is depreciated on the straight-line method with 10% residual value based on COA Circular 2002 – 002.
- e. The General Appropriations Act provides for an annual ceiling for the National Government (NG) counterpart for the Sponsored Program.

The Corporation is continually improving its policies regarding the recognition of NHIP premium contributions and NHIP benefit payments.

## 2.2 Consolidation

The Corporation adopts the Home and Branch Accounting System since July 1999.

### a. Head Office (HO)

Monthly consolidated trial balances are prepared through working papers by eliminating the reciprocal accounts, but in the year-end consolidation, all nominal accounts that are closed in the PROs are booked-up in the HO.

### b. PhilHealth Regional Offices (PROs).

The PROs' financial position and results of operations are presented without any non-contingent equity account. All nominal accounts are closed every end of calendar year.

### c. Service Offices (SOs).

The financial transactions of SOs were recorded in the books of accounts of their respective PROs. The SOs maintain petty cash fund and receive over-the-counter collection of premiums from the PhilHealth members.

## 2.3 Foreign currency transactions

Foreign currency transactions are translated in peso at the date of transaction and revalued at year-end using prevailing exchange rates. Foreign exchange gains and losses resulting therein are recognized in the income statement.

## 2.4 Cash Equivalents

Cash equivalents consist of special savings, treasury bills and bonds maturing within 3 months from acquisition date.

## 2.5 Inventories

In accordance with COA Resolution no. 2006-006 dated 31 January 2006, inventories include assets held for transfer and for consumption in the normal course of operations. Inventories are measured at cost which includes purchase price, import duties and taxes, freight, handling and other costs directly attributable to the acquisition of finished goods, materials and services; as well as other costs incurred in bringing the inventories to their present location and condition. The perpetual inventory system is used in accounting for inventories.

PhilHealth Office Order No. 0112 s. 2006, dated Nov. 9, 2006 provides that for the small tangible items not more than P5,000 and with estimated useful life of more than one year shall be recorded as inventories upon acquisition and expense upon issuance.

The Asset Method and the First-In-First-Out (FIFO) method are used in recording transactions concerning supplies and materials.

## 2.6 Property and Equipment

In accordance with COA Resolution no. 2006-006 dated January 31, 2006, Property and Equipment (PE) includes non-current assets held for use in operation and are expected to be used for more than one year. PE are initially recognized at cost which includes purchase price and incidental costs such as import duties, freight, installation and any other directly attributable costs. Subsequent costs on PE which result in increased future economic benefits or service potential are added to its carrying amount.

Subsequent to initial recognition as an asset, PE are carried at its cost less any accumulated depreciation, following the straight-line method and using the revised estimated useful life (per COA Circular No. 2003-007 dated December 11, 2003, as amended by COA Circular No. 2004-005 dated August 9, 2004). Depreciation is recorded starting the month following date of purchase. A residual value equivalent to ten percent of the purchase cost is set up.

## 2.7 Intangible Assets

Intangible Asset account refers to computer software purchased by the Corporation, in accordance with Section 4 of the Philippine Accounting Standard No. 38.

In accordance with paragraph 9.2 under COA Resolution No. 2006-006 dated January 31, 2006, and as it is probable that future economic benefits attributable to the assets shall flow to the agency, the computer softwares are recognized at cost, and reported herein as net of accumulated amortization. Amortization is based on the straight line method less ten percent residual value.

## 2.8 Income and expense recognition

Income and expenses are recognized based on a modified accrual method of accounting in accordance with paragraph 2.1 (d) of COA Resolution No. 2006-006 dated January 31, 2006. Under this method, all expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate. Income shall be on accrual basis except where it is impractical or when other methods are required by law.

Accrual for premium contributions-Regular Program is based on the amount remitted through the accredited collecting banks inasmuch as the information is available.

The counterpart from local government units (LGUs) is recorded based on the report submitted by the PRO – Field Operations Department verified correct by the Accountant and evidenced by the LGU and PhilHealth Memorandum of Agreement supported by Certificate of Availability of Funds. Whereas, the national government premium counterpart is recorded based on the MMG certified summary report and was also certified by the Chief Accountant that the LGU share in the premium has already been paid with the corresponding member of sponsored enrollees and period of coverage.

National government contributions for sponsored program under National Household Targeting System (NHTS) are accrued based on the certified summary report of the Member Management Group (MMG) for indigents enrolled and issued with IDs for the period.

Regular monthly expenses (e.g., for janitorial services, security services, light and water and rental) are recognized as expenses at the time they are incurred, not when paid. On the other hand, accruals for benefit payments refer to outstanding claims. The estimated amount of claims filed but not yet processed is recognized as accrued expenses.

## 3. CASH AND CASH EQUIVALENTS

This account consists of:

	2012	2011 (As Restated)
Collecting Officers (Schedule 1)	213,826,502	86,515,614
Disbursing Officers (Schedule 2)	1,496,585	433,645
Petty Cash Fund (Schedule 3)	942,097	670,232
Cash in Bank	1,797,548,815	1,679,266,912
Special Savings Deposit	12,992,902,070	4,064,938,666
	<b>15,006,716,069</b>	<b>5,831,825,069</b>

3.1 The Corporation deploys at least one Collecting Officer per PRO and SO to provide more windows for the over-the-counter collections.

3.2 Included in this account is Land Bank of the Philippines - Pasig-Kapitolyo Branch Dollar Account No. 0674-0010-29, the balance of which is converted to its peso equivalent using the prevailing exchange rate at the end of the year. The difference is recorded as Gain/Loss on Foreign Exchange.

#### 4. SHORT-TERM INVESTMENTS

This account consists of:

	2012	2011 (As Restated)
Special Savings Deposit	7,045,371,424	7,045,371,424
Treasury Bonds	6,015,045,245	12,518,850,106
	<b>13,060,416,669</b>	<b>19,564,221,530</b>

#### 5. RECEIVABLES - NET

5.1 Accrued Interest Receivable–Investment account represents interest earned from all short-term and long-term investments.

5.2 Due from National Government Agencies consists of the following:

	2012	2011 (As Restated)
Due from Collecting Bank - NHIP Premiums	40,878,548	188,978,264
Premium Receivable - Employed Sector	372,903,825	1,823,337,103
Advances to Officers & Employees (Sched.4)	1,682,243	1,536,686
Accrued Interest Receivable - Investment	1,759,217,479	1,919,011,053
Due from National Government Agencies	2,275,551,697	4,313,677,066
Due from LGUs	777,266,339	425,333,973
Other Receivables	10,712,605	5,429,684
Total	5,238,212,736	8,677,303,829
Add (Less): Allowance for Doubtful Accounts	(115,626)	(115,626)
	<b>5,238,097,110</b>	<b>8,677,188,203</b>

Balance of the computed deficiency in employer share of the health insurance premium contributions to Philhealth.	P 394,741,430
Uncollected portion of NG Counterpart Sponsored Program CY 2011 P2,415,354,310 per SARO No. F-12-00314 dated March 29,2012 and additional billing to the Department of Budget and Management through the Department of Health per letter dated May 28, 2012.	479,789,425
Billing made to PCSO for the counterpart premium payment of the jeepney drivers, Sponsored Program for the 3rd District of Pampanga and Capas, Tarlac per letter to PCSO Special Project Department dated November 15, 2011. In April 17, 2012 a letter was sent to Office of the Secretary, Presidential Management Staff stating therein that there was still an additional remaining balance of P25,997,256.32 for the PCSO Greater Medicare Access under Board Resolution No. 718 in April 2003.	100,566,337
Billing dated July 3, 2011 for the enrollment of non-NHTS enrolled indigents for Cys 2010 and prior years	1,256,940,255
Billing dated November 27, 2012 representing the enrollment of NHTS families chargeable against FY 2011 GAA (RA 10147) under DOH-OSEC	43,514,250
<b>Total</b>	<b><u>P 2,275,551,697</u></b>

For the Current Year (CY 2012), RA no. 10155, FY 2012 GAA provision for the full National Government subsidy on the health insurance premium of indigent families listed under the National Household Targeting System-Poverty Reduction (NHTS-PR) of the Department of Social Welfare and Development enrolled under the National Health Insurance Program (NHIP) have been released under SARO no. F-12-01426 and NCA no. F-12-0025818 both dated December 28, 2012 in the amount of P11,884,094,400 per OR# 40144236.

5.3 Due from LGUs consists of premium counterpart for the Sponsored Program. Details of the account are as follows:

	<b>2012</b>	<b>2011 (As Restated)</b>
NCR	129,214,450	-
CAR	8,340,465	4,959,591
I	285,707,587	150,784,292
II	5,913,283	7,107,095
III	5,869,177	1,917,448
IV-A	14,091,008	2,777,733
IV-B	57,186,465	781,430
V	86,732,717	36,360,463
VI	67,822,275	67,822,275
VII	1,434,000	-
VIII	4,118,051	15,516,139
X	68,180,481	85,039,008
XI	38,219,744	11,258,294
XII	2,868,970	2,653,137
Caraga	1,567,666	38,357,068
	<b>777,266,339</b>	<b>425,333,973</b>

5.4 Other Receivables include DOH Global Budget for Out-Patient-Benefit Package for OWP which has an unutilized balance of P1,083,752 as of Dec. 31, 2011. This account also includes advance payments to various Health Providers thru Simplified Reimbursement Scheme (SRS) to address accumulated backlog in the claims processing of the PROs and balance of personal calls of Philhealth Officers and Employees.

## 6. INVENTORIES

The account consists of supplies and materials and small tangible items amounting to P43,076,426 and P32,589,493 for CYs 2012 and 2011, respectively.

## 7. INVESTMENTS - NET

Investments of the NHIF are in government securities bearing the unconditional guaranty of the Republic of the Philippines in authorized government depository banks except the investment in PLDT Subscribers Investment Plan.

7.1 The Corporation's long-term investment portfolio is summarized as follows:

	<b>2012</b>	<b>2011 (As Restated)</b>
PLDT - Subscriber Investment Plan	-	725,300
Investment in Bonds	91,306,745,092	86,337,408,758
Investment in Real Property	413,845,805	413,845,805
	<b>91,720,590,897</b>	<b>86,751,979,863</b>

7.2 The investments represent the following:

- a. Investment in PLDT Stocks was acquired under the Subscriber Investment Plan representing 251 subscribed telephone lines. Based on PLDT's records, Philhealth has 72,530 preferred stocks represented by original stocks certificates already in the custody of PhilHealth.

In October 2011, PLDT notified the Corporation authorizing the redemption of all outstanding shares. Consequently, the Corporation had issued PBR No. 1581, s. 2012 confirming the redemption of the said shares of stocks at P10.00 per share, equivalent to the par value of said shares for a total amount of P725,300 plus accrued and unpaid dividends thereof, net of applicable taxes. The Corporation on April 25, 2012 had surrendered and redeemed the said shares of stock and had received the proceeds amounting to P776,297.

- b. Investment in Bonds (net of amortization) with more than one (1) year maturity period are broken down as follows:

	2012	2011 (As Restated)
Pag-Ibig Housing Bonds	-	-
Retail T-bonds	31,800,000,000	26,800,000,000
3-year T-bonds	-	3,943,356,606
5-year T-bonds	7,800,978,044	9,821,729,330
7-year T-bonds	32,590,370,774	30,549,728,019
10-year T-bonds	19,115,396,274	15,222,594,803
	<b>91,306,745,092</b>	<b>86,337,408,758</b>

- c. Investment in Real Property pertains to property acquired from investment in Fort Bonifacio Development Corporation, previously recorded as Global City Receivable Repayment Right, converted to Land with an aggregate amount of P413,845,805 including cost of documentary stamp/transfer tax and registration fees. Per Technical Appraisal Report of Cal-Fil Appraisal and Management, Inc. (Cal-Fil), the subject property has a fair market value of P544.38 Million as of November 4, 2011. This account was reclassified as Investment in Real Property instead of Plant Property and Equipment.

- 7.3 Straight-line method of amortization was used to amortize the bond premium and bond discount over the remaining life of the bond.
- 7.4 The investing activities of the Corporation were carried out only in the Head Office to maximize the opportunity for high yield interest bearing instruments.

## 8. PROPERTY AND EQUIPMENT – NET

This account consists of:

	Land and Land Improvements	Building & Structure / Leasehold Improvements	Furniture & Fixtures Equipment & Books	Construction in Progress	Total
<b>Cost</b>					
Jan. 01, 2012	458,292,027	81,131,692	1,151,688,297	4,125,000	1,695,237,016
Additions	2,414,987	5,915,879	79,662,193	19,250,000	107,243,059
Adjustments	-	2,484,830	24,915,403	230,048	27,630,281
Dec. 31, 2012	460,707,014	89,532,401	1,256,265,892	23,605,048	1,830,110,355
<b>Accu. Depreciation</b>					
Jan. 01, 2012	616,292	27,138,442	673,327,365	-	701,082,099
Depreciation	178,326	9,005,045	110,975,278	-	120,158,649
Adjustments	(4,114)	(445,063)	(57,817,257)	-	(58,266,434)
Dec. 31, 2012	790,504	35,698,424	726,485,386	-	762,974,314
<b>Net Book Value</b>	<b>459,916,510</b>	<b>53,833,977</b>	<b>529,780,506</b>	<b>23,605,048</b>	<b>1,067,136,041</b>

Included under Land and Buildings accounts are the following:

- 8.1 A parcel of land situated in East Avenue, Quezon City with a total area of 17,230.50 square meters amounting to P439,377,750 was fully paid on April, 2010. The Head Office of PhilHealth shall be constructed in this lot.
- 8.2 A lot and building purchased by PRO III for its permanent Regional Office in San Fernando, Pampanga amounting to P13,059,200 and P25,520,363 respectively, has a fair market value of P47.76 Million as of November 10, 2011 per appraisal report of Ca-Fil Appraisal and Management, Inc. (Cal-Fil). Some of its office spaces are rented-out.
- A donated 1,831 sq. m. lot including improvements at the Regional Government Center ( RGC ), San Fernando, Pampanga through a MOA executed by and between the Regional Development Council III and PhilHealth has a fair market value of P8.30 Million as of April 18, 2007 per appraisal report of Cal-Fil Appraisal and Management, Inc. (Cal-Fil), a professional property consultants & valuer.
- 8.3 A donated 2,897 sq. m. lot at the RGC, Tuguegarao City, through a MOA executed with the DPWH Region 2 representing the Republic of the Philippines, has a fair market value of P10.14 Million as of November 10, 2011 per appraisal report of Cal-Fil. In compliance to the said MOA, the Regional Development Council (RDC) 2 has extended, upon request of PhRO-II, the construction of its office building for another two years per RDC-2 Resolution No. 02-037, s. 2005.

## 9. INTANGIBLE ASSETS

This represents cost of various software application / programs purchased by the Corporation amounting to P23,279,499 and P26,754,033 net of amortization for CYs 2012 and 2011, respectively.

## 10. MISCELLANEOUS ASSETS AND DEFERRED CHARGES

	2012	2011 (As Restated)
Prepayments/ Deferred Charges	41,276,528	13,312,230
Guaranty Deposit	45,369,068	41,635,489
	<b>86,645,596</b>	<b>54,947,719</b>

10.1 Prepayments include authorized payments made for the purchase of goods from the Procurement Service of DBM, insurance of motor vehicles of the Corporation from the GSIS and deferred charges account representing payment to HCPs by PROs under the Debit/Credit Scheme.

10.2 Guaranty deposits refer to transactions made by the Head Office and PROs in compliance with the requirements provided in the contracts for office rentals.

## 11. OTHER ASSETS - NET

This account consists of the following:

	2012	2011 (As Restated)
DBM ( transfer of NHIP Program fr. GSIS to PHIC )	155,235,240	155,235,240
PCSO (Enhanced GMA Program)	115,000,000	115,000,000
PDIC (per MB Reso. 459 dated 4/7/5)	327,103	327,103
Officer & Employees per COA	1,456,749	1,456,749
PROs ( from various Health Providers-DCS)	738,027	445,652
PROs Unserviceable Equipment	6,213,180	3,262,165
PROs Serviceable Equipment	3,769,366	2,937,647
Gross Long-Term Receivable	<b>282,739,665</b>	<b>278,664,556</b>
<b>Less: Allowance for Doubtful Account</b>		
Receivable from DBM	155,235,240	155,235,240
	<b>155,235,240</b>	<b>155,235,240</b>
<b>Net Amount</b>	<b>127,504,425</b>	<b>123,429,316</b>

11.1 Long Term Receivable from the Department of Budget and Management (DBM) represents surcharges for late remittance of the employer counterpart for premium contribution.

11.2 Long Term Receivable from Philippine Charity Sweepstakes Office (PCSO) represents the balance of the account for the premium counterpart of various LGUs under the Enhanced PCSO – Greater Medicare Access (PCSO-GMA) Program.

11.3 Long Term Receivable from Philippine Deposit Insurance Corporation (PDIC) was in pursuant to Monetary Board Resolution No. 459 dated April 7, 2005 placing Hermosa Savings and Loan Bank, Inc. under liquidation.

11.4 Disallowances amounting to ₱1,456,749 refer to disbursements from 1995 to 1999 for travel expenses, employees' benefits, and purchases of goods and services that were subsequently disallowed by COA. The Corporation has appealed to the COA for the lifting of said disallowances.

11.5 Receivables from officers and staff of the Philippine Medical Care Commission (PMCC) which were recorded as bad debts has been reversed per COA decision No. 2010-152 dated Dec. 30, 2010.

11.6 Allowance for Doubtful Accounts was provided for the following:

- a. Receivable from the National Government for surcharges in the amount of ₱155,235,240. This was transferred by the Government Service Insurance System (GSIS) to PhilHealth.
- b. The amount was determined after evaluation of such factors as aging of the accounts, collection experience in relation to particular receivable and identified doubtful accounts.

## 12. PAYABLES

Payables include accruals for benefit claims and administrative costs as follows:

	2012	2011 (As Restated)
Personal Services	78,048,011	40,944,892
MOOE	211,950,131	137,972,108
Capital Outlay	73,936,089	41,667,044
Benefit Claims	3,004,835,427	2,366,840,763
Accrued Benefit Claims	6,718,480,811	6,092,967,110
	<b>10,087,250,469</b>	<b>8,680,391,917</b>

12.1 Benefit Claims represents benefit payment checks still in the possession of the Corporation as of balance sheet date including return-to-sender (RTS) and stale checks.

12.2 Accrued Benefit Claims include (1) claims already processed and (2) claims received but not yet processed. The monthly average value per claim by sector was used as the multiplier in computing the accrual for the month.

### 13. OTHER PAYABLES

This account consists of:

	2012	2011 (As Restated)
Inter-Agency Payables	211,827,878	198,467,834
Trust liabilities -		
UNFPA Project	3,413,230	841,361
WHO Project # 1	-	294,922
WHO Project # 2	-	14,360
WHO Project # 3	-	1,720
WHO Project # 4	-	1,653
WHO Project # 5	-	230,625
WHO Project # 6	-	9,515
UMID Project	103,056,291	101,068,826
Refund from UST	73,431,569	73,451,442
Refund from Other Service Provider	176,768,610	150,010,517
AHP - Protest Bond	4,666,540	2,126,540
Donations	11,157,135	11,492,178
Performance/Bidders Bond Payable	19,804,132	16,069,744
Retention Fee	14,482,956	10,717,275
WHO Proj. (Center for Global Dev't)	2,172,694	2,186,199
ICD 10	128,500	342,250
German Development Corporation	96,401	96,401
Philippine Training Institute	5,704,419	3,695,458
Great Women Project	970,214	61,336
New Born Screening Ref. Center	50	50
Interest Income for Unclaimed Refund	20,044,058	20,000,000
Philhealth Run	3,459,097	-
Benchbook	2,237	2,237
Others	32,258,392	41,607,098
	<b>683,444,403</b>	<b>632,789,541</b>

13.1 Inter-Agency payables include the fund transferred from the Department of Health (DOH) amounting to P47,537,862 for the "Strengthening and Guaranteeing Insurance for the Poor" (SAGIP). This also includes deductions from the salaries of PhilHealth officials and employees which are due for remittance to Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), National Home Mortgage Finance Corporation (NHMFC), Bureau of Internal Revenue (BIR), and PhilHealth Employees Association (PHICEA), and taxes withheld from payments to health service providers.

13.2 The Corporation after the completion of the UNFPA project entitled "Strengthening and Sustaining the Delivery of Integrated Reproductive Health Services" is again a partner of the same for the implementation of UNFPA funded AWP's relating to the 2012-2016 UNFPA 7th Country Programme for Republic of the Philippines. The total AWP budget for CY 2012 is P7,245,000 with an initial fund release of P2,655,000 dated May 30, 2012.

13.3 Donations include funds received from the following entities, including earned interest thereon:

	2012	2011 (As Restated)
Westmont Investment Corp.	2,965,656	2,965,656
Strategies & Alliance Corp.	5,804,570	6,176,754
All Asia Capital & Trust Corp.	599	600
First Metro Investment Corp.	3,813	3,813
BF General Insurance Corp.	1,425	1,425
Other - (FTD)	-	0
Land Bank of the Philippines	110,000	60,000
Donation received by PhRO's	-	2,259,146
	<b>8,886,063</b>	<b>11,467,394</b>

These shall finance specific projects like:

- a. Prevention of fraud and such other irregularities against the NHIF and for such other allied undertakings. (Westmont Investment Corporation).
- b. Research and development and other studies including P3.50 million ex-gratia fund. (Strategies & Alliance Corporation).
- c. Assistance to the projects of charitable or socio-civic organizations. (All Asia Capital & Trust Corporation).
- d. Ex-gratia Medicare claims reimbursement and other appropriate activities to attain the NHIP objectives. (BF General Insurance Corporation).

#### 14. OTHER DEFERRED CREDITS

These are unearned accreditation fees amounting to P520,318,504 and P30,822,705 in CYs 2012 and 2011, respectively, of medical service providers with validity period of three years.

#### 15. PREMIUM CONTRIBUTIONS

	2012	2011 (As Restated)
<b>Premium Contributions - Sponsored Program</b>		
Counterpart-NG for Sponsored Program (Regular)	-	377,185,270
Counterpart-NG for Sponsored Program (NHTS)	11,884,094,400	2,210,189,901
Counterpart-Other NGAs-Congress	150,376,000	136,802,930
Counterpart-LGUs for Sponsored Program	2,239,602,841	2,461,965,982
Total Prem. Contributions - Sponsored Program	14,274,073,241	5,186,144,083
<b>Premium Contributions - Regular Program</b>		
Contributions - Private Sector	21,282,725,566	20,654,289,733
Contributions - Government Sector	8,159,343,095	8,035,957,420
Contributions - Individually Paying Program	2,522,926,761	2,060,887,393
Contributions - Overseas Workers Program	1,099,195,578	832,732,620
Total Prem. Contributions - Regular Program	33,064,191,000	31,583,867,166
<b>TOTAL PREMIUM CONTRIBUTIONS</b>	<b>47,338,264,241</b>	<b>36,770,011,249</b>

#### 16. INTEREST AND OTHER INCOME

	2012	2011 (As Restated)
<b>Interest Income</b>		
Treasury Bonds	6,354,831,706	6,190,983,685
Treasury Bills	-	19,233,120
Time/Special Savings Deposits	383,812,323	423,406,604
Savings and Current Deposits	10,885,554	9,237,846
Other Interest Income	902,023	1,575,825
Total Interest Income	6,750,431,606	6,644,437,080
<b>Other Income</b>		
Accreditation Fees	27,658,561	24,171,010
Fines and Penalties	3,705,757	2,066,739
Rent Income	1,294,496	1,333,711
Gain (Loss) on Foreign Exchange	(196,827)	1,235
Gain (Loss) on Disposal of Assets	247,110	291,246
Gain (Loss) on Sale of Securities	-	-
Income from Grants & Donations	538,388	195,840
Insurance Income	-	912,301
Dividend Income	50,997	72,114
Seminar Fee ( HCP Forum )	-	-
Miscellaneous Income	1,484,890	2,304,156
Total Other Income	34,783,372	31,348,352
<b>TOTAL INTEREST AND OTHER INCOME</b>	<b>6,785,214,979</b>	<b>6,675,785,432</b>

## 17. PERSONAL SERVICES (PS)

	2012	2011 (As Restated)
Salaries & Allowances	1,580,087,716	1,547,161,031
Other Compensation	1,118,667,409	986,573,909
Mandatory Contributions	115,346,798	113,043,925
Other Personal Services	11,674,199	28,549,942
<b>Total Personal Services</b>	<b>2,825,776,122</b>	<b>2,675,328,807</b>

## 18. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

	2012	2011 (As Restated)
MOOE	1,544,922,565	1,262,741,921
Other Expenses	41,225,390	70,439,782
Non-Cash Expenses	127,736,131	124,395,256
<b>Total MOOE</b>	<b>1,713,884,086</b>	<b>1,457,576,959</b>

## 19. RESERVE FUND

The Reserve Fund is set at P115,080,991,494 the amount which is equal to the reserve fund limit actuarially estimated for two years' projected Program expenditures, as provided for under Section 27 of RA 7875, which states that the Corporation shall set aside a portion of its accumulated revenues not needed to meet the cost of the current year's expenditures as reserved funds: Provided, That the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two years' projected Program expenditures x x x:"

## 20. CONTINGENT CAPITAL

Contingent capital in the amount of P1,457,863 in CY 2012, represents COA disallowances on prior year expenditures.

## 21. RETAINED EARNINGS

In accordance with Philippine Accounting Standards (PAS) No. 8, the Retained Earnings account was restated as follows:

	As of Dec. 31, 2012	As of Dec 31, 2011 (As Restated)
Balance at beginning of year	4,711,937,611	16,272,412,254
Adjustment in Retained Earnings	-	7,920,959
Prior Year's Adjustment	4,825,775,461	1,431,047,832
Balance as restated	9,537,713,072	17,711,381,045
Adjustment in Reserve Fund	(11,910,991,494)	(12,515,000,000)
Net Income	2,373,278,422	4,341,332,027
<b>Ending Balance</b>	<b>-</b>	<b>9,537,713,072</b>

Prior Year's Adjustments are summarized as follows:

Members' Contributions	705,802,778
NGs/LGUs Counterpart for Sponsored Program	4,158,158,291
Interest Income	232,983
Accreditation Income	1,855,720
Other Income	59,799
Fines & Penalties	(105,880)
Personal Services	8,570,123
Maintenance and Other Operating Expenses	(6,611,590)
Benefit Payments	(42,186,764)
	<b>4,825,775,460</b>

NGs/LGUs Counterpart for Sponsored Program includes NG counterpart for the 3,794,014 enrolled poor families under the National Sector Support for Health Reform Project (NSSHRP) and the remaining 916,025 poor families in the National Household Targeting System for Poverty Reduction (NHTS-PR) amounting to P2,415,354,310 per Member Management Group (MMG) Certified Summary Report as of December 31, 2011 submitted to the Department of Budget and Management. From the total amount of P2,415,354,310 DBM has issued a Special Allotment Release Order (SARO) No. F-12-00314 amounting to P2,038,169,040 dated March 29, 2012 corresponding to the MMG billing statement dated January 31, 2012, the said SARO has been collected per OR#36298484 dated April 02, 2012, leaving a balance of P377,185,270. As of August 31, 2012, said balance has been increased to P479,789,425 due to the additional billing made to the DBM dated May 28, 2012.

As of August 2012, the Corporation has enrolled 77,359 poor families representing the last batch of enrollees under NPRD-1 with a total computed NG counterpart share of P43,514,250.00.

The Corporation has also billed the Department of Budget and Management (DBM) on July 3, 2011 the amount of P1,256,940,255.00 pertaining to the balances on the insurance coverage for CYs 2010 and prior years of non-NHTS enrolled indigents.

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## 22. WORLD BANK FINANCING

The Philippine Government through the Department of Finance entered into a loan agreement with the World Bank, as embodied in World Bank IBRD Loan No. 7395-PH, to support the implementation of the five-year National Sector Support for Health Reform Project (NSSHRP). The project was approved in 2006 and became effective in March 2007.

The project is composed of four-component. The component A (Health Financing Component) will be implemented by Philippine Health Insurance Corporation. It has an allocation of US\$ 40 million which provides as budget support for the National Government Counterpart of the Sponsored Program Premiums.

As of Dec. 31, 2010, no utilization was reported due to non-availability of proxy-means testing tool under the acceptable survey tools prescribed in the Indigent Program Manual. In this regard, an amendment to the Indigent Program Support Manual was requested in early 2010 to accommodate other means testing tools due to the difficulty in initiating the indigent identification tools prescribed in the Manual. The amendment stipulates, among others, that PhilHealth's Sponsored Program enrollment in 2008 and 2009 would be eligible for Bank reimbursement provided that these families are in the DSWD's NHTS database.

As agreed with the World Bank, the National Household Targeting System (NHTS) of the DSWD was adopted as the official identification tool for enrolling indigents under PhilHealth's Sponsored Program. As such, all indigents enrolled in 2011 were taken from the said NHTS list and therefore eligible for Bank financing.

For the year 2011, a total of P290,718,000.00 equivalent to US\$6,760,884 was disbursed from the \$40 million allocation for Health Financing component of the NSSHRP. For 2012, two disbursement applications were submitted to the Bank valued at \$34,015,620.07. As of this date loan availment stood at \$40,776,504.07. As such, the health financing component has been fully disbursed.

With the full disbursement of the allocation for health financing component, DOH realigned unutilized funds intended for the procurement of EPI vaccines under the Public Health Commodities component to be used for the payment of national contribution subsidy for indigent enrollment. Thus, a fourth application was submitted to DBM for onward transmittal to the World Bank. The application amounting to P136,575,864.00 was valued at \$3,198,498.00 giving an overall loan utilization of \$43,975,002.07 from the loan proceeds or about 10% higher than the allocation for the health financing component.

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## 23. WORLD BANK – IDF GRANT

The world bank has approved a grant under its Institutional Development Fund (IDF Grant no. TF099315) in the amount of US\$ 205,100, to finance "Operationalizing Institutional Mechanisms for Performance Accountability in the Philippine Health Insurance Corporation." The grant will support the Corporation to implement enhanced performance accountability mechanisms through a revised PhilHealth balanced scorecard to reflect the Aquino Health Agenda/Universal Health Care.

World Bank has a fund release of \$48,658.94 as of December 31, 2012 and the Corporation has a fund utilization of \$37,324.91 leaving a fund balance of \$11,334.03 as of the year-end.

The financial management arrangement for the grant is to establish separate books of accounts and financial management reporting for the Trust fund.

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PRO-XII



Johnny Y. Sychua  
PRO-CARAGA



Atty. Khaliquzzaman M. Macabato  
PRO-ARMM

BRANCH MANAGERS



**Dr. Elizabeth S. Fernandez**  
PRO-NCR North



**Leticia P. Portugal**  
PRO-NCR South



**Gilda Salvacion A. Diaz**  
PRO-NCR Central



**Arsenia B. Torres**  
PRO-III-A



**Dr. Roberto T. Reyes**  
PRO-III-B

SENIOR MANAGERS



**Atty. Ma. Teresa E. Alibanto**  
Internal Legal Department



**Henry V. Almanon**  
Task Force Informatics



**Dr. Clementine A. Bautista**  
Human Resource Department;  
(concurrent OIC, OSDO)



**Atty. Alex B. Cañaverl**  
Financial Audit Department



**Dr. Leo Douglas V. Cardona, Jr.**  
Fact-Finding, Investigation  
and Enforcement Department

SENIOR MANAGERS



**Cynthia D. Corvite**  
Task Force IT Audit



**Atty. Darwin G. De Leon**  
OIC, Prosecutions Department



**Rodolfo B. Del Rosario, Jr.**  
OIC, Information Technology Management  
Department



**Mae R Dizon**  
OIC, Corporate Marketing (CAG)



**Marilyn C. Geduspan**  
Risk Management Department

## SENIOR MANAGERS



**Atty. Jerry F. Ibay**  
OIC, Arbitration Department



**Dr. Leizel P. Lagrada**  
OIC, Accreditation & Standards & Monitoring  
Department



**Mario S. Matanguihan**  
Task Force on Corporate Center  
and Offices (TFCCO)



**Dr. Israel Francis A. Pargas**  
Public Affairs Department



**Atty. Alfredo B. Pineda II**  
Formal Sector (MMG)

SENIOR MANAGERS



**Evangeline F. Racelis**  
Treasury Department



**Ann Marie C. San Andres**  
Comptrollership Department



**Dr. Robert Louie P. So**  
OIC, Protest & Appeals Review Department,  
Claims Program Monitoring Team



**Dr. Narisa Portia J. Sugay**  
Non-Formal Sector (MMG)



**Lolita V. Tuliao**  
Physical Resources and Infrastructure  
Department

## SENIOR MANAGERS



**Lemuel T. Untalan**  
OIC, Corporate Planning Department



**Ma. Sophia B. Varlez**  
International and Local Cooperation  
Department



**Atty. Jay F. Villegas**  
Operations Audit Department



**Atty. Enerito O. Yañez**  
Corporate Information Security Department



**Chona S. Yap**  
Training Institute

# PHILHEALTH DIRECTORY

## Head Office Address

Citystate Centre, 709 Shaw Blvd.  
1603 Pasig City, Philippines  
Trunkline : 441-7444  
Action Center : 441-7442

## PRO NCR South - Las Piñas

### Regional Office

Rm. 1211, 12/F Citystate Centre Bldg.  
709 Shaw Blvd., Pasig City

## Local Health Insurance Offices

### Pasig

G/F Development Academy of the Philippines Bldg.  
San Miguel Ave., Ortigas Center, Pasig City

### Makati

337 ITC Bldg., Sen. Gil Puyat Ave., Makati City  
897-1598; 897-2759; 897-6329; 897-3337;  
899-4506

### Las Piñas

471 Editha Bldg., Alabang-Zapote Road,  
Almanza I, Las Piñas City  
556-5374; 556-5685; 801-5256; 556-5687

## PRO NCR Central - Quezon City

### Regional Office

F.R. Estuar Bldg., 880 Quezon Ave., Quezon City  
332-3021; 332-3022

## Local Health Insurance Office

### Quezon City

F.R. Estuar & Associates Penthouse,  
Estuar Bldg., 880 Quezon Ave., Quezon City  
332-1550

### Rizal

The Brick Road, Sta. Lucia East Grand Mall,  
Marcos Highway cor. Felix Ave., Cainta, Rizal  
681-5499; 681-5111; 681-5164; 646-5844

## PRO NCR North - Manila

### Regional Office

G/F Remcor Bldg., L5 B172 Rizal Ave. Ext.  
(bet. 10th & 11th Ave.), Caloocan City  
365-2012; 365-2014; 365-0464  
phicleti@philhealth.gov.ph

## Local Health Insurance Office

### Manila Local Health Insurance Office

4/F Marc I Bldg., 1971 Taft Ave., Malate, Manila  
523-9481; 526-9842; 521-6776; 522-1745;  
523-6121  
so.manila@philhealth.gov.ph

### Caloocan Local Health Insurance Office

G/F Remcor Bldg., Rizal Ave. Ext.  
(bet. 10th & 11th Ave.), Caloocan City  
365-2012; 365-2014; 365-0464

### Mandaluyong Local Health Insurance Office

#94 P. Cruz St., 2/F Rustans Express, Boni Ave.  
Brgy. San Jose, Mandaluyong City  
532-0095; 532-0449

## PRO CAR - Baguio

### Regional Office

4/F SSS Bldg., Harrison Road, Baguio City 2600  
(074) 446-0371; (074) 444-8361; (074) 444-9862 (fax)  
car@philhealth.gov.ph

## PRO I - Dagupan

### Regional Office

EMDC Bldg., Sec. Francisco Q. Duque, Jr. Road  
Tapuac District, Dagupan City, Pangasinan  
region1@philhealth.gov.ph  
(075) 515-3333; (075) 515-1111  
(075) 523-3127; (075) 522-9691

## PRO II - Tuguegarao

### Regional Office

The Builder's Place, Del Rosario St.  
Tuguegarao City 3500  
region2@philhealth.gov.ph  
(078) 846-1111

## PRO III-A - San Fernando

### Regional Office

G/F PhilHealth Bldg., Lazatin Blvd., San Agustin  
San Fernando City, Pampanga  
(045) 961-7125; (045) 961-0710

## PRO III-B - Malolos

### Regional Office

Feliza Jazza Commercial Bldg.  
Sumapang Matanda, McArthur Highway  
Malolos City, Bulacan  
(044) 7961559; (044) 796-1464

## PRO IV-A - Lucena

### Regional Office

AMCJ Square Bldg. Diversion Road  
Brgy. Bocohan, Lucena City  
(042) 373-6936; (042) 373-7056  
region4a@philhealth.gov.ph

## PRO IV-B - Batangas

### Regional Office

Caedo Commercial Center  
Calicanto, Batangas City 4200  
region4b@philhealth.gov.ph

## PRO V - Legazpi

### Regional Office

ANST Bldg., Alternate Road, Legaspi City  
(052) 4815598; (052) 8203899 (fax)  
region5@philhealth.gov.ph

## PRO VI - Iloilo

### Regional Office

Gaisano City Capital-Iloilo in Luna St.  
La Paz, Iloilo City  
(033) 337-8724; (033) 508-7300  
region6@philhealth.gov.ph

## PRO VII - Cebu

### Regional Office

8/F Golden Peak Hotel & Suites  
Gorordo Ave. corner Escario St.  
Cebu City 6000  
(032) 233-7519

## PRO VIII - Tacloban

### Regional Office

3/F Uytinkoc Bldg., Avenida Veteranos  
Tacloban City  
(053) 325-3663; (053) 325-4056

## PRO IX - Zamboanga

### Regional Office

BGIDC Corporate Center, Gov. Lim Ave.  
Zamboanga City  
(062) 992-2739 (fax)  
region9@philhealth.gov.ph

## PRO X - Cagayan De Oro

### Regional Office

G/F Trinidad Bldg., Yacapin-Corrales Sts.  
Cagayan de Oro City  
(08822) 711-472; (088) 857-1780  
region10@philhealth.gov.ph

## PRO XI - Davao

### Regional Office

Valgosons Bldg., Bolton Ext., Poblacion  
Davao City, Davao Del Sur  
(082) 297-7439; (082) 296-2265 (fax)  
region11@philhealth.gov.ph

## PRO XII - Koronadal

### Regional Office

Plaza de Español Bldg.  
cor. Posadas-Abad Santos Sts.  
Koronadal City 9506  
(083) 228-9734 (fax)  
region12@philhealth.gov.ph

## PRO CARAGA - Butuan

### Regional Office

Lynzee's Bldg., 766 J. Rosales Ave.  
Butuan City  
(085) 342-6992 (fax); (085) 341-2689  
caraga@philhealth.gov.ph

## PRO ARMM - Marawi

### Regional Office

3/F Al-bani Bldg., Osmeña St., Marawi City  
0928-5071910  
pro.armm@philhealth.gov.ph



Philippine Health  
Insurance Corporation

[www.philhealth.gov.ph](http://www.philhealth.gov.ph)