

Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre, 709 Shaw Boulevard, Pasig City
Call Center (02) 441-7442 Trunkline (02) 441-7444
www.philhealth.gov.ph

May 6, 2015

HON. FLORENCIO B. ABAD

Secretary of Budget and Management
J.P. Laurel St., Manila City

Dear Secretary Abad:

Pursuant to Philhealth's mandate to achieve Universal Health Care, PhilHealth Board Resolution No. 1931, s. 2015 was approved on 28 March 2015 to sustain health insurance coverage of indigent families identified by the Department of Social Welfare (DSWD) under the NHTS-PR and ensure coverage for the Senior Citizens under RA 10645 or the Senior Citizen Act of 2014 Program component of the National Health Insurance Program (NHIP).

Relative thereto, we hereby submit PhilHealth's budget proposal for CY 2016 for the coverage of the health insurance premium of 15,441,850 qualified principal members accounts for Php 37,060,440,000 and an additional Php 124,562,400 for the PAMANA and Sajahatra Bangsamoro Program under the Special Government Programs and the amount Php 10,586,448,000 for coverage of Senior Citizens, breakdown as follows:

I. Programmed Fund under the GAA

Particulars	No. of Principal Members	TOTAL AMOUNT
A. NHTS-PR Identified Poor		
Renewal / Sustained Coverage of Indigent Members	15,441,850	37,060,440,000
Coverage of additional qualified members including Social Pensioners		
TOTAL	15,441,850	37,060,440,000
B. Special Government Programs		
Particulars	No. of Principal Members	TOTAL AMOUNT
Coverage of beneficiaries under the Payapa at Masaganang Pamayanan (PAMANA) Program	19,901	47,762,400
Coverage of beneficiaries under the Sajahatra Bangsamoro Program	32,000	76,800,000
TOTAL	51,901	124,562,400

OP-15-05-11-194

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Received by 5/12/15
Charlene A. Benito

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C. Coverage of Senior Citizens who are not yet covered under the NHIP for FY 2016		
Particulars	No. of Principal Members	TOTAL AMOUNT
2016 Coverage of Senior citizens not yet covered under NHIP	3,528,816	8,469,158,400
Arrears for the coverage of senior Citizens in FY 2014, 4 th Quarter		2,117,289,600
TOTAL	3,528,816	10,586,448,000

Attached herewith are the corresponding DBM Forms Nos. 700-706 and copies of Secretary's certificate. Approved Board Resolution will be submitted as soon as available.

Likewise, we are submitting as well, our FY 2015 and FY 2016 Corporate Operating Budget (COBs) amounting to Php 101,503,380,661 and Php 111,193,379,580 respectively as approved by the Board last November 27, 2015 (copy attached), for your information.

For your consideration.


ALEXANDER A. PADILLA
President and CEO

Cc: Hon. Janette Garin
Secretary of Health

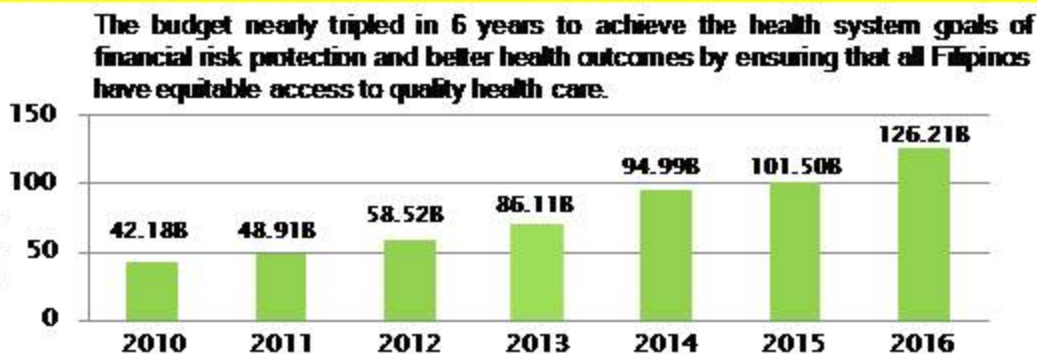
PHILIPPINE HEALTH INSURANCE CORPORATION 2016 CORPORATE OPERATING BUDGET

"Valuing members contribution... ensuring PhilHealth benefits"

HOW MUCH IS THE CY 2016 COB?

**P126.21
Billion**

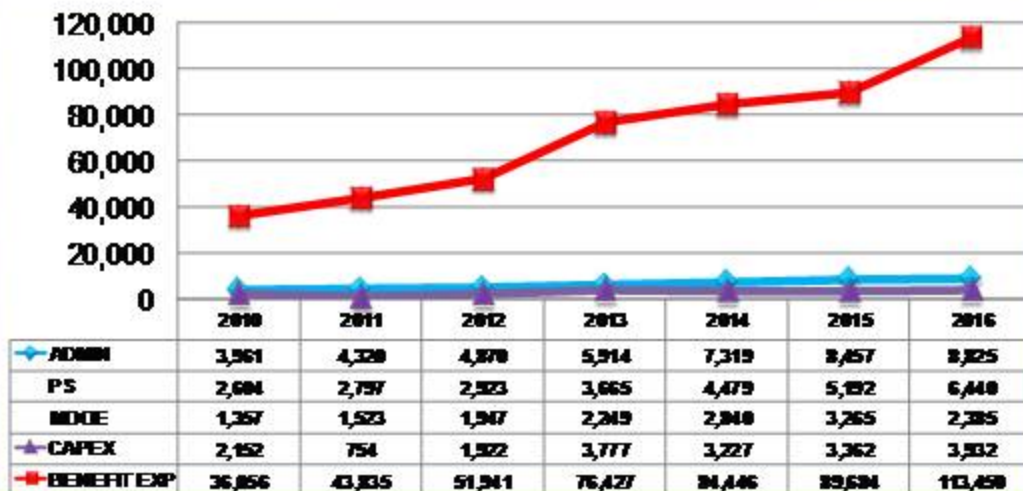
24.34% or 24.7B higher
than the 2015 Approved
COB



HOW DO WE SOURCE AND FUND THE ADMINISTRATIVE COST FOR CY 2016 COB?



HOW DO WE ALLOCATE THE COB?



**P90 for every
P100 of 2016
COB
will be spent for
member's
benefits.**

WHAT ARE OUR PRIORITIES?



Customer Perspective

Responsive and comprehensive benefits, ease and speed of transaction services and accessibility of health care providers

- Excellent customer satisfaction rating
- At least Satisfactory for Indigents and Senior Citizens for Awareness Level Rating
- 75% of surveyed LHIOs rated at least Outstanding and No Failed for ARTA score
- $\geq 95\%$ No Balance Billing Claims for Indigent, Sponsored and Senior Citizens
- 100% providers certified/licensed by DOH for LGUs with Accredited PCB, MCP and TB-DOTS Facilities
- 81 Provinces, 33 Highly Urbanized Cities with TSeKaP Providers and Accredited Drug Stores
- 100% collections of Premiums from ACAs



Internal Process Perspective

Increased ability for product development and service innovation

- Launching of New/Enhanced Benefit Packages with 3 Additional Z Benefits
- ≤ 30 days Turn-Around-Time (TAT) of Claims Processing
- $\geq 95\%$ Coverage Rate
- 100% Coverage Rate of the NHTS-PR
- Establish Baseline for Fraud "Prevention" Index
- 85% implementation of the Integrated Communication and Marketing Plan



Learning and Growth Perspective

Culture conducive to high performance and leadership ability

- Conduct of Competency Assessment to ensure competent workforce
- ISO Certification of all PROs and 1 LHIO in each PRO
- 100% implementation of Information Systems Strategic Plan (ISSP)



Financial Perspective

Appropriate outflows in benefit expenses and budget support as well as increased collections and optimize use of assets

- $\geq 3.69\%$ Investment Yield
- $\geq 80\%$ Collection Efficiency Rate for Private Employers with ≥ 10 employees
- Maximum 2 years for Ratio of Reserve Fund to Program Expenditures
- $\geq 85\%$ of Benefits to Collection under the NG Subsidy as approved in the GAA
- Establish baseline on Ratio of Lifetime Benefit Pay-out Fund over Total Reserve Fund
- 90% Budget Utilization of MOOE and CapEx (Non-Infra)

WHAT ARE WE SPENDING FOR CY 2016 BUDGET?



Personal Services (PS)

Full funding requirement for 2,980 positions and 3,726 casual positions, including provision for Personnel Benefit Adjustment Fund for possible Salary Adjustment using Annex "A" of GCG Memo No. 2014-05 in the amount of P1.80B



Maintenance and Other Operating Expenses (MOOE)

Strengthening provision of health care and promote corporate practices that will sustain provision of quality and affordable health care

- P765 Million - Fixed Expenditures consist of overhead expenses for rental of office space, utilities, professional services, fidelity and insurance premiums, gasoline, oil and lubricants, etc.
- P1.279 Billion - Variable Expenditures include expenses such as traveling, supplies and materials, contracts and research, communication expenses, marketing and promotional, advertising, printing and binding, etc.

Other expenditures include the following:

- P111 Million - Support to the Enterprise Architecture
- P69 Million - Support to Membership and Collection and Compliance to ARTA
- P57 Million - Human Resource Management and Compensation
- P33 Million - Monitoring and Evaluation and Capacity Building
- P30 Million - for Benefit Delivery Management, ISO Certification, Risk Management Program, etc.
- P28 Million - Disaster Management
- P12 Million - Provision of Drivers for New Vehicles



Capital Expenditure (CapEx)

Spending to acquire and/or improve long-term assets

- P2.190 Billion - Infrastructure Outlay which include funds for the Corporate Center, construction of PRO2 building, construction of PRO 3 Warehouse and motor pool, payment of city tax of Corporate Center, etc.
- P1.742 Billion - Non-Infrastructure Outlay which include for the procurement of Office Equipment, IT Equipment and Software, Communication Equipment, Furniture and Fixtures, Library Books and 53 units of Motor Vehicles



Benefit Expenses

Financial risk protection through improvements in NHIP benefit delivery

- P95.438 Billion - In-Patient Expenses which include funds for the Formal and Informal Economy, Sponsored and Indigent NHTS, Lifetime Members and Senior Citizens
- P16.796 Billion - PCB1 and TSeKaP which addresses the common health problems at primary care level
- P1.216 Billion for Z Benefits - additional sets of benefits that will comprehensively cover catastrophic conditions



Validation Studies

Conduct of validation studies for the NHIP

- P1.01 Million - For the conduct of validation studies for the NHIP per Section 225 of the Revised Implementing Rules and Regulations of the NHIP Act of 2013 (RA 10606)



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

GEN. SOLANO ST., SAN MIGUEL, MANILA

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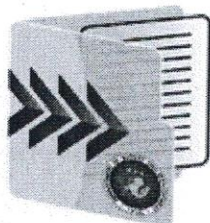
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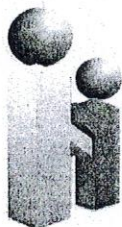
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PHILIPPINE HEALTH INSURANCE CORPORATION
Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441 7442 www.philhealth.gov.ph



14 April 2014

HON. FLORENCIO B. ABAD
Secretary of Budget and Management
J.P. Laurel St., Manila City

Dear Secretary Abad:

Pursuant to PhilHealth's mandate to achieve Universal Health Care, PhilHealth Board Resolution No. 1865, s. 2014 was approved on 28 March 2014 to ensure sustained health insurance coverage of indigent families identified by the Department of Social Welfare and Development (DSWD) under the NHTSPR and other such acceptable methods under the Indigent Program component of the National Health Insurance Program (NHIP).

Relative thereto, may we inform you that PhilHealth's budget proposal for CY 2015 for the coverage of the health insurance premium of 15,469,751 qualified principal members accounts for Php37,131,840,000 and an additional Php161,277,395.02 representing the balance of the 3% share from Bases Conversion Development Authority (BCDA), broken down as follows:

I. Programmed Fund under the GAA

Particulars	No. of Principal Members	TOTAL AMOUNT
A. NHTS – PR Enrollment		
Renewal/Sustained Coverage of Indigent Members	14,706,524	P35,295,657,600
Coverage of additional qualified members including those who turn 21 years old in CY2014 and workers in the informal economy	651,846	1,564,430,400
Coverage of MCCT families	83,480	200,352,000
Sub-Total	15,441,850	P37,060,440,000
B. Government Special Programs		
Coverage of beneficiaries under the Payapa at Masaganang Pamayanan (PAMANA) Program	16,901	P40,562,400
Coverage of beneficiaries under the Sajahatra Bangsamoro Program	11,000	26,400,000
Arrears for Sajahatra Bangsamoro beneficiaries (FY 2013 computed at Php1,200 coverage for 6 months)	n/a	4,437,600
Sub-Total	27,901	P71,400,000
Total	15,469,751	P37,131,840,000

II. Unprogrammed Fund

Balance of the 3% PhilHealth share from the Bases Conversion and Development Authority (BCDA)	n/a	161,277,395.02
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Attached herewith are the corresponding DBM Forms Nos. 700-706 and copy of Secretary's certificate approving the above mentioned proposal, for your information and perusal.

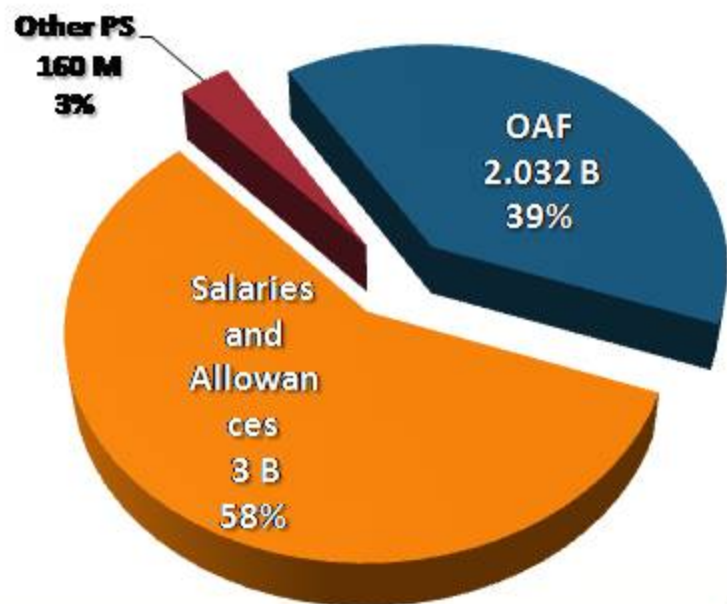
Likewise, we are submitting as well, our FY 2014 and FY 2015 Corporate Operating Budget (COBs) amounting to P94,992,364,599 and P107,256,020,942 respectively as approved by the Board last March 28, 2014, for your information. Copies of approved Board Resolution will be submitted as soon as available.

For your consideration,

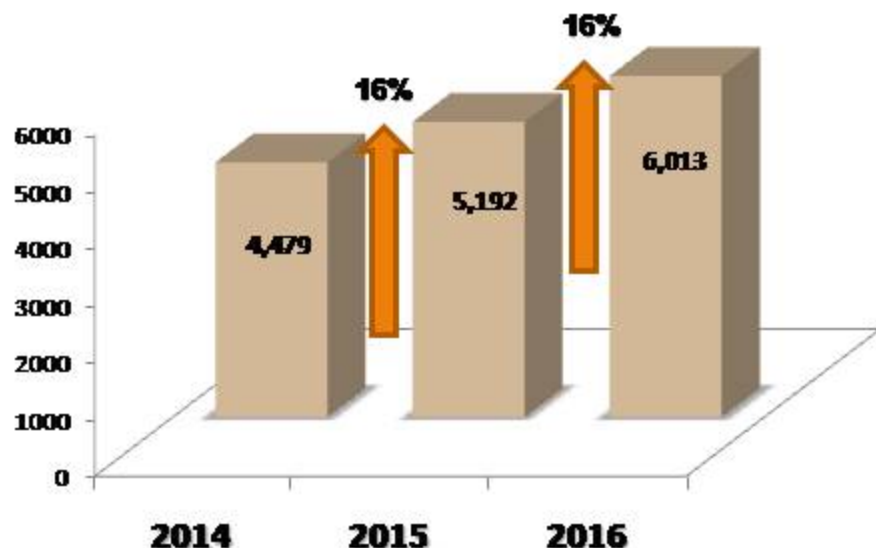

ALEXANDER A. PADILLA
President and CEO

Cc: *Hon. Enrique T. Ona,*
Secretary of Health

Personal Services



P5.192B (CY 2015)

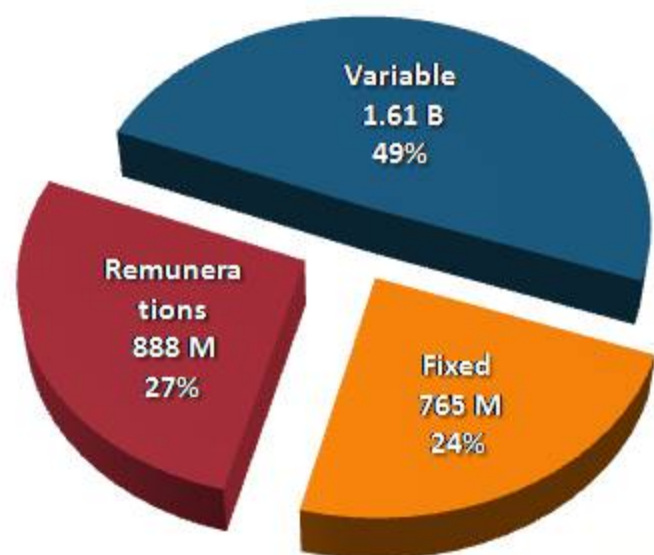


Major Highlights IN CY 2015

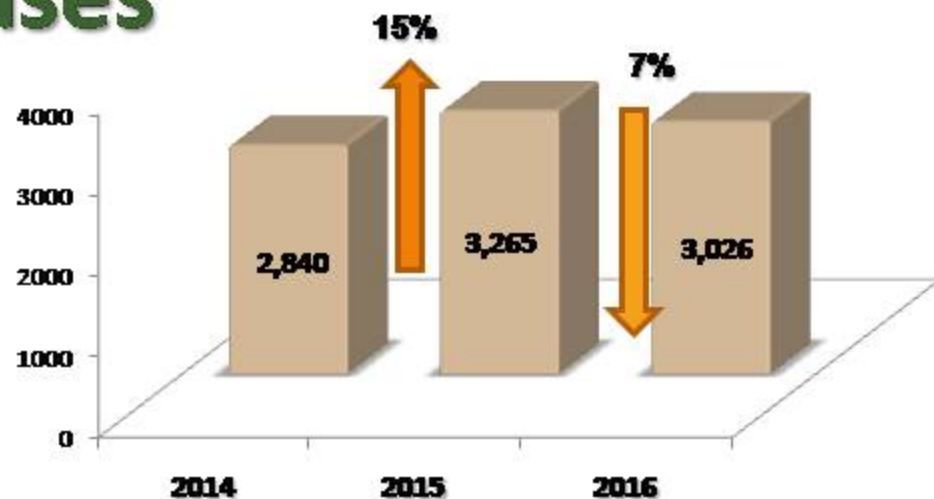
- Reprogramming of
 - Conversion of JOCs to Casual Positions: P1.59B
 - Provident Fund : P274M
- Rationalization of Compensation Structure: P168M



Maintenance and Other Operating Expenses



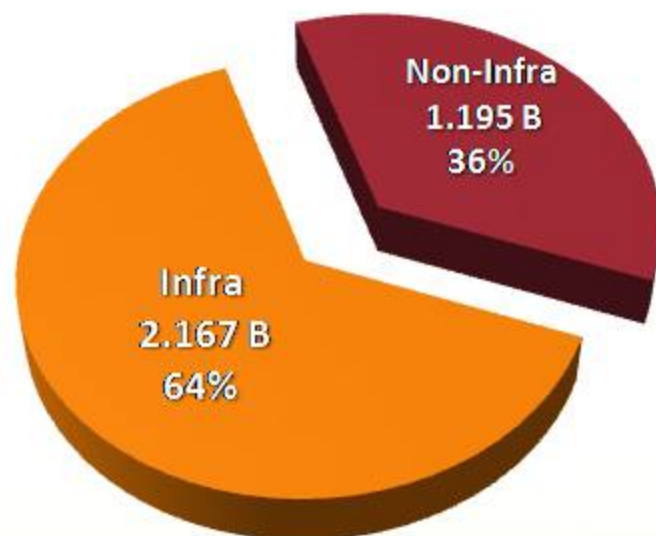
P3.265B (CY 2015)



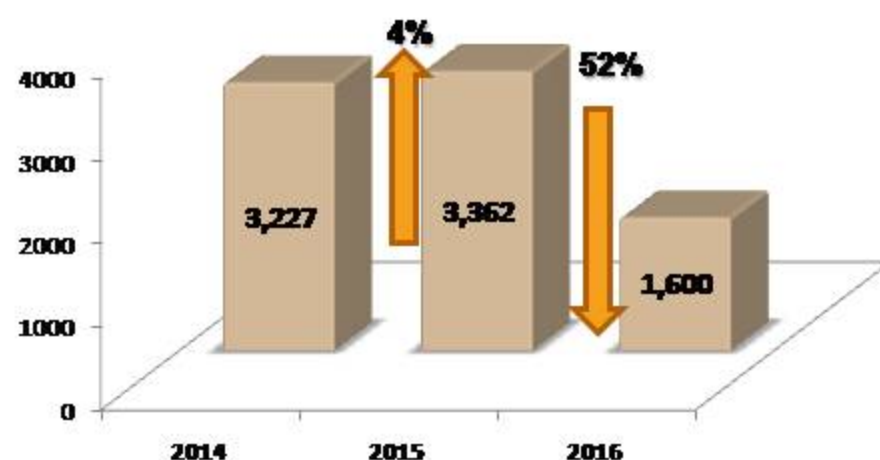
Major Highlights in 2015:

- ✓ Provision of NHTS IDs – P242M
- ✓ Reprogram Hiring of Advertising Firm P100M
- ✓ Enhancement of IT Systems and Infrastructure (P59M):
 - Establishment of Co-location for 3rd Data Center : P22M
 - Redundant Link for PROs and LHIOs : P37M
- ✓ Additional human resource for the expansion of PCARES/Service Desks in PCSOs and Support Services (170) P39M
- ✓ Fund for PhilHealth Milestone 20th Anniversary P20M
- ✓ Corporate Restructuring (2nd Phase) P31M
- ✓ Roll-out of QMS to PROs P9.5M

Capital Expenditures



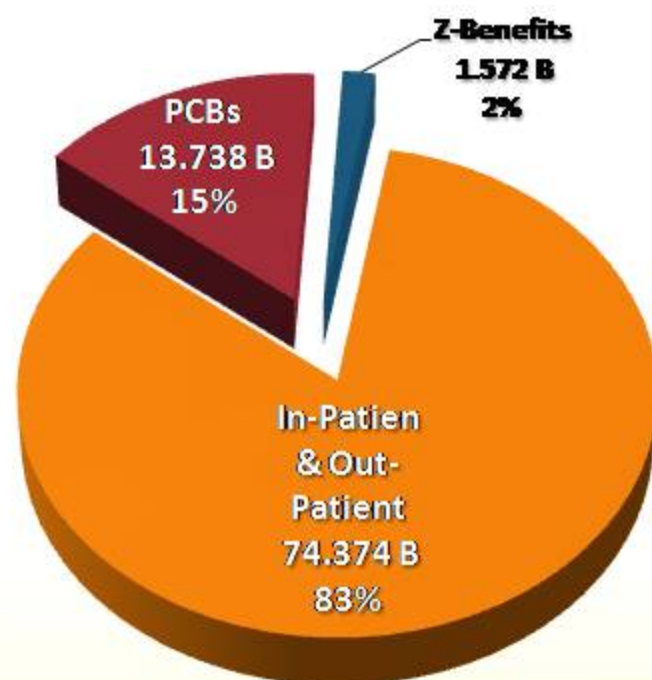
P3.362B (CY 2015)



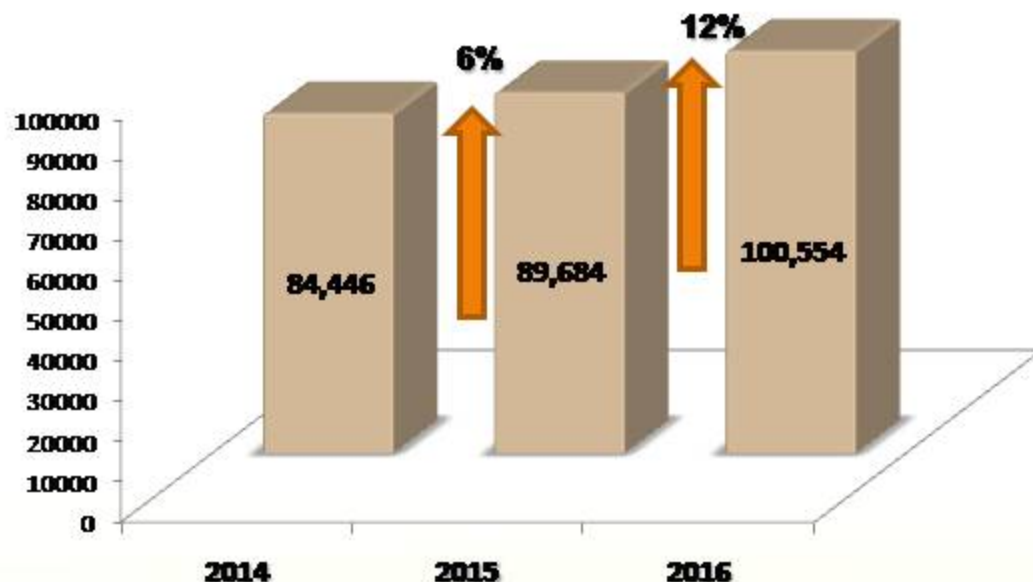
Major Highlights in 2015:

- Reprogramming of Corporate Center 1.94B
- Establishment of 3rd Data Center 338M
- **Additional IT Software and Licenses: P119M**
- Replacements of IT and other office equipment – P215M
- Acquisition of 64 motor vehicles

Benefit Payments



P89.684B (CY 2015)





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

MALACAÑANG, MANILA

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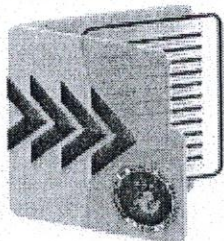
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