



CERTIFICATION

This is to certify that on December 19, 2017, per PhilHealth Board Resolution (PBR) No. 2339, s. 2017, the Board approved the “Code of Conduct of the Philippine Health Insurance Corporation” attached herein as “Annex A”.


ATTY. JONATHAN P. MANGAOANG
Corporate Secretary



ANNEX "A"

**CODE OF CONDUCT OF THE
PHILIPPINE HEALTH INSURANCE CORPORATION**

Section 1. DECLARATION OF POLICIES

The Philippine Health Insurance Corporation (PhilHealth) upholds the policy of the state to promote a high standard of ethics in public service, foster good governance and repress certain which constitute graft or corrupt practices.

The members of the Board of Directors including its alternate, Executive Managerial Officers and Rank-and-File employees must exemplify the high standard of behavior and professional demeanor of a public servant.

Section 2. SCOPE

This Code shall apply to the following PhilHealth officials and employees:

- Members of the Board of Directors including alternates
- Executive Managerial Officials (EMOs)
- Rank and File employees whether regular, co-terminus, casuals, temporary, project-based contractors
- Consultants
- Outsourced personnel

Section 3. DEFINITION OF TERMS

- (a) Code of Conduct –sets out the norms of conduct that should govern the principles, values, standards, or rules of behavior of PhilHealth officials and employees.
- (b) Gift - refers to a thing or a right to dispose of gratuitously, or any act or liberality, in favor of another who accepts it, and shall include a simulated sale or an ostensibly onerous disposition thereof. It shall not include an unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favor from a public official or employee.¹
- (c) Conflict of interest- arises when a PhilHealth official or employee is a member of a board, an officer, or a substantial stockholder of a private corporation or owner or has a substantial interest in a business, and the interest of such corporation or business, or his rights or duties therein, may be opposed to or affected by the faithful performance of his/her official duty.

- (d) Nepotism—is a form of corruption or abuse of authority that violates Article IX (B), Section 2 (2) of the 1987 Philippine Constitution which states that, “Appointments in the civil service shall be made only according to merit and fitness to be determined, as far as practicable, and except to positions which are policy-determining, primarily confidential, or highly technical, by competitive examination.”²
- (e) Relatives - refers to those related within the third degree of consanguinity (relationship by blood) or affinity (relationship by marriage) such as spouse (1st degree), children (1st degree), sibling (2nd degree), nephew and niece (3rd degree), and uncle and aunt (3rd degree).³
- (f) Transparency - is openness in PhilHealth transactions such as biddings, purchases, financial transactions, and other matters involving PhilHealth interest.
- (g) Disciplining Authority— an official who is authorized to hire, fire, or dismiss an employee or recommend appointment of employee/s.
- (h) Confidential Information- refers to all non-PhilHealth information entrusted to or obtained by officials and employees by reason of his/her position with PhilHealth. It includes, but is not limited to, non-PhilHealth information that might be of use to competitors or harmful to PhilHealth or its customers/stockholders;⁴

RULE I –GENERAL PRINCIPLE OF CONDUCT

Section 4. Norms of Conduct of Public Officials and employees- PhilHealth Officials and Employees shall observe the following standards in the discharge and execution of official duties:

- (a) Commitment to public interest. –PhilHealth officials and employees shall always uphold the public interest over and above personal interest. All PhilHealth resources and powers of their respective offices must be employed and used efficiently, effectively, honestly and economically, particularly to avoid wastage in public funds and revenues.
- (b) Professionalism. –PhilHealth officials and employees shall perform and discharge their duties with the highest degree of excellence, professionalism, intelligence and skill. They shall enter public service with utmost devotion and dedication to duty. They shall endeavor to discourage wrong perceptions of their roles as dispensers or peddlers of undue patronage.
- (c) Justness and sincerity. –PhilHealth officials and employees shall remain true to the people at all times. They must act with justness and sincerity and shall not discriminate against anyone, especially the poor and the underprivileged. They shall at all times respect the rights of others, and shall refrain from doing acts contrary to law, good morals, good customs, public policy, public order, public safety and public interest. They shall not dispense or extend undue favors on account of their office to their relatives whether by consanguinity or affinity except with respect to appointments of such relatives to positions considered strictly confidential or as members of their personal staff whose terms are coterminous with theirs.

²CSC Website News Releases dated July 1, 2016

³CSC Website News Releases dated July 1, 2016

⁴PhilHealth Manual of Corporate Governance definition.

- (d) Political neutrality. –PhilHealth officials and employees shall provide service to everyone without unfair discrimination and regardless of party affiliation or preference.
- (e) Responsiveness to the public. –PhilHealth officials and employees shall extend prompt, courteous, and adequate service to the public. Unless otherwise provided by law or when required by the public interest, PhilHealth officials and employees shall provide information of their policies and procedures in clear and understandable language, ensure openness of information, public consultations and hearings whenever appropriate, encourage suggestions, simplify and systematize policy, rules and procedures, avoid red tape and develop an understanding and appreciation of the socio-economic conditions prevailing in the country, especially in the depressed rural and urban areas.
- (f) Nationalism and patriotism. - PhilHealth officials and employees shall at all times be loyal to the Republic and to the Filipino people, promote the use of locally produced goods, resources and technology and encourage appreciation and pride of country and people. They shall endeavor to maintain and defend Philippine sovereignty against foreign intrusion.
- (g) Commitment to democracy. - PhilHealth officials and employees shall commit themselves to the democratic way of life and values, maintain the principle of public accountability, and manifest by deeds the supremacy of civilian authority over the military. They shall at all times uphold the Constitution and put loyalty to country above loyalty to persons or party.
- (h) Simple living. - PhilHealth officials and employees and their families shall lead modest lives appropriate to their positions and income. They shall not indulge in extravagant or ostentatious display of wealth in any form.

Section 5. PhilHealth Core Values – PhilHealth officials and employees shall conduct themselves in a manner that is consistent with the dignity and mandate of the Corporation. To accomplish this goal, all PhilHealth officials and employees shall adhere to the following core values:

- (a) Integrity - adhere strictly to the moral and ethical principles as expected from civil servant.
- (b) Innovation – adapt to changes in medical technology, health service organizations, health care provider payment systems, scopes of professional practice and other trends in the health sector
- (c) Agility – ensure prompt delivery of service to people.
- (d) Commitment – uphold the interest of the clients over and above their personal interest and always conform to the principle of public accountability
- (e) Compassion – demonstrate sympathy and care towards people especially the helpless and impoverished.
- (f) Equity –provide for uniform basic benefits.
- (g) Social Solidarity- guided by community spirit.

RULE II. DUTIES AND OBLIGATION OF PHILHEALTH TOWARDS ITS STAKEHOLDERS

Section 6. The Government –faithfully administers the National Health Insurance Program (NHIP) and supports the government’s goal to promote universal health coverage/care consistent with the Corporation’s fiduciary duties towards its members and stakeholders.

Section 7. To Contributors, including the national / local government and the private sector -acknowledge the fiduciary nature of the funds entrusted by contributors and administer the funds in a manner befitting their trust.

Section 8. To Members and Beneficiaries – provide high quality, reliable information about benefits, and offer the most appropriate products to each sector; the Corporation shall balance all the risks involved and ensure that the optimum amount and quality of healthcare is provided for the contribution provided.

Section 9. To Healthcare Providers (Institutions and Professionals) - provide fair treatment and efficient claims processing, and high standards of service for the benefit of members and beneficiaries.

Section 10. To Regulatory Agencies and Congressional Oversight Committees – provide timely and accurate reports on its operations, and disclose to the appropriate regulatory agencies and bodies all relevant information as required by law.

- (a) To the Department of Health (DOH) –closely collaborate to ensure seamless provision of healthcare coverage, and secure assistance in regulating healthcare providers.
- (b) To the Department of Social Welfare and Development (DSWD), Local Government, and other agencies that can assist in identifying indigents –provide and receive timely information to ensure that 100% of indigents are fully covered.

Section 11. To Officials and Employees –enhance the quality of life of its officers and employees by providing a competitive compensation package in accordance with laws; provide opportunities for training and values formation to assist them in their career path, strengthen their commitment to excellence public service; and, cultivate their social and environmental awareness and nationalism.

RULE III. SPECIFIC RULES OF CONDUCT

Section 12. Fidelity to Duty – At all times, PhilHealth officials and employees shall:

- (a) Demonstrate deep sense of commitment to the mandate of the Office.
- (b) Exhibit utmost respect to all clients, superiors, subordinate and co-workers
- (c) Demonstrate impartiality in dealing with clients and shall not discriminate against or dispense undue favors to anyone. Neither shall they allow kinship, rank, position, affiliation or favors to influence the performance of their official acts or duties. They shall endeavor to discourage wrong perception of their roles as dispenser or peddlers of undue patronage.
- (d) Not engage in activities incompatible with the faithful discharge of their official duties.
- (e) Perform official duties properly and diligently at all times. Commit to the duties and responsibilities of position.

- (f) Not hesitate to go beyond the call of duty for the good of the Corporation.
- (g) Use the assets and resources of the office, including funds, properties, goods, and services, economically, productively, effectively, and only for official activities and solely for the purpose required by law.
- (h) Submit performance reports and other documents required by law, such as Statement of Assets and Liabilities and Net Worth, Income Tax Returns, and other documents as may be required.

Section 13 - In their relations with the PhilHealth, officials and employees shall:

- (a) Conduct themselves with dignity and treat the PhilHealth with utmost respect, courtesy, consideration, and reason.
- (b) Observe impartiality, propriety, and probity in the performance of their official duties.
- (c) Avoid inappropriate PhilHealth comments and personal opinions that can be construed as official.
- (d) Take an active role in ensuring an environment free of discrimination and harassment.
- (e) Shall not connive, conspire, agree, plot, scheme, contrive or collude with any healthcare provider or any member, or through gross negligence or imprudence shall facilitate or consent to the commission of the following offenses:
 - Receives or keeps fund or property belonging, payable or deliverable to the Corporation, or shall appropriate the same; or,
 - Shall take or misappropriate such property or fund wholly or partially; or
 - Shall consent, or through abandonment or negligence shall permit any other persons to take such property or funds wholly or partially.

Section 14. Officials and employees owe full fidelity to the duty of managing or handling Corporate property. Officers and employees shall not misappropriate funds, and shall take extra care in the handling of collection, remittances, and investment of funds.

Section 15. Transparency - PhilHealths support protection to the fundamental human right of privacy, and of communication while ensuring the free flow of information to promote innovation and growth.⁵

PhilHealth Officials and Employees shall, at all times, exercise transparency in all transactions, contracts, relationship, and interest of the agency.

Section 16. Public Disclosure - PhilHealth hereby adopts a policy of **full PhilHealth disclosure** of all its transactions involving PhilHealth interest.

Every unit of PhilHealth shall make official information available for PhilHealth knowledge, scrutiny, copying or reproduction, subject to the following conditions:

- (a) The request for information shall be in writing, containing the signature, complete name, and address of the person making the request, including the purpose.
- (b) To ensure the security and safety of the records, copying or reproduction shall be done within PhilHealth premises. Copies of documents shall be certified as true copies by the proper authorized official/employee of PhilHealth. A reasonable fee shall be charged. Schedule of fees shall be posted in a conspicuous place and on PhilHealth website.
- (c) The information acquired shall be used only for lawful purposes.

⁵Preamble, EO No. 2, s. 2016, and Data Privacy Act Policy.

The following are exempted from disclosure:

- (a) "Classified Information" when the reproduction or revelation of information thereof will create a clear, and pose danger to the security of the state.
- (b) Documents, records, and papers compiled for internal and external defenses and law enforcement purposes, when the reproduction or revelation of information thereof would:
 - Deprive a person of the right to a fair trial or an impartial adjudication;
 - Constitute an unwarranted invasion of personal privacy; and,
 - Endanger the life or physical safety of PhilHealth members, law enforcement and military personnel or their immediate families.
- (c) Documents, papers, and similar information on medical and personnel records when the reproduction or revelation of unauthorized disclosure thereof would constitute an undue invasion of personal privacy; and,
- (d) Those which are exempted by law in addition to those provided in this section.

Section 17. Protection of the Bureaucracy against Tobacco Industry Interference - Transparency in all interactions with the tobacco industry shall be observed. Any necessary interaction with the tobacco industry should be carried out in such a way as to avoid the creation of any perception of a real or potential partnership or cooperation resulting from or on account of such interaction. In the event the tobacco industry engages in any conduct that may create such a perception, PhilHealth officials and employees shall act to prevent or correct this perception.

Officials/employees shall declare any interest in the tobacco industry. They shall resign from their position in the tobacco industry within thirty (30) days from their assumption of office and/or divest themselves of their shareholdings or interest within sixty (60) days from such assumption. Interest in the tobacco industry means personal, financial or other interest, including but not limited to:

- (a) Having an existing ownership or investment in the tobacco industry;
- (b) Being a member of the Board of Directors, an officer of the corporation, or a partner in a partnership in the tobacco industry; and,
- (c) Receiving any contribution from the tobacco industry.

RULE IV. PROHIBITED ACTS

Section 18. Acceptance/Solicitation of Gifts -PhilHealth Officials and Employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

Section 19. Practice of Profession without Approval of Proper Authority- PhilHealth officials and employees cannot engage in the practice of their profession, own, control, manage or accept employment as officer, employee, consultant, broker, agent, trust or nominee in any private enterprise regulated, supervised or licensed by this Office, unless expressly allowed by law and provided that such practice of profession or employment does not conflict or tend to conflict with their official functions.

Section 20. Disclosure of Public Information – PhilHealth officials and employees shall not use or divulge, confidential or classified information officially known to them by reason of their office and shall not make them available to public, either to: (a) further their private interests, or (b) give undue advantage to anyone; or (c) to prejudice the public interest.

PhilHealth officials and employees shall not:

- (a) Disclose any confidential information in the course of or by reason of their employment.
- (b) Use or divulge confidential or classified information to further their private interests or give undue advantage to anyone or to prejudice the public interest.
- (c) Alter, falsify, conceal, destroy, or mutilate PhilHealth records which have come into their possession in the course of, or by reason of their employment.
- (d) Allow unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction by any officer or employee any of the Corporation's information assets, with particular emphasis on member and their dependents' personal information.

Section 20. Cronyism – PhilHealth officials and employees shall avoid the practice of cronyism or showing preference to friends when appointing people to positions of power, awarding contracts and delegating tasks related to their office, regardless of their qualifications

RULE VI. PROHIBITED TRANSACTIONS

Section 22. Conflict of Interest - PhilHealth officials and employees shall not, directly or indirectly have any financial or material interest in any transaction requiring the approval of PhilHealth.

PhilHealth officials and employees shall not engage, directly or indirectly, in any of the following or similar acts:

- (a) Enter into any contract with PhilHealth in relation to establishing or accrediting health care providers;
- (b) Participate in any official action which either he/she or any of his relatives is applying for possible employment;
- (c) Recommend for employment in the same office any of his/her relatives;
- (d) Recommend any person for employment to any supplier, or any other person doing business with PhilHealth; or
- (e) Give undue advantage/preference to anyone to further the personal/private interests and the one who benefited therefrom.

Section 23. Nepotism - Except for confidential positions, no appointment shall be made in favor of a family member or relative within the third degree either of consanguinity or affinity of the appointing authority or recommending authority, or of the person exercising immediate supervision over the appointee.

The following conditions shall be strictly applied to relative employees within third civil degree of consanguinity or affinity regardless of the status of employment:

- (a) Neither relative will supervise, appoint, remove or discipline the other
- (b) Neither relative will evaluate the work of the other
- (c) The working relationship will not create a conflict of interest or the appearance of favoritism

Section 24. Post Employment - Former PhilHealth officials and employees who have joined private institutions and whose present employment bears a direct relationship with their former positions, are strictly prohibited one (1) year after the resignation/separation or retirement from PhilHealth from making direct or indirect transactions with incumbent PhilHealth officials and employees.

Incumbent officials and employees shall observe the following ethical standards in dealing with former PhilHealth officials and employees:

- (a) Except as provided herein, in no instance or occasion, inside or outside the office, shall incumbent officials and employees recommend hiring of, and transact directly or indirectly, on any matter with former PhilHealth officials and employees who are healthcare providers, employers with significant overdue receivables or cases with Philhealth, owners of services such as security, catering, janitorial; and other companies with similar dealings with PhilHealth.

RULE VII - PENALTIES / ADMINISTRATIVE SANCTIONS

Section 25. Disciplinary Action and Penalties – Violations of the provisions of this Code shall be a ground for disciplinary action and dealt with in accordance with the CSC CY 2017 Rules on Administrative Cases in the Civil Service without prejudice to any administrative, civil or criminal liability that may arise there from under other special laws.

Section 26. Employees Discipline and Accountability - PhilHealth officials and employees shall have a duty to adhere to this Code and to report violations. The Corporation shall impose implementation of policies to ensure employee discipline.

RULE VIII- INCORPORATION OF OTHER RULES

All pertinent laws, rules and regulations of the Civil Service Commission, National Health Insurance Act and the internal issuances of the PhilHealth governing or regulating the conduct of public officers and employees are deemed incorporated into this Code.

RULE IX. EFFECTIVITY

This Code shall take effect upon approval by the PhilHealth Board of Directors.