PhilHealth@



TWO DECADES OF SUSTAINABLE AND RESPONSIVE SOCIAL HEALTH INSURANCE





VISION

"Bawat Pilipino, Miyembro, Bawat Miyembro, Protektado, Kalusugan Natin, Segurado"

MISSION

"Sulit na Benepisyo sa Bawat Miyembro, Dekalidad na Serbisyo para sa Lahat"

CORE VALUES

Inobasyon Serbisyong Dekalidad Lubos na Integridad Angkop na Benepisyo Panlipunang Pagkakabuklod Ganap na Pagkalinga

COVER STORY

PhilHealth@20: Two Decades of Sustainable and Responsive Social Health Insurance

In 1995, the Republic Act 7875, or the National Health Insurance Act was passed, this signalled the creation of PhilHealth, which initially assumed the Medicare program for government and private employees.

Twenty years later, PhilHealth has now become an integral part of the national government in aiding to secure the health and well-being of every Filipino under the National Health Insurance Program.

In its two decades of existence, PhilHealth has ensured immediate attention to existing and emerging local and global health concerns through constantly developing responsive benefits and initiating service and program innovations. The Corporation sustains itself through the effective management of its members' contributions and member premium sponsorships.

Moving forward, PhilHealth continues to constantly innovate in order to meet the challenging demands of the local and global health concerns of Filipinos.





ur dream of providing quality, sustainable healthcare for our people is now becoming a reality just five (5) years since we embark on our journey on the Daang Matuwid. It is a true benchmark of success that from just 47 million members in 2010, PhilHealth now insures over 93 million people, many of whom are senior and indigent citizens, who were made mandatory members during the Administration.

Profound changes have also been made in the assistance provided by PhilHealth. The introduction of benefit packages that cover patients' needs based on their diseases and ailments has enabled Filipinos to access a diverse array of medical services without paying a single centavo for their treatment. Aside from that, availing of PhilHealth services has also become a much simpler experience, easing a great burden from patients and family members, and giving them more time to take care of themselves and their loved ones.

By reestablishing transparency, integrity and excellence as core pillars of its mission, we turned PhilHealth into a streamlined and efficient agent of hope for the millions of Filipinos who depend on it for medical assistance. The best part of it all is that we managed to improve services and expand coverage without raising taxes, forfeiting our fiscal position, or sacrificing other crucial programs and services.

It is with great pride that I laud the achievements of the men and women of PhilHealth. You embody the responsive, effective governance we aspire to give to our people. I thank and congratulate you for your dedication and hard work as you present your 2015 Annual Report. I count on you to continue the reforms and initiatives we have begun and add many more milestones to your already impressive and stellar roster of achievements.

Republic of the Philippines

Message from the Board Chairperson



The year 2015 was replete with significant achievements for the National Health Insurance Program. The Philippine Health Insurance Corporation celebrated its 20th anniversary imbued with a stronger commitment to achieve Universal Health Care through financial risk protection.

Since its creation in 1995, PhilHealth has gone a long way in moving the three dimensions of universal coverage forward through expanding the population covered, increasing the number of benefit packages, as well as increasing its share in cost of health care packages.

The year 2015 saw the breadth and width of PhilHealth coverage grow significantly. In 2015, Php97 billion in benefit payments was released by PhilHealth, equivalent to 20% more than the previous year. Indigent members of the Sponsored Program, identified through the National Household Targeting System for Poverty Reduction, continued to enjoy no-balance billing in non-private accommodations in government health facilities as well as chosen private facilities, something they have enjoyed since 2011. In 2015, PhilHealth accredited 1,172 DOH licensed hospitals nationwide. Furthermore, 2,553 rural health units and urban health centers were accredited Primary Care Benefit Package providers, providers for the Maternity Care Package and TB-DOTS package increased to 2,981 and 1,739, respectively.

Much was achieved by HIC in 2015. But major challenges remain. These include, among others, improving collection efficiency and risk management to ensure that the fund remains viable while being able to expand its benefit packages for our growing population. I am confident that the men and women of PhilHealth, as in the past, will live up to their commitment to continuously, competently and faithfully meet the challenges inherent to the formidable task of ensuring financial risk protection through Universal Health Care.

Congratulations on another milestone year. May all of us always stay true to our vision of "Bawat Pilipino Miyembro, Bawat Miyembro Protektado, Kalusugan Natin Segurado."

Mabuhay tayong lahat!

JANETTE P. LORETO GARIN, MD, MBA-H

Secretary of Health



Sa simula pa lamang ng taong ito, inilunsad na natin ang mga pakete para sa Middle East Respiratory Syndrome Corona Virus (MERS-CoV) at Ebola Virus Disease (EVD) bilang pagtugon sa nakaambang problemang kinakaharap ng buong mundo. Nadagdagan din ang Z Benefit Packages kung saan naglunsad din ng pakete para sa Colon at Rectum cancers. Maraming pagbabago rin sa polisiya ang ating ipinatupad kagaya ng pagpapalawig mula 45 hanggang 90 araw ng dialysis treatment kung saan nadagdagan ang benepisyo ng mga kababayan nating nagda-dialysis. Ipinatupad din ang polisiya upang mapangalagaan ang mga kababaihang manganganak, mga benepisyo para sa mga bagong silang na sanggol at ang pagpapadali sa pagkakamit ng benepisyo. Nariyan pa ang pagsisikap nating maipaabot ang ating mga benepisyo sa mga miyembro kung kaya't hinikayat natin ang mga pribadong ospital na maging partner sa pagbibigay ng Z Benefit packages at ang pagsisikap na dumami pa ang mga accredited health care providers upang mas maabot pa ang mga miyembrong nasa liblib na lugar.

Umabot din sa P97 bilyon ang binayaran natin para sa mga benepisyo ng ating mga miyembro, patunay lamang na sapat ang ating kakayahang makatugon sa mga pangangailangan ng ating mga miyembro.

Bilang tagapangasiwa ng pondo ng kaseguruhang pangkalusugan ng bansa, ang PhilHealth ay naging masigasig na malabanan ang anumang katiwalian upang mapangalagaan ang kapakanan ng ating mga miyembro at ang pondong ipinagkatiwala sa Korporasyon sa pamamagitan ng mas pinaigting na kampanya laban sa fraud. Naniniwala akong hindi naging madali ang aksyong ito ngunit tayo ay naninindigan sa kung ano ang tama at isusulong lamang ang nararapat para sa interes at kapakanan ng ating mga miyembro.

Sa taong ito, mas pinagbuti natin ang ating IT systems, mas pinadali natin ang paggamit ng benepisyo sa pamamagitan ng My PhilHealth Portal, at ang pagre-remit at pagbabayad ng mga employer sa pamamagitan ng EPRS. Naglagay din tayo ng search engine sa website upang mas maunawaan nila ang halaga ng mga benepisyong maaari nilang makamtan. Maaari na ring malaman ng miyembro ang kanilang membership record ng hindi na kinakailangang pumunta pa sa ating tanggapan sa pamamagitan ng member inquiry search engine.

Tuloy-tuloy din ang kampanya nating "ALAGA KA" upang maihatid natin ang mga impormasyon sa ating mga kababayan lalo na sa mga nasa Geographically Isolated and Disadvantaged Areas, at maging ang pagsasagawa ng Social Health Insurance Education Series sa buong bansa upang maabot naman ang mga lokal na pamahalaan at media. Ilan lamang ito sa mga information drives na isinagawa natin para maipaalam sa lahat ang kanilang karapatan at responsibilidad sa programa.

Tunay ngang nanatili tayong tapat sa ating dedikasyong maibigay ang pinakamabuting serbisyo sa ating mga miyembro. Patunay dito ang pagkakamit ng PhilHealth bilang ikalawa sa pinakamataas na Excellent Rating sa isinagawang 2015 Anti-Red Tape Report Card Survey ng Civil Service Commission. Nanguna rin ang PhilHealth Customer Assistance, Relations and Empowerment Staff (PCARES) Project sa Philippine Government Best Practice Competition. Sa PhilHealth, hindi sapat na matapos lamang ang araw-araw na transaksyon dahil kaakibat na ng ating paglilingkod ang pagkakaroon ng dekalidad at malasakit sa ating mga miyembro.

Lubos din ang ating kagalakan dahil tayo ay nabigyan ng ating mga miyembro ng positive 80% net satisfaction rating mula sa katatapos na survey na isinagawa ng Social Weather Station. Ito po ay nagpapakita na ang pagpupunyaging makapagbigay ng nakatutugong benepisyo sa pangangailangang medikal ng mga miyembro at kanilang mga kwalipikadong dependents, mga pagbabago sa sistemang ipinatutupad para sa kabutihan ng proseso at de-kalidad na serbisyo ay hindi lamang nakikita ngunit nararamdaman ng bawat miyembro at stakeholders.

Sa dalawang dekadang paglilingkod ng PhilHealth, masasabi natin na mayroong positibong bahaging nagawa ang PhilHealth sa pagpapabuti ng sistemang pangkalusugan ng bansa, at sa pagbibigay ng proteksyong pangkalusugan sa bawat pamilyang Pilipino. Ngunit huwag nating kalimutan na habang lumalaki ang populasyon ay nananatili pa rin ang hamon sa atin na mabigyan ng kalusugang pangkalahatan ang bawat Pilipino.

Ang aking taos-pusong pasasalamat sa lahat ng aking kapwa kawani sa PhilHealth dahil ang bawat kontribusyong ibinigay ninyo ay malaking bahagi sa serbisyong ipinagkaloob natin sa ating mga miyembro. Good job Team PhilHealth!

> XANDER A. PADILLA Pangulo at Punong-tagapagpatupad

Highlights of PhilHealth's 2015 Accomplishments

NHIP Coverage

Sector	Members	Dependents	Beneficiaries
Members in the Formal Economy	13.9	14.4	28.3
Members in the Informal Economy	3.4	5.0	8.5
Indigents	15.3	30.1	45.4
Sponsored Members	1.0	1.4	2.4
Senior Citizens	5.9	1.3	7.1
Lifetime Members	1.0	0.7	1.7
TOTAL	40.5	52.9	93.4

- 1. Figures are in millions.
- 2. The projected population for 2015 (101.4 Million) used in the estimation of coverage rate was projected from the 2010 census by NSO. (medium assumption; annual growth rate of 1.9%)
- 3. Data reported are actual counts of members and dependents registered in the database except for dependents under Indigents which was estimated using a member to dependent ratio.
- At the end of the year, nine (9) out of ten (10) Filipinos were covered by the Program. This translates to 93.4 million members and dependents or 92% of the entire population that are entitled to avail of benefits under the National Health Insurance Program (NHIP).
- The Indigent Program constitutes 49% of the total beneficiaries while the Formal Economy consists mostly of beneficiaries from the employed sector (government and private) comprise around 30% of the total covered

- beneficiaries. The Informal Economy accounted for 9% of the total beneficiaries while 8%, 2%, and 2% belongs to Senior Citizens, Sponsored and Lifetime program, respectively.
- The 15.3 million poor households identified through the DSWD NHTS-PR were covered by the NHIP under the Indigent Program along with 30.1 million dependents.
- In addition, 5.9 million Senior Citizens were included as members and provided with mandatory coverage. This is in accordance with the provisions stipulated in R.A. 10645 otherwise known as the "Expanded Senior Citizens Act of
- On a regional basis, 13% of the total NHIP beneficiaries are from the National Capital Region (NCR). While, Western Visayas and the Bicol Region have the highest enrollment under the Indigent Program.

Premium Contributions

- PhilHealth collected more than Php99.6 billion from January to December 2015, 15% higher than the figure of the previous year. The increase is mainly due the amount collected from the National Government for the premium contributions of Senior Citizens, which is more than five (5) times the amount in 2014.
- The Formal Economy contributed the largest share of total premium payment at 41% while the Indigent and Senior Citizens contributed 36% and 13% respectively. Seven percent (7%) are premium contributions from the Informal Economy and the rest are from the Sponsored Program.

Sector	Amount (in million pesos)
Formal Economy	40,544.28
Informal Economy	6,802.83
Indigents	36,257.96
Sponsored Program	2,974.70
Senior Citizens	13,045.05*
TOTAL	99,624.82

Source: Financial Statement

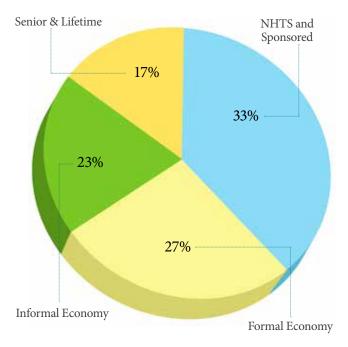
Benefit Claims Expense

Sector	Benefit Payment (in million pesos)	% to Total Benefit Payment
Formal Economy	24,949.59	25%
Informal Economy	20,173.05	21%
Indigent-NHTS incuding PCB	25,055.69	26%
Sponsored	7,528.44	8%
Lifetime Members	19,327.76	20%
TOTAL	97,034.53	100%

Source: Financial Statements

- PhilHealth paid more than Php97 billion as benefit payment in 2015. The amount is 26% more than what was paid from the previous year.
- The implementation of the All Case Rate Payment Scheme simplified claims processing with an average Turn-Around-Time (TAT) of 31 days.
- The total number of claims paid from January to December 2015 was Php 8.39 million. The figure is 27% higher than 2014.
- The increase in coverage of Indigents raised benefit payments for the NHTS and Sponsored Program tremendously. Distribution by sector shows that 33% of the total reimbursements were from the NHTS/Sponsored. Comparatively, 27% of the reimbursements were from the Formal Economy, 23% from the Informal Economy, and 17% from the Lifetime and Senior Citizens.

Number of Claims Paid By Sector



Source: PhilHealth Claims database based on check date extracted January 18, 2016

Accreditation

Health Care Providers and Health Care **Professionals**

- The continuously increasing number of PhilHealthaccredited health care providers ensures greater access to quality health care. By the end of 2015, PhilHealth accredited 99% of the hospitals licensed by DOH. In addition 2,553 Outpatient clinics were accredited as Primary Care Benefit Package providers, while 2,981 and 1,739 providers were accredited for MCP and DOTS respectively.
- 99% of all local government units nationwide have at least one accredited facility providing PCB. While 80% has at least one MCP provider and 81% has at least one DOTS Package provider.

^{*} Payment receivable due to the National Government as stated in the 2015 Financial Statements under premium receivables. (p.24)



wo decades after its institution, the Philippine Health Insurance Corporation has actively pursued innovative solutions to existing and emerging health concerns of the country, as well as safekeeping the well-being of Filipinos. Since its inception, PhilHealth continues to be an active contributor to the human development thrusts of the National Government by ensuring a healthy and productive population with easy and affordable access to basic medical needs.

Innovations and Enhancements in Benefits

We provide responses to emerging global health concerns. This is manifested in the creation of the Middle East Respiratory Syndrome (MERS-CoV) and the Ebola Virus Disease (EVD), the launching of new benefits for colon and rectum cancers, the expansion of existing packages for hemodialysis and peritoneal dialysis, the enhancement of the Primary Care Benefit Packages (PCB)through the "Tamang Serbisyong Kalusugang Pampamilya" or TseKAP and the amendment of working guidelines for the outpatient HIV/AIDS treatment package.

Coverage for confirmed cases of MERS-COV

As a proactive response to threat of a global epidemic outbreak, PhilHealth announced that it will cover confirmed cases of the Middle East Respiratory Syndrome Corona Virus (MERS-CoV) starting January 1, 2015. These cases must be confirmed by the Research Institute for Tropical Medicine (RITM).

The first registered case of MERS-CoV in the country was confirmed by the Department of Health (DOH) on February 2015, after the arrival of the Filipina nurse from Saudi Arabia.



PhilHealth members, may avail of the benefits in any accredited healthcare institution that has the capability and facility to manage MERS-CoV.

Health workers were defined as employees or institutional workers of a Health Care Institution, whether located in the Philippines or abroad that cared for or had close contact with a MERS-CoV patient and may have had contracted the infection while on duty.

Non-health workers can avail of up to a maximum of Php50,000, while health workers can get as much as Php100,000. The amount includes payments for room and board at Php1,500/day or up to a maximum of Php10,000; professional fee of attending physician at Php1,000/day up to a maximum of Php15,000 and Php30,000 for non-health and health workers respectively. Coverage for medicines, laboratory tests, personal protective equipment as well as ambulance is pegged at Php25,000 for non-health workers and Php60,000 for health workers.

Non-PhilHealth members with confirmed cases of MERS-CoV can still avail of the benefits, provided that they submit a properly accomplished PhilHealth Member Registration

Form (PMRF) for evaluation. Those who qualify shall be enrolled under the point-of-care program. Further, the No Balance Billing (NBB) policy applies while the required qualifying contributions and the 45 days benefit limit will be waived.

Benefit Items	Non-Health Workers Members / Dependents	Health Workers
Room and Board	Php1,500.00 / day Maximum of Php10,000.00	Php1,500.00 / day Maximum of Php10,000.00
Drugs and Medicines		
Screening Test for MERS-CoV, x-ray, laboratory and others including supplies and personal protective equipments and transfer services (ambulance)	Php25,000.00	Php60,000.00
Operating Room		
Professional Fee	Php1,000.00 / day Maximum of Php15,000.00	Php1,000.00 / day Maximum of Php30,000.00

Table 1: Middle East Respiratory Syndrome Corona Virus (MERS-CoV) Benefit Package

Coverage for confirmed cases of Ebola Virus Disease (EVD)

Previously, EVD has recently been declared by the World Health Organization as a public health emergency of international concern. To immediately counter the emerging global health threat of the Ebola Virus Disease (EVD), PhilHealth issued PhilHealth Circular No. 005 s.2015 in support for DOH Memorandum No. 2013-0205 rolling-out

guidelines for the coverage of confirmed cases of EVD.

The policy ensures PhilHealth coverage for members and dependents with confirmed cases of EVD with a positive confirmatory test result conducted by RITM. The benefit may be availed in any accredited HCIs with the capabilities and facilities to manage EVD as required by the DOH-EVD strategic plans.



Patients admitted with confirmed case of EVD whose length of stay is seven (7) days or less shall be provided with the Basic EVD Package amounting to Php110,000. The amount includes payment for the HCI worth Php85,400, Professional Fee Php19,600, and ambulatory conduction Php5,000.

Benefit Items	Amount
HCI Fee	Php85,400.00
Professional Fee	Php19,600.00
Ambulance conduction	Php5,000.00
Total Case Rate Package	Php110,000.00

Table 2

However, if the patient is confined beyond seven (7) days, the patient can reimburse Php16,000 per day up to a maximum of Php112,000 in addition to the basic package.

Benefit Items	Amount	
Health Care Institution Fee	Php13,200.00 /day	
Professional Fee	Php2,800.00 / day	
Total Case Rate Package	Php16,000.00 / day	

Table 3

This policy took effect last January 1, 2015, and similar to the MERS-CoV Package, the required qualifying contributions and the 45 days benefit limit was waived in availing the benefit.

Z Benefits for Colon and Rectum Cancers

Two of the most widespread forms of cancers that are afflicting Filipinos are the ones affecting the colon and the rectum. Research and studies conducted have shown that colon cancer is the 3rd most widespread cancer among men, while rectal cancer is 4th in women. With this in mind, PhilHealth announced its coverage for both diseases effective October 15, 2015.

Through the Z Benefit Package, expenses for the treatment and management of colon and rectum cancers are now covered for PhilHealth members and their dependents.

The Z Benefits for colon and rectum cancers shall cover the entire course of treatment and management, providing cancer patients state of the art treatment from stage I to stage III that can increase the chances of survival from these diseases.

The coverage rate for the entire course of treatment of colon cancer, Stages I to II (low risk) is Php150,000, while package rate for Stages II to III is Php300,000. On the other hand, package rate for the entire course of treatment for rectum cancer, Stage I (clinical and pathological) is Php150,000.

Through the Z Benefit package, patients can claim up to Php400,000 for pre-operative clinical stage I for both diseases. This comes with post-operative pathologic Stages II-III using linear accelerator as mode of radiotherapy. Coverage for the same stages but using cobalt instead is Php320,000.

Conversely, rectum cancer with clinical stages II-III, using linear accelerator as mode of radiotherapy is also covered at Php400,000 while using cobalt as mode of radiotherapy is covered at Php320,000.

Initially, patients may avail of the Z Benefit Package for Colon and Rectum Cancer at the University of the Philippines-Philippine General Hospital (UP-PGH) as a reference hospital but will soon be made available in contracted public and private health care institutions nationwide to increase accessibility and provide more options to patient members.

Members who avail of the Z benefit for colon and rectum cancers shall be deducted a maximum of five (5) days from the 45 days annual limit regardless of the actual length of stay in the contracted HCI in a calendar year.

With this new addition, PhilHealth now has a total of 13 Z Benefit Packages from its initial 11 packages.

Expansion of the Hemodialysis and Peritoneal Dialysis Package

PhilHealth members and qualified dependents undergoing hemodialysis are now provided more session days in a year as PhilHealth expanded its coverage from the initial 45 to 90 sessions per year. For peritoneal dialysis, it has increased from 270 days to 360 days a year. The new case rate was applied to all dialysis procedures starting September 15, 2015.

With this new development, members shall now reduce their out-of-pocket expenses to achieve better health outcomes. The adjusted PhilHealth coverage of Php2,600 per session includes payment for facilities and professional fees of attending physicians.

New First or Second Case Rate	HCI Fee	Professional Fee
Php2,600.00	Php2,250.00	Php350.00

Hemodialysis (HD) and Peritoneal Dialysis (PD)

Enhancement of the Primary Care Package

Pursuant to its thrust to take care of the health and well-being of Filipinos, PhilHealth recently rolled out the enhanced version of the Primary Care Benefit (PCB) packages in the form of the TSeKaP benefit. The "TSeKaP" or "Tamang Serbisyo sa Kalusugan ng Pamilya" benefit package is an improved and consolidated version of PCB packages 1 and 2 that were previously implemented by the corporation in 2012 and 2014.



The initial phase of the TSeKaP was rolled out for the Sponsored and Indigent members and their dependents. Eventually, it will be offered to all other sectors in the succeeding years.

Common conditions manageable at the primary care setup shall be given complete care, appropriate diagnosis and necessary medicines based on the package. The ten (10) pinpointed common conditions are the following: asthma, acute gastroenteritis, upper respiratory tract infection, pneumonia, urinary tract infection, diabetes mellitus, hypertension, dyslipidemia, deworming and ischemic heart disease. Also, drugs and medicines shall be dispensed to cover the complete course of treatment for infectious diseases. A monthly supply of maintenance medicines will be provided for eligible members with non-communicable diseases identified in the benefit package as guided by treatment protocols.

Health profiling shall be done to members upon enlistment to ensure that the health status of the eligible PhilHealth beneficiary is established and monitored by their respective TSeKaP provider. These include consultations, regular pressure and body measurement, periodic clinical breast examination, cervical cancer screening, digital rectal

examination, and risk profiling for hypertension and diabetes. Additionally, counseling for smoking cessation and lifestyle modification and oral check-up and prophylaxis for children 12 years old are included in this package.

Indigent and Sponsored members are allowed to choose the nearest Tsekap provider most accessible to them. Public and private institutions offering the package must ensure that the indicated benefits are available to the enlisted families. The No Balance Billing (NBB) Policy is also in effect.

Amendment of the Outpatient HIV/AIDS Package

To address the issue of confidentiality and avoid stigmatization of people living with HIV/AIDS (PLHIV), PhilHealth amended the guidelines for provider accreditation and reimbursement of the Outpatient HIV/AIDS (OHAT) package.

Several patients, especially those in the formal sector, do not avail of the complete benefit as their health status is often questioned when they request signatures from their employers in accomplishing the PhilHealth Claim Form 1.

With the new guidelines, this issue has been resolved. The new amendments also align the benefit to the All Case Rate policy. The revised guideline states the following provisions:

1. Accreditation of OHAT Providers

- PhilHealth accredited Health Care Institutions (HCIs) who are designated by the Department of Health as HIV/ AIDS Treatment Hubs are automatically accredited OHAT Package providers.
- Professional services must be provided by accredited health care professionals. Physicians in treatment hubs must be PhilHealth accredited starting January 1, 2016.

2. Eligibility Rules for Members and Dependents

- PhilHealth members and dependents with premium contributions paid at least three months within the six months prior to the first day of availment.
- Sponsored, Indigent and Overseas Workers Program members are entitled to the package if the period of treatment falls within the validity periods of their membership as stated in the MDR/PBEF.



3. Availment of the OHAT Package

- Only HIV/AIDS cases requiring treatment as confirmed by STD/AIDS Central Cooperative laboratory (SACQ) or RITM shall be covered by the package.
- This package shall only be availed from PhilHealth accredited HCI that are DOH designated HIV/AIDS Treatment Hubs.
- The OHAT Package shall be a fixed case payment of Php30,000 per year.
- The package will be released in four (4) quarterly payments of Php7,500 pesos each payable to the HCI.
- The treatment hub shall only file one claim for each patient per quarter regardless of the number of consultations. However, if there are no services provided (i.e., no consultation), there will be no payment for that quarter.

Expansion of Services

The innovations created by PhilHealth in its benefit packages are further supported by the expansion and upgrade of its digital infrastructure. Through these initiatives, access to member information and availment of benefits were improved. Enhancements of services through the use of digital technology include the creation of a member inquiry/ACR Search engine facility, guide for unclaimed benefits, online payment facilities and one stop OFW portal.

Another service expansion for the year is the opening of Z-Benefit packages to qualified private HCIs in the country. More facilities for Z-benefits means more members can conveniently receive adequate care for life-threatening illnesses covered under the scheme.

Enhancements of the Corporate website (E-Innovations)

Member Inquiry / ACR Search Engine Facility

Members may now verify the accuracy of the information reflected in their membership profiles by accessing the Member Inquiry Facility located at the PhilHealth corporate website (www.philhealth.gov.ph).

Members are able to access their records such as name, date of birth, address, employer, names of dependents and other pertinent details as well as their posted premium contributions



by accomplishing the standard registration steps indicated in the facility. Once completed, they can now log-in using their PhilHealh Identification Number.

Another online service innovation is the introduction of the All Case Rates (ACR) Search Engine Facility, a user-friendly facility wherein anyone can easily search for rates that

PhilHealth pays for each medical and surgical case. The site is especially useful for members and their relatives, as well as researchers and other professionals in the medical field.

The ACR search engine also provides a full description of the case, breakdown of fees/rates being paid by PhilHealth to hospitals and physicians, category of hospitals wherein a certain case may be availed of and even the compensable illnesses under the second case rate.

The enhanced PhilHealth website offers various information modules and online services such as the e-registration and e-PRS to enable non-members to register online and employers to immediately post their employees' PhilHealth payments, respectively.

Guide for Member's Unclaimed Refunds Now Online

Members and their qualified dependents who may have unclaimed refunds due to hospital confinements from 2007 to 2013 may now check for these refunds on the PhilHealth website. The list may be accessed through www.philhealth. gov.ph/unclaimedrefunds.

An unclaimed refund is a benefit payment that must be reimbursed by the accredited hospital to the member for a specified illness. The refund usually results from either an under-deduction or non-availment of benefits at point-ofservice due to various circumstances which have remained unclaimed. The unclaimed refunds were retrieved by PhilHealth from the accredited hospitals for immediate return to the concerned members.

Online Payment Facility launched

To expedite the process of premium remittance, reporting and monitoring of employee contributions to PhilHealth, the Electronic Premium Reporting System was transformed into Electronic Premium Remittance System (EPRS).

With the new and improved EPRS, the premium remittance and reporting can be accomplished in three (3) easy steps:

- 1. Update the status of the employees' premium remittance
- 2. Generate the Statement of Premium Account (SPA)
- 3. Select the ACA to remit premium contributions online.

An electronic PhilHealth Acknowledgement Receipt (ePAR) will be issued for every successful online payment transaction. The eprs ePAR shall serve as the employer's proof of premium payment. Premium contributions will immediately be posted to employees' individual ledger. To avail of the new e-payment facility, employers need only to enroll their accountant to any ACA with approved payment UPDATE gateway/facility.

One-Stop Online Portal for OFWs

OFW members may now get the latest updates, advisories, features and other information materials pertaining to their PhilHealth membership through the www.balinkbayan.gov.ph. This is the result of the recent tie-up of PhilHealth with the Commission on Filipinos Overseas (CFO). The partnership aims to promote information sharing between the two agencies where health care of OFWs is concerned.

Both agencies also agreed to provide access to their website and social networking site accounts to OFWs to access program advisories, newsletters and press releases. CFO also agreed to assign and designate personnel locally and abroad to assist PhilHealth in its information and education campaign for OFWs and their dependents.



My PhilHealth Portal (HCI Portal): Benefit Payment Made Easier

To simplify claims filing and availment procedures, PhilHealth created the My PhilHealth Portal. Through the My PhilHealth Portal, documentary requirements for members was reduced. With the new system, the PhilHealth Benefit Eligibility Form (PBEF) generated by the portal effectively replaces the Member Data Record (MDR).

Through these efforts, members' eligibility could already be checked and validated in the hospital upon confinement. In addition, new policies and advisories are made accessible through the portal.

Expansion of Contracting for the delivery of Z Benefits

Initially offered only to government hospitals, qualified private health care institutions can now offer Z Benefit services to our members.

Private health care institutions that intend to become contracted facilities for the Z Benefit packages need only to submit a Letter of Intent (LOI) and should ensure their capability to provide the complete mandatory services specific to the Z benefit package they applied for.

Likewise, these HCIs are required to measure their capabilities through a self-assessment and survey tool. A survey team from the corporation shall then validate their assessed capabilities compliance through facility visits. No corresponding fee shall be collected from applicant-institutions.

Contracted HCIs must adhere to the "No Balance Billing" policy for Indigent and Sponsored members who will avail of the Z Benefit Packages. The fixed co-pay option will apply only to non-indigent members. Further, the amount shouldered by members on top of the Z package should not exceed the benefit amount being paid for by PhilHealth.

Corporate Milestones

PhilHealth, has made great strides in 2015 in terms of process improvement and strengthening its workforce. It has recently received ISO Certification, thus giving members an assurance on the quality of service provided by its offices.

PhilHealth has also sown the seeds for creating a provident fund that will provide added financial support to its workforce. It further strengthened the status of its job performers through casualization of many of its job-order contractors.

PhilHealth Now ISO Certified

Effective December 29, 2014, the Corporation has already acquired ISO certification for its brand of Quality Management System (QMS), known as the Philippine Social Health Insurance Management Systems (PSHIMS). Such certification covers the member, provider management and benefit delivery processes of PhilHealth, as well as its management and support processes.

The registered sites under the certification includes the Central Office in Pasig City, the PhilHealth Regional Office in (PRO) IV-A in Lucena City and the Local Health Insurance Office (LHIO) in Calamba. This certification was sustained in 2015 upon passing the 1st surveillance audit conducted by a 3rd party ISO Certifying Body, the AJA Registrars. Inc.



Such certification is an indication that PhilHealth confirms with international quality management standards under ISO 9001: 2008. It demonstrates PhilHealth's commitment to continual improvement, customer focus, and delivery of quality services.

In order to replicate the current achievements in registered sites to the rest of the PhilHealth offices nationwide, the PSHIMS was cascaded to the PROs and LHIOs. Internal Quality Audit and Management Review across levels were completed covering all of the PROs, and one LHIO per PRO.

As PhilHealth offices endeavors to continually improve the QMS implementation and consistently provide quality services to its members, it is with high optimism that it will eventually achieve an expanded ISO certification of nationwide scope by 2016.

PhilHealth Provident Fund

In 2012, the PhilHealth Board of Directors approved the establishment of the PhilHealth Provident Fund (PPF) for company officials and employees with an initial fund of P50,000,000 through PhilHealth Board Resolution No.1715 s.2012.

The PPF shall serve as a savings and loan credit facility which encourages frugality among its members. It provides an immediate source of financial assistance in case of emergencies and other urgent or necessary needs.

Special Order No.0411 s.2014 which created the Steering Committee and Technical Working Groups (TWG) of the Rationalized and Integrated Employees' Welfare and Benefits and other Personnel Development Program and Projects in December of 2014 effectively created the fund.

By March of 2015, the PhilHealth Interim Board of Trustees for the PhilHealth Provident Fund (PPF) was created. The PPF Board of Trustees is mandated to direct the formulation and finalization of the By-Laws, including the rules and procedures in the establishment and administration of the PPF.

The group is also tasked to create committees necessary for the drafting and formulation of technical and administrative policies necessary for the implementation of the PPF. The Interim Board of Trustees is composed of the Management representative, Fund Management Sector representative, Legal Sector representative and PHICEA representative.



The finalized By-Laws was ratified by the PPF general membership in April 2015. The election of the PFF Board Members happened on June 22, 2015, followed by the oath taking of its appointive and elective members of the PPF Board of Trustees.



Finally, the PPF contribution

was officially implemented in August, 2015. Contributions of member-employees shall be deducted from their regular payroll every month onwards following an upgrade to the Integrated Payroll System. As agreed upon by both Board of Trustees and members, rate of contribution of employee members shall be 5% of their basic monthly salary.

Casual Positions created for **Job-Order Contractors**

In view of the needed workforce to support its service expansion especially in membership, contributions/collection, claims and health care provider management, PhilHealth has augmented the rising insufficiencies in staffing by hiring



Job-Order Contractors (JOCs) to ensure achievement of its mandate of Universal Health Coverage. As these JOCs had been performing regular work for the corporation, PhilHealth therefore embarked on reviewing its organization and staffing pattern in the hope of creating plantilla items for the JOCs.

The corporation finally succeeded in creating casual plantilla positions to eventually do away with JOCs hiring. The PhilHealth Board approved the allocation of a budget in the CY 2015 Corporate Operating Budget (COB) for these items to be created.

By December 31, 2015, close to 3,500 Job-Order Contractors have been issued casual appointments, mostly to support the corporation's expansion through frontline services. These casual employees now benefit from an employer-employee relationship with PhilHealth, with entitlement to regular salaries and benefits for government employees including GSIS, PhilHealth and Pag-ibig.

This casualization effort has helped ensure a more stable, motivated and high performing workforce to support PhilHealth's program implementation. And in a broader perspective, this has contributed also in addressing under employment, which is one of the prevalent socio-economic issues our country is facing today.

Awards and Citations

PhilHealth's adoption and implementation of good practices have been met with recognition from various local and international award-giving bodies. The Corporation believes that good practices makes good business sense. These achievements has boosted the Corporation's commitment to elevate the quality of service to the Filipinos.

Anti-Red Tape Act (ARTA) Award

PhilHealth was awarded the 2014 Anti-Red Tape Act (ARTA) Award by the Civil Services Commission (CSC) for consistently exhibiting exemplary customer services. The award was based on two criteria, namely: percent of surveyed offices from 2011-2013 that were awarded with the CSC Seal of Excellence; and, percent of surveyed offices passing the ARTA Report Card Survey from 2011-2013.

The ARTA award measures an agency's performance and client satisfaction in relation to frontline service. It also searches for efficiency improvements in the delivery of government services to the public by reducing bureaucratic red tape, preventing graft and corruption and providing penalties.

Finally, the recognition is also a mechanism to obtain feedbacks on how agencies follow provisions in their Citizen's Charter.



PhilHealth looks forward to sustain its excellent standing by implementing innovations and best practices such as the rolling out of special services, improvement of existing services, and empowering personnel.

Seal of Excellence Award for exemplary Frontline Services Nationwide

A total of sixty six (66) PhilHealth Offices nationwide were given recognition by the CSC for having an "Excellent" rating in the ARTA Report Card Survey (RCS) for the year 2014.

The awards were given to sixty 60 LHIOs, 2 Regional Offices, and 1 Business Center, while Outstanding Awards were given to four 4 LHIOs, 11 PhilHealth Express Offices, 6 Business Centers and 4 Regional Offices.



The Seal of Excellence award is given by the CSC to government service offices that have demonstrated exemplary frontline service delivery, has an Excellent rating in the Anti-Red Tape Act (ARTA) compliance, no valid and unresolved ARTA-related complaints based on the Contact Center ng Bayan data.



PCARES win Best Practice Competition

The PhilHealth Customer Assistance, Relations and Empowerment Staff (PCARES) Project recently won in the Philippine Government Best Practice Competition organized by the Development Academy of the Philippines. There were 27

entries, of which 17 were shortlisted.



The PCARES project, as the winner of the said competition, automatically gained a slot in the 4th International Best Practice Competition organized by the Center for Organizational Excellence Research held in Quezon City.

Corporate Social Responsibility (CSR) Events

Two major CSR activities highlighted PhilHealth's 20th Anniversary celebration:

Two decades since its inception, PhilHealth has now become an integral part of the health initiatives of the National Government, especially in the field of Universal Health Care. In the occasion of its anniversary, PhilHealth finds it prudent to give back to the community by organizing two Corporate Social Responsibility (CSR) programs as a way of saying thank you for its twenty years of existence.

"PhilHealth: Ready, TSeKaP, Go"

The run-for-a-cause event is one of the highlights of PhilHealth's 20th Anniversary celebration with the theme "Ensuring Universal Coverage for all Filipinos." This took place simultaneously in 13 sites in the country that include Quezon City, Baguio, Dagupan, Tuguegarao, Olongapo, Lucena, Lipa, Naga, Iloilo, Cebu, Tacloban, Davao and Koronadal cities.



Focusing on the vulnerable sectors of society such as the elderly, children and the sick, proceeds from the event were given to the Golden Reception and Action Center for the Elderly and Other Special Cases (GRACES) in Quezon City; the Amor Village, Home for Girls, and Gerona Office of Differently Abled Persons (GODAP) in Tarlac; Munting Tahanang Nazareth in Mabalacat, Pampanga; Faith, Hope and Love Kids Ranch in Sariaya, Quezon, Sinag Kalinga Foundation in Lucban, Quezon, Hermana Fausta Development Center in Quezon Province; Naga Children's Home in Naga City; The Haven in Dagupan and Iloilo; Mga Kaibigan ng mga Kabataang may Kanser (KKK) in Iloilo; Gift of Life Project in Cebu; SOS Children's Village Kinship Program in Tacloban and SOS Children's Village in Davao City; the Home for Girls in Koronadal and Bahay ni Maria Foundation, Inc. in Cotabato

An estimated 50,000 runners participated in the 2nd simultaneous run organized by the Philippine Health Insurance Corporation on February 15, 2015 in different locations all over the country.

Massive Tree-Growing activities

In Zamboanga City, 5,000 seedlings of mangrove were planted in Sitio Asinan in barangay Talon-Talon. A Memorandum of Agreement (MOA) was also signed among PhilHealth, Barangay Talon-Talon and the Department of Environment and Natural Resources to ensure coastal protection and conversion of marine biodiversity in the area.

In Butuan City, 1,000 individuals joined PhilHealth's "Plant a Million Trees" Program, in partnership with the City Government. The program is in line with the Corporation's desire to nurture and sustain a first ever PhilHealth forest park in the city.

Tree-growing activities were also held in Sitio Cala-Cala in Barangay Macasandig in Cagayan de Oro City and near Lake Lanao National High School in Barangay Sugod, Marawi City.



Benefits for affected families of typhoon Yolanda and Ruby

PhilHealth provided coverage for victims of typhoon Yolanda and Ruby through a grant agreement with the International Labour Organization (ILO). Under the ILO's Sustainable Livelihood Recovery Program, social health insurance coverage were extended for beneficiaries from the provinces of Coron, Palawan in Region 4B, Camarines Norte, Camarines Sur, Catanduanes, Masbate and Albay in Region 5, Negros Occidental in Region 6, North Cebu and Bohol in Region 7 and Ormoc, Samar, and Tacloban in Region 8.



The enrolled beneficiaries shall be enlisted under the Sponsored Program and will be entitled to PhilHealth's full range of benefits including inpatient benefits, special benefit packages, primary care, and the Z benefits, and to the "No Balance Billing" policy for confinements in government hospitals.

An estimated 14,900 victims from the five (5) regions hit hardest by the typhoons were provided PhilHealth coverage with a total worth of Php9,208,200. The PhilHealth-ILO partnership started in 2014 with 5,162 typhoon victims being provided with coverage under the Cash for Work Program. The initial ILO grant amounted to Php3,097, 320.74.

Looking Forward

PhilHealth's journey is far from over. There's more work to be done. PhilHealth is committed to placing the health and wellbeing of the Filipinos at the forefront of its operations. From rolling out innovative health care packages to becoming a good corporate citizen, the Corporation continues to ensure the productivity of the country's workforce by ensuring the health of its citizens.

Moving forward, PhilHealth shall continue to be vigilant and responsive to global health concerns while at the same time crafting new and innovative packages for its members. The corporation shall also try to find new ways to expand its reach, by partnering with different local and national agencies. Through this, members can sleep comfortably at night, knowing that the corporation is ready to financially support them should any medical emergency arrive at any point in their lives.

Here's to more decades of health financial risk protection for all

Milestones

1995

- Republic Act 7875, otherwise known as the National Health Insurance Act of 1995, was signed into law by President Fidel V. Ramos.
- The PhilHealth Board of Directors met for the first time at the Bahay Ugnayan, in Malacañang
- Atty. Jose A. Fabia was appointed and became the first President and CEO of PhilHealth.



- The initial Implementing Rules and Regulations (IRR) officially took effect.
- PhilHealth began its partnership with LGUs to formally launch the Indigent Program in the provinces of Abra and Camiguin.

- PhilHealth assumed the Medicare functions for the government sector from the Government Service Insurance System (GSIS).
- Abra became the first province to adopt the implementation of PhilHealth's Indigent Program.



1998

- PhilHealth assumed the Medicare functions for the private sector from the Social Security System (SSS).
- Hon. Enrique M. Zalamea was appointed and became the second President and CEO of PhilHealth.

1999

- · PhilHealth increased benefits by 50% for all members.
- PhilHealth launched the Individually Paying Program (IPP).
- PhilHealth unifies its benefits for all members

2000

- PhilHealth transfered its offices from Jocfer Bldg. and The Philippine Heart Center in Q.C. to Citystate Centre Bldg., Shaw Blvd., Pasig.
- It established the use of the Automatic Credit System (ACS) for reimbursements of health care professionals.
- It launched the first Health Passport area in Pasay City.
- It commenced the New Implementing Rules and Regulations (IRR) of RA 7875.
- It launched the first Outpatient Diagnostic Package and capitation as provider payment scheme in the province of Laguna.
- It implemented the use of the PhilHealth Claim Forms 1, 2 and 3

- PhilHealth implemented the new premium contribution rates.
- It effected the coverage of operation and health services for organ transplant.
- Dr. Francisco T. Duque III assumed Presidency of PhilHealth, becoming the third appointed PhilHealth President and CEO.
- PhilHealth completes the decentralization of Unified Claims Processing System in the regions.
- It officially started the implementation of the ICD-10
- It opened the first ever PhilHealth Members Assistance Center (PMAC), a one-stop shop for all members and health care providers
- Formally institutionalized the partnership between PhilHealth and partners from the private sector in providing Outpatient Services through a signed Memorandum of agreement with Friendly Care Foundation Inc.

2002

- PhilHealth implemented a 43% increase in benefit items for In-Patient confinements of members and their dependents.
- It implemented the RVS 2001.
- It launched the enrolment of Retirees and Pensioners to the Non-Paying Program.

2003

2001

- PhilHealth effected the increase in the Room and Board benefits.
- It formally launched the Dialysis Package for PhilHealth-accredited free-standing dialysis clinics.
- It launched the Maternity Care Package for Normal Spontaneous Delivery (up to 2nd NSD) and SARS Package for members and their beneficiaries.
- $\bullet \quad \text{It launched the Anti-tuber culosis (Directly Observed Treatment Short Course or DOTS) Benefit Package.}\\$

2004

- President Gloria Macapagal Arroyo signed Republic Act 9241, amending the Republic Act 7875.
- The new PhilHealth Implementing Rules and Regulations took effect.
- PhilHealth implemented the inclusion of adoptive and step parents as legal dependents.

2005

- PhilHealth took over the Medicare Program for Overseas Filipino Workers (OFW).
- It conducted the pilot-testing of the membership for organized groups KaSAPI (Kalusugan ay Sigurado at Abot-Kaya sa Phil Health Insurance).
- It renewed the coverage of an estimated 2.5 million indigent families nationwide though the enhanced PCSO Greater Medicare Access Program.

2006

- It implemented the upgrade in the categories of accredited hospitals, from Primary, Secondary and Tertiary to Levels 1, 2, 3 and 4.
- Ms. Lorna O. Fajardo was officially appointed as Acting President and CEO.
- It implemented the coverage of the third Normal Spontaneous Delivery (NSD).
- It launched the Newborn Care Package (NCP).

2007

- · PhilHealth introduced the Quality Awards for Partner Providers, based on Centers of Safety, Quality and Excellence.
- $It developed the Pinoy Health \ Pass \ (Electronic \ Monitoring \ and \ Reporting \ System) \ in \ partnership \ with \ GlaxoSmith \ Kline \ for \ the \ Pinoy \ Pin$ utilization of the Outpatient Benefit Package.
- It implemented the enhanced Outpatient Benefit Package for the Overseas Workers Program.

2008

- It launched Task Force Kisapmata to combat fraud on cataract claims.
- Dr. Rey B. Aquino became the fifth President and CEO of PhilHealth.
- It started coverage for Voluntary Surgical Contraception Procedures (Tubal Ligation and Vasectomy).
- It launched the Outpatient Malaria Package in support of United Nation's Millennium Development Goals (MDG).



2009

2010

2011

2012

It expanded the coverage for Normal Spontaneous Delivery up to fourth NSD.

It increased benefit payment by 35% through the revised Inpatient benefit schedule.

It implemented the Cataract Benefit Package.

It launched the Influenza AH1N1 Package.

It expanded the benefits of Sponsored Program Members and their dependents by providing coverage for take home medicines.

It launched PhilHealth office in Macau.

It launched PhilHealth office in Hong Kong.

It increased benefits for pregnant members through the Expanded Normal Spontaneous Delivery and Maternity Care Packages.

It released the Outpatient Blood Transfusion Package.

It launched PhilHealth office in Riyadh.

 $President\ Benigno\ S.\ Aquino\ launches\ campaign\ on\ Universal\ Coverage\ dubbed\ as\ ``PhilHealth\ Para\ sa\ Lahat,\ sa\ loob\ ng\ Tatlong\ Taon".$

It extended P100.00 for take home medicines to all PhilHealth membership type.

It launched the Outpatient HIV/AIDS Treatment (OHAT) Package.

It launched the Electronic Premium Reporting System (EPRS).

It launched the automatic enrollment of eligible retiring employees to the Lifetime Membership Program.

It launched PhilHealth's own Call Center.

It introduced the new Case Rate Payment method for 23 selected medical cases and surgical procedures for all member types.

It launched the new PhilHealth new identification card through the I-PhilHealthy campaign.

Dr. Eduardo P. Banzon became the sixth President and CEO of PhilHealth.

It unveiled the new PhilHealth website.

• It opened Service Desks in Robinson's Malls.

It deployed the PhilHealth Customer Assistance Relations and Empowerment Staff (CARES) in almost all PhilHealth accredited government hospitals nationwide.

It launched the Z Benefits a new set of benefit packages for catastrophic illnesses.

It launched the Primary Care Benefit Package 1 (PCB1).

It launched the discount for Pneumococcal vaccine for members and dependents 60 years old and above through PhilHealth accredited hospitals designated as Vaccine Access Points (VAP).

It launched the Leptospirosis Benefit Package.

It launched the PhilHealth Express in places with high volumes of people such as malls and public transportation terminals.

It launched and conducted the first PhilHealth Social Health Insurance Education Series (SHINES).

It set record high P600,000.00 Benefit Payment for the full cost of kidney transplant procedure.

2013

2014

It launched the expanded Z benefits.

It piloted the Primary Care Benefit 1 (PCB1) to DepEd employees.

Atty. Alexander A. Padilla became the seventh President and CEO.

It launched the Z Morph Benefit Package.

It enacted the Republic Act 10606 otherwise known as the National Health Insurance Act of 2013.

It implemented the Point of Care Enrolment.

It implemented the All Case Rate Payment Scheme through PhilHealth Circular 35, s.2015.

It launched the ALAGA KA Para sa Maayos na Buhay or ALAGA KA Program.

It implemented the coverage of foster child as qualified dependent.

It implemented the coverage for parents below 60 years old with permanent disability as qualified dependent.

It launched the Z Benefit Package for selected Orthopedic Implants and the Peritoneal Dialysis.

It extended PhilHealth coverage to Senior Citizens.

It implemented the mandatory coverage for women about to give birth.

It implemented the coverage of Bangsamoro families as Sponsored Members through the Sajahatra Bangsamoro Program (SBP).



• It implemented the coverage for confirmed cases of MERS-COV or Middle East Respiratory Syndrome Corona Virus

It implemented the coverage for confirmed cases of Ebola Virus Disease. It implemented the expansion of the Hemodialysis and Peritoneal Dialysis Package.

It launched the Z Benefit Package for Colon and Rectum Cancers.

It amended and improved the guidelines for the Outpatient HIV/AIDS Package (OHAT).

It introduced enhancements in its Corporate website (E-innovations)

- Member Inquiry / All Case Rate Search Engine

- Guide for Member's unclaimed refunds online

- Online Payment (Electronic Premium Remittance System or EPRS)

One-Stop Online Portal for OFWs

- Health Care Institution (HCI) Portal

It expanded the contracting for the delivery of Z Benefits to government hospitals as well as qualified private health care institutions.

PhilHealth acquired ISO Certification.

PhilHealth awarded with the Anti-Red Tape (ARTA) Award by the Civil Services Commission (CSC) for consistently exhibiting exemplary

PhilHealth Offices nationwide awarded with Seal of Excellence Award for exemplary Frontline Services.

PhilHealth Customer Assistance, Relations and Empowerment Staff (PCARES) wins Philippine Government Best Practice Competition organized by the Development Academy of the Philippines (DAP).



Republic of the Philippines



COMMISION ON AUDIT

Commonwealth Avenue, Quezon City, Philippines

CORPORATE GOVERNMENT SECTOR

Cluster 6-Social, Cultural, Trading, Promotional and Other Services

We are pleased to submit our Annual Audit Report on the results of the audit of the accounts and transactions of the Philippine Health Insurance Corporation (PhilHealth) for the year ended December 31, 2015, pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The Report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Years' Audit Recommendations.

The Auditor rendered an unqualified opinion on the fairness of the presentation of the financial statements of the Agency.

The significant observations and recommendations are as follows:

- 1. Audit of PhilHealth's P1 billion investment through an Externally Managed Fund (EMF) disclosed the following observations:
 - a. The Fund Manager placed PhilHealth's EMF in common stock investments contrary to Section 27 (d) of RA 10606 which provides that investment shall be made only in preferred stocks. The investment therefore made in common stocks was not accordance with the Corporation's Charter.
 - b. Section 2.2 of the Investment Management Agreement (IMA) that does not guarantee the Principal to a fixed interest or return of investments is not in consonance with Paragraph 2 of Section 27 of RA 10606.

We recommend that Management:

- a. Consider amendment on the provision that allows the Fund Manager to invest in common stocks and comply with Paragraph (d), Section 27 of RA 10606 that specifically and expressly mentioned investments in preferred stocks.
- b. Revisit Section 2.2 of IMA and consider the prevailing interest rate requirement mandated under paragraph 2, Section 27 of RA 10606 that Fund shall be placed in investments to earn an average annual income at prevailing rates of interest.
- c. Comply strictly with all the requirements and provisions of RA 10606 on investments.
- 2. Audit of Information Technology (IT) Systems of PhilHealth disclosed the following deficiencies:

- 2.1 Insufficient Policies and Procedures related to Backup, Restoration and Retention, Data Library and Database Editing
 - 2.0.1 Insufficient Backup, Restoration and Retention Policies and Procedures
 - We recommend that Management pursue the creation of policies and procedures and orient the ITMD-ITRMD personnel on the proper management and safekeeping of backup tapes.
 - 2.0.2 Insufficient Data Library
 - We recommend that Management initiate the establishment of data library, thus, ensuring the accountability, integrity, reliability and availability of files when needed.
 - 2.0.3 Direct Editing of PhilHealth Databases
 - We recommend that Management fast track the:
 - a. Creation of appropriate policies and procedures on the correction/update of its database;
 - b. Coordination with the various business owners to identify its requirements as basis for the development of an interface; and
 - c. Development of system interface that would address the correction/update of its databases.
- 2.2 Inadequate Documentation
 - We recommended that Management require its system developers (or documentation group, if any) to complete and submit systems' documentation for ease of system maintenance/enhancement and use thereof is assured.
- 2.3 Insufficient/Outdated Information Technology Policies, Standards, Guidelines and Procedures.
- 2.4 Office Orders containing inaccurate and/or outdated information may cause confusion among users.

We recommend that Management:

- a. Develop these ISPSGPs to ensure the protection of its sensitive/critical resources and the integrity of its information;
- b. Update/revise Office Orders concerned, thus, promoting understanding and more efficient operation; and
- c. Disseminate this information to concerned PhilHealth officials and employees for their awareness.
- 2.5 Absence of Policies and Procedures over the Network Configuration and Penetration/Vulnerability Test.

We recommend that Management seriously initiate:

- a. The creation of policies and procedures related to network configuration, thereby, minimizing configuration errors and downtime, streamlining the process of maintenance, repair, expansion and upgrading; and
- b. The conduct of vulnerability assessment and penetration test to identify all systems' flaws, therefore, ensuring the reliability and integrity of its databases.
- 2.6 Inventory and Custody of Software /Unrestricted users access from running executable files

2.6.1 No annual inventory and central depository for computer media were established and PhilHealth employees were not restricted to run executable files or unauthorized software contrary to Information Technology Policies and Standards and Section 4 of RA 10175 known as Cybercrime Law.

We recommend that Management:

- a. Create a written and approved policies and guidelines on the proper management of computer media in particular installer discs;
- b. Perform daily scan of all network stand-alone workstation hard drives to determine unauthorized software;
- c. Restrict the installation of any software or executable files;
- d. Establish a data library as a central repository all computer media; and
- e. Gather/collect all computer media and deposit the same to central repository.
- Inadequate/ Incomplete/ Inaccurate information in the PhilHealth Members Database (PMD).

We recommend that Management:

- Proactively cleanse and update its PMD by regularly coordinating and communicating with the concerned PhilHealth members for the update/correction of its members' database to ensure that all remittances are promptly posted, benefits availed and facilitate the establishment of an accurate and complete membership database; and
- Incorporate validation routines during data entry to reject null values and improbable birth dates.
- Revalidation of Physical and Environmental Controls Deficiencies
 - Physical and environmental deficiencies in the IT resources previously noted remained unresolved. We recommend that Management: address the physical and environmental deficiencies noted, both in the previous and current year observations, while working to fast-track the upgrading and expansion of its server room to protect its information technology resources.
- No Real Time Synchronization of Database between Data Center and Server Room/Absence of Hot Site and Off Site
 - The databases maintained at the Server Room is not a mirror image of the database stored at the Data Center. Also, information technology hardware and software found in the former is not at par with the latter site.
 - 2.9.2 Neither Hot Site nor Offsite Location is maintained

We recommend that Management:

- a. Upgrade its hardware and software at the server room and synchronize its database with that of the data center; and
- Locate hot site in other geographical location or contact a hot site provider as an alternate site of its data center and as an offsite storage of its backup media, thus, ensuring continuity of operation.

The other audit observations with the corresponding recommended courses of action which were discussed by the Audit Team with the concerned officers and staff of that Agency, in a conference held on May 13, 2016, are presented in details in Part II of the Report.

In a letter of even date, we request the President and CEO of PHIC that appropriate actions be taken on the observations and recommendations contained in Part II of the Report. Likewise, we request that this Commission be informed of the measures taken thereon within 60 days from the receipt hereof, pursuant to Section 93 of the General Provisions of the General Appropriations Act for CY 2015, by submitting the duly accomplished Agency Action Plan and Status of Implementation Form (copy attached).

We express our appreciation for the support and cooperation that the Management has extended to the Audit Team, thus facilitating the completion of the Report.

Very truly yours,

COMMISSION ON AUDIT

WILFREDO A. AGITO **Director IV**

Copy furnished:

The President of the Republic of the Philippines

The Vice-President

The Speaker of the House of Representatives

The Chairperson - Senate Finance Committee

The Chairperson - Appropriations Committee

The Secretary of the Department of Budget and Management

The Governance Commission for Government-Owned or Controlled Corporations

The Presidential Management Staff, Office of the President

The U.P. Law Center

The National Library

STATEMENT OF

FINANCIAL POSITION

As of December 31, 2015 (With Corresponding Figures for 2014) (In Philippine Peso)

	Notes	2015	2014 (As Restated)
ASSETS			
Current Assets			
Cash	5	25,595,916,778	38,984,478,766
Premium Receivables	6	20,269,724,623	5,852,857,785
Other Current Assets	7	1,694,070,601	1,665,447,254
Total Current Assets		47,559,712,002	46,502,783,805
Non-Current Assets			
Available for Sale Investments	8	960,732,520	(
Held to Maturity Investments	9	106,716,873,092	100,015,132,230
Property & Equipment - Net	10	1,779,360,776	1,678,776,535
Intangible Assets - Net	11	147,814,634	86,099,982
Other Assets - Net	12	1,599,695,572	1,599,209,298
Total Non-Current Assets		111,204,476,594	103,379,218,045
TOTAL ASSETS		158,764,188,596	149,882,001,850
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Benefit Claims Payables	13	24,188,718,951	19,917,207,745
Other Payables	14	1,437,744,924	1,117,940,611
Total Current Liabilities		25,626,463,875	21,035,148,356
Non-Current Liability			
Other Deferred Credits	15	1,252,338,440	823,733,458
Total Liabilities		26,878,802,315	21,858,881,814
Equity			
Members' Equity	16	131,885,386,281	128,023,120,036
Total Equity		131,885,386,281	128,023,120,036
TOTAL LIABILITIES AND EQUITY		158,764,188,596	149,882,001,850

STATEMENT OF PROFIT OR LOSS

For the Year Ended December 31, 2015 (With Corresponding Figures for 2014) (In Philippine Peso)

	Notes	2015	2014 (As Restated)	
REVENUE				
Premium Contributions	17	99,624,822,337	86,566,815,254	
Interest and Other Income	18	7,075,797,839	6,572,779,475	
Total Revenue		106,700,620,176	93,139,594,729	
EXPENSES				
Benefit Claims Expenses	19	97,034,532,300	77,306,721,157	
Operating Expenses				
Personal Services	20	3,683,462,768	2,878,813,658	
Other Operating Expenses	21	2,081,091,383	2,157,123,479	
Total Operating Expenses		5,764,554,151	5,035,937,137	
Total Expenses		102,799,086,451	82,342,658,294	
NET MARGIN (LOSS)		3,901,533,725	10,796,936,435	

STATEMENT OF CHANGES IN EQUITY

As of December 31, 2015 (With Corresponding Figures for 2014) (In Philippine Peso)

	Notes	2015	2014 (As Restated)
RESERVE FUND	16		
Reserve at Beginning of Year		128,021,663,287	115,248,249,762
Transfer from Surplus		3,901,533,725	12,773,413,525
Reserve Fund at End of Year		131,923,197,012	128,021,663,287
SURPLUS	16		
Surplus at Beginning of Year		1,456,749	1,977,933,839
Net Income		3,901,533,725	10,796,936,435
Total Surplus		3,902,990,474	12,774,870,274
Surplus Transfer to Reserve Fund		(3,901,533,725)	(12,773,413,525)
Surplus at Year End		1,456,749	1,456,749
NET UNREALIZED LOSS ON AVAILABLE FOR SALE INVESTMENT	16	(39,267,480)	0
EQUITY		131,885,386,281	128,023,120,036

STATEMENT OF CASH FLOWS

As of December 31, 2015 (With Corresponding Figures for 2014) (In Philippine Peso)

	2015	2014 (As Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES		(110 Restated)	
Cash Received for Premium Contributions	84,737,680,283	84,562,582,721	
Cash Received from Other Income	698,364,436	188,841,104	
Interest Received from Investments	7,062,890,362	6,631,614,450	
Rent Collected	481,443	1,113,542	
Payments of Benefit Claims	(92,402,036,156)	(71,579,788,566)	
Payments of Operating Expenses	(5,499,721,875)	(4,956,877,501)	
Net Cash Provided by (Used in) Operating Activites	(5,402,341,507)	14,847,485,750	
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement on Bonds	(6,795,000,000)	(3,450,000,000)	
Proceeds from Matured Bonds	0	8,145,500,000	
Placement on Externally Managed Fund	(1,000,000,000)	0	
Payment of Equipment Purchased	(223,617,473)	(273,638,458)	
Proceeds from Disposal of Assets	4,216	614,376	
Net Cash Provided by (Used in) Investing Activities	(8,018,613,257)	4,422,475,918	
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Received in Trust	32,366,675	71,556,787	
Net Cash Provided by (Used in) Financing Activities	32,366,675	71,556,787	
Net Increase (Decrease) in CASH	(13,388,588,089)	19,341,518,455	
CASH at January 01, 2015	38,984,478,766	19,642,921,180	
Gain on Foreign Exchange	26,101	39,131	
CASH at December 31, 2015	25,595,916,778	38,984,478,766	

 $^{* \ \, \}text{For the Notes to the Financial Statements, please refer to} \ \, \textit{http://www.philhealth.gov.ph/about_us/transparency/accomplishment_report/PhilHealth_2015_FS_COAAudited.pdf} \, \, \\$



HON. CORAZON J. SOLIMAN DSWD Secretary

HON. ROSALINA D. BALDOZ DOLE Secretary

HON. MEL SENEN S. SARMIENTO DILG Secretary



HON. EMILIO S. DE QUIROS, JR. SSS President and CEO



HON. ROBERT G. VERGARA GSIS President and General Manager



HON. CESAR V. PURISIMA DOF Secretary



HON. ALICIA DELA ROSA-BALA Civil Service Commission



HON. FRANCISCO VICENTE F. LOPEZ, M.D. Self-Employed Sector



HON. JANE M.N. STA. ANA, R.N. Filipino Overseas Workers Sector



HON. EDDIE G. DOROTAN, M.D. Elected Local Chief Executives



HON. ANTHONY C. LEACHON, M.D. Labor Sector

HON. KAREN IDA ALPARCE-VILLANUEVA Employees Sector

HON. ATTY. NOEL O. PALOMADO, CPA Formal Economy Sector Representative

HON. RONNIE T. DADIVAS
Health Care Provider Sector Representative

 $^{* \ \ \}text{For the individual profiles of the Board of Directors, please refer to } \textit{http://www.philhealth.gov.ph/about_us/bod.html}$

EXECUTIVE OFFICERS

SENIOR VICE PRESIDENTS





SENIOR VICE PRESIDENTS



VICE PRESIDENTS



VICE PRESIDENTS



AREA VICE PRESIDENTS



REGIONAL VICE PRESIDENTS



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REGIONAL VICE PRESIDENTS



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MICHAEL TROY A. POLINTAN
Fact Finding Investigation and
Enforcement Department

MA. EMILY P. ROQUE Prosecution Department

ANN MARIE C. SAN ANDRES
Risk Management Department

NARISA PORTIA J. SUGAY Non-Formal Sector Member Management Group

Corporate Marketing



BRANCH MANAGERS



PHILHEALTH DIRECTORY

Head Office Address

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

PRO NCR

Regional Office

10th Floor, Sunny Mede Center IT Building, 1614 Quezon Avenue, Quezon City (02) 441-5673 Public Relations Unit

PRO NCR South

Regional Office

Rm. 1211, 12/F Citystate Centre Bldg., 709 Shaw Boulevard, Pasig City (02) 441-7444 loc. 3300; 635-8285; 631-4598

Business Center

Business Center-Global City, 7th Floor, SM Aura Tower, Bonifacio Global City, Taguig 531-6728; 531-6729; 531-6730

Local Health Insurance Offices

Pasig

Ground Floor, Iriz One Corporate Center, 35 Meralco Ave, San Antonio Village, Pasig City

Makati

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

Las Piñas

471 Editha Building, 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 Avenue, Quezon City 332-3021; 332-3022

Local Health Insurance Office

Quezon City

F.R. Estuar & Associates Penthouse, Estuar Building, 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 Building, 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

JARS Bldg., 1810 JP Laurel St., San Miguel, Manila 523-7039 so.manila@philhealth.gov.ph

Caloocan

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

Valenzuela

6th Floor, Pure Gold Paseo de Blas Rd. cor. East Service Rd. North, Valenzuela City

Mandaluyong

Liberty Bldg., Boni Ave. cor. P. Cuz Brgy. San Jose Mandaluyong City 532-0095; 532-0449

PRO CAR - Baguio

Regional Office

SN Oriental Traders Bldg., No. 19 Leonard Wood Rd., 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) 5229691 (fax)

PRO II - Tuguegarao

Regional Office

The Builder's Place, Del Rosario Street, Tuguegarao City 3500 region2@philhealth.gov.ph (078) 844-0179; 844-0191; 304-0913; 304-0934

PRO III-A - San Fernando

Regional Office

G/F PhilHealth Bldg., Lazatin Blvd., San Agustin, San Fernando City, Pampanga (045) 961-1977; (045) 9613949 loc. 4330

PRO III-B - Malolos

Regional Office

The Cabanas Mall of Malolos 2nd & 3rd Floor, N4 Bldg., Kilometer 44/45 McArthur Highway, Longos, Malolos City, Bulacan (044) 7961559; (044) 796-1560 loc. 4400

PRO IV-A - Lucena

Regional Office

Lucena Grand Central Terminal Brgy. Ilayang Dupay, Lucena City (042) 373-7554 memberpro4a@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 III BLDG., Alternate Road, Legaspi City (052) 4815599; (052) 4815596 region5@philhealth.gov.ph

PRO VI - Iloilo

Regional Office

Gaisano City Capital-Iloilo in Luna St., La Paz, Iloilo City (033) 337-8724; (033) 501-9160 to 62 region6@philhealth.gov.ph

PRO VII - Cebu

Regional Office

8/F, Golden Peak Hotel & Suites, Gorordo Ave. Corner Escario St., 6000 Cebu City (032) 2337523; 2333270; 2333289; 2337407

PRO VIII - Tacloban

Regional Office

PhilHealth Building 167 P. Burgos St., Tacloban City, Leyte (053)523-8285; (053) 325-3563; (053) 325-4056; (053)325-4056; (053)523-1195

PRO IX - Zamboanga

Regional Office

BGIDC Corporate Center, Gov. Lim Ave., Zamboanga City (062) 9922739 (fax) region9@philhealth.gov.ph

PRO X - Cagayan De Oro

Regional Office

G/F Trinidad Bldg., Yacapin-Corrales Streets, Cagayan de Oro City (08822) 711472; (088) 8571780 region10@philhealth.gov.ph

PRO XI - Davao

Regional Office

Valgosons Bldg., Bolton Extension, Poblacion, Davao City, Davao Del Sur (082) 295-2133 Public Affairs Unit; (082) 282-395 PMAC; (0922) 924-2159 info.pro11@philhealth.gov.ph

PRO XII - Koronadal

Regional Office

Plaza de Español Bldg., cor. Posadas-Abad Santos Sts., Koronadal City 9506 (083) 2289731 to 34; (083) 228-4733 region12@philhealth.gov.ph

PRO CARAGA - Butuan

Regional Office

Lynzee's Building, 766 J. Rosales Avenue, Butuan City (085) 341-1159; (085) 225-4995; (085) 225-7026 caraga@philhealth.gov.ph

PRO ARMM - Marawi

Regional Office

Noramis Building, Congressman Omar Dianalan Blvd., Lilod Saduc, Marawi City (063) 876-0081; 0928-5071910; 0920-9372263 pro.armm@philhealth.gov.ph; phic_armm@yahoo.com



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