

27 December 2022

**MR. EMMANUEL R. LEDESMA**  
*Acting President and Chief Officer*  
**PHILIPPINE HEALTH INSURANCE**  
**CORPORATION (PHILHEALTH)**  
Citystate Centre, 709 Shaw Boulevard  
Pasig City

01.09.147  
JAN 9 '23 12:04

**RE : VALIDATION RESULT OF 2021**  
**PERFORMANCE SCORECARD OF PHILHEALTH**

Dear Acting President and Chief Officer Ledesma,

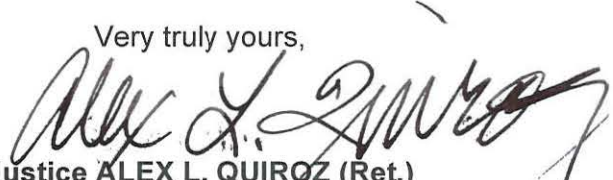
This is to formally transmit the validation result of PhilHealth's 2021 Performance Scorecard. Based on the validation of documentary submissions, PhilHealth gained an overall score of **28.07% out of 100%** (See **Annex A**). The same is to be posted on PhilHealth's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.<sup>1</sup>

In relation to the grant of 2021 Performance-Based Bonus (PBB) to eligible officers and employees, PhilHealth fails to satisfy the requirements of GCG M.C. No. 2019-02,<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2021 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.<sup>3</sup>

Consequently, pursuant to GCG M.C. No. 2021-01,<sup>4</sup> failure to qualify for the PBB means that the Appointive Members of the Governing Board of PhilHealth shall not be qualified to receive the Performance-Based Incentive (PBI).

**FOR PHILHEALTH'S INFORMATION AND GUIDANCE.**

Very truly yours,

  
**Justice ALEX L. QUIROZ (Ret.)**  
*Chairperson*

  
**ATTY. GIDEON D.V. MORTEL, D.C.L.**  
*Commissioner*

  
**ATTY. GERALDINE MARIE B. BERBERABE-MARTINEZ**  
*Commissioner*

cc: COA Resident Auditor – PhilHealth

<sup>1</sup> Code of Corporate Governance for GOCCs, dated 28 November 2012.

<sup>2</sup> Interim Performance-Based Bonus (PBB).

<sup>3</sup> GOCC Governance Act of 2011.

<sup>4</sup> Interim Performance-Based Incentive (PBI) System for the Appointive Directors of GOCCs Covered by GCG for CY 2020 and for the Years Thereafter, dated 28 January 2021.

**PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)**  
**Validation Result of 2021 Performance Scorecard**

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
SATISFIED CLIENTS	SO 1	Total Client Experience									
	SM 1	Percentage of Satisfied Customers	Number of respondents who rated PhilHealth service with at least Satisfactory / Total number of respondents	10%	(Actual/ Target) x Weight Below 80% = 0%	≥ 90%	91.06%	10.00%	Noncompliant with back-checking requirement	0%	<ul style="list-style-type: none"><li>• 2020 PhilHealth Client Awareness and Satisfaction Survey conducted by a Third-Party Consultant (Novo Trends)</li><li>• Database of the respondents' answers</li><li>• 80 Sample Questionnaires from the database</li></ul> <p>GCG noted that initially, only respondents from the PRO NCR North out of the several LHIOs of PhilHealth had been backchecked. In compliance with the 30% requirement, the samples from other regions have been re-contacted, and a total of 900 samples were back-checked. The call-back period was from August to September 2022.</p> <p>It should be noted that the conduct of the back-checking should have been completed prior to the submission of the CSS final report. It is clear under Part X of the Enhanced CSS Guidelines that the back-checking and spot-checking report is part of the reports required to be submitted every quarter. Hence, the conduct of the back-checking post-submission of the final report is no longer acceptable.</p>



## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
SM 2	Percentage of Filipinos Registered in the National Health Insurance Program (NHIP)	No of Beneficiaries Registered in the Database / Total Population (per PSA)	5%	(Actual/Target) x Weight	≥90%	88.96% (98,030,269/ 110,198,654)	4.94%	88.96%	4.94%	<ul style="list-style-type: none"> <li>Member Management Group (MMG) Summary Report on the Registration Rate with Projected Population</li> <li>Raw files (.txt) to come up with the MMG Summary Report</li> <li>Samples of Member Data Record (MDR) per region</li> </ul>	Acceptable.
SM 3	Percentage of Accredited KONSULTA Providers	Actual Accomplishment <sup>1</sup>	2.5%	All or Nothing	Establish Baseline	95.92% (188/196 Accredited Konsulta Providers)	2.5%	91.92% (182/198 Accredited Konsulta Providers)	2.5%	<ul style="list-style-type: none"> <li>Summary of the Total No. of Accredited KONSULTA Providers</li> <li>Sample Provider Data Record (PDR)</li> <li>Performance Commitment (PC).</li> </ul>	Acceptable

<sup>1</sup> No. of KONSULTA providers Accredited / Total Number of KONSULTA Providers.

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SO 2	Responsive Benefits										
	SM 4	Percentage of Individuals Registered to a KONSULTA Provider	Actual Accomplishment <sup>2</sup>	2.5%	All or Nothing	Establish Baseline	11.37% (213,828/ 1,880,000)	2.50%	213,828 Individuals	2.50%	<ul style="list-style-type: none"><li>• Summary of the Total Number of Registered Beneficiaries as of 31 December 2021</li><li>• Samples of PhilHealth Konsulta Registration Form (PKRF)</li><li>• Raw file of the List of Registered Beneficiaries</li></ul>	Acceptable.

<sup>2</sup> Total No. of Individuals Registered to KONSULTA Provider / Projected Population

## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
	SM 5	Percentage of Patients Admitted in Basic or Ward Accommodation with No Co-Payment	Total No. of Patients Admitted in Basic or Ward Accommodation with No Co-Payment / Total No. of Patients Admitted in Basic Ward or Ward Accommodation	5%	All or Nothing	Establish Baseline (All Members Categories and all accredited private and government hospitals)	Government – 48.37% (1,281,250 out of 2,649,069)  Private – 19.88% (139,229 out of 700,333).	5%	Unverifiable	0%	<ul style="list-style-type: none"><li>Letter dated 12 Jan 2022 regarding Non-submission of Reports on No-Co Payments for the 4th quarter 2021 and December 2021</li><li>Summary of 2021 No Co-Pay Compliance extracted from the system</li><li>Snippet of the Summary No Co-payment Compliance Report</li><li>Summary of NBB report 2021 (Annual)</li><li>IT Advisory email</li><li>Internal Memorandum on the Additional Supporting Documents</li></ul>	The GCG could not establish the veracity and reliability of the data provided due to COA's findings related to Claims of PhilHealth. Moreover, PhilHealth failed to submit supplemental due diligence report on the 2021 validation findings on the erroneous entries made by Health Care Institution (HCI) in the "Consumption of Benefits" portion of the forms on paid claims received for 2021.
			Sub-Total	25%				24.94%		9.94%		



Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SUSTAINABLE FUND	SO 3	Revenue Generated										
	SM 6	Collection Efficiency Rate	Actual collection / Potential collection <sup>3</sup>	20%	(Actual/Target) x Weight	≥ 95% (Direct Contributors)	90.63%	19.08%	Unverifiable	0%	<ul style="list-style-type: none"><li>Collection Performance Report with data extracted from the Member Management Group (MMG)</li><li>Letter from the Insurance Commission (IC)</li><li>COA Annual Audit Report</li></ul>	The GCG could not establish the veracity and reliability of the data provided by PhilHealth due to the comments of IC and COA findings on the premium contributions and receivables accounts.
			Sub-Total	20%				19.08%		0%		

<sup>3</sup> Potential Collection should be confirmed by Insurance Commission

for

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
	Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual		
EXCELLENT PROCESS	SO 4	Boost Innovation in Research, Policy, and Process									
	SM 7	ISO Certification	Actual Accomplishment	5%	All or Nothing	Recertification of the ISO 9001:2015 on the Public Administration covering the following Processes: Member Coverage Management, Benefit Delivery, Provider Management, Management and Support Processes	Conduct of Internal Quality Audit (IQA) has been completed and concluded in September 2021.  PCEO approved revisions in the TOR for entering Multi-year Contractual Authority (MYCA)  Two bidding failed. Conversation between OSDO and SBAC was done 04 January 2020.  OSDO Prepared a Memo to OPCEO recommending for the Hiring of Consultancy Firm for the ISO Certification	5.00%	No ISO Recertification has been made on the Public Administration covering the following Processes: Member Coverage Management, Benefit Delivery, Provider Management, Management and Support Processes	0%	<ul style="list-style-type: none"><li>Internal Memorandum to the PCEO on the Result of Procurement Activities Conducted for the Procurement of Multi-Year Services of a Third-Party Certifying Body to Conduct Recertification Audit</li><li>Bids and Awards Committee (BAC)-A Resolutions</li><li>Certification of Internal Quality Audit (IQA)</li><li>Corporate Personnel Orders</li><li>Email from SOCOTEC</li><li>Letter to GCG dated on the PhilHealth's ISO Certification</li></ul>

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## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SO 5	Ensure Operational Effectiveness and Efficiency										
	SM 8	Fraud Index	No. of Claims tagged as Potential Fraud / Total Claims Filed	5%	(Actual/Target)x Weight	7%	11% based on Preliminary Report  Revised to 5% upon receipt of Final Report	5.00% <i>Based on revised accomplishment</i>	5%	5.00%	Final Report on Fraud Index Study	Acceptable
	SM 9a	Increase in the Percentage of Cases Disposed (Arbitration and Prosecution Department)	Number of Cases disposed (resolved or filed with charges) / Total number of cases	5%	(Actual/Target)x Weight	50% from backlog cases covering October 2020 and earlier  25% from current cases covering received cases from November 2020 to October 2021	<u>Backlog cases:</u> <i>Arbitration:</i> 23.76% (800/3,367) Total Received: 6,734 <i>Prosecution:</i> 100% (4,199/4,102) Total Received: 8,203 <u>Current cases:</u> <i>Arbitration:</i> 36.42% (436/1,197) Total Received: 4,786 <i>Prosecution:</i> 100% (2,038/1,869) Total Received: 7,473	3.26% (0.30+1.25+0.46+1.25)	33.41% (Backlog cases)  20.18% (Current Cases)	1.67% + 2.02% = 3.69%	<ul style="list-style-type: none"><li>Summary Report from the Prosecution, and Arbitration Departments</li><li>Position Paper</li><li>Prosecution, and Arbitration Database</li><li>Resolutions and Decisions of Prosecution and Arbitration Office</li></ul>	Acceptable.
	SM 9b	Increase in the Percentage of Cases Investigated (FFIED and PROs)	No. of red flagged providers investigated / Total number of red flagged	5%	(Actual/Target)x Weight	50% from backlog cases covering October 2020 and earlier	<u>Backlog cases:</u> <i>FFIED:</i> 100% (423/326) Total Received: 651 <u>Current cases:</u>	5.00% (2.50+2.50)	Unverifiable	0%	<ul style="list-style-type: none"><li>Excel file database of "Red-Flagged" Health Care Providers (HCPs)</li><li>Performance</li></ul>	Date received of the identified red-flagged providers were not properly identified. The GCG could not properly validate whether the



## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
		providers			25% from current cases covering received cases from November 2020 to October 2021	FFIED: 100% (506/237) Total Received: 947				Report	cases belong to current or backlog.  In addition, it was noted that FFIED reported as accomplishment those cases with no final resolution/conclusion/ decision yet.
<b>SO 6 Strengthen Customer and Partner Relations</b>											
SM 10a	Disposition of Backlog Claims Received from 1995-2020	Number of "In-Process" claims from 1995 to 2020 with dispositive action /Total Number of "In-Process Claims from 1995-2020	5%	(Actual/Target) x Weight 0% = If less than 90%	100%	99% (114,026,316/ 114,808,843)	4.95%	Unverifiable	0%	<ul style="list-style-type: none"> <li>Summary of Disposition of Backlog Claims received from 1995-2020 as extracted from the PhilHealth Corporate Dashboard</li> <li>Internal Memorandum on the report for the Strategic Objective 6: Strengthen Stakeholder Relation</li> <li>Report/IT advisory on the restoration of the data and system</li> <li>COA Annual Audit Report</li> </ul>	The GCG could not establish the veracity and reliability of the data provided due to COA findings related to Claims of PhilHealth.
SM 10b	Percentage of Claims Processed within Applicable Time (Claims received during the year)	Number of claims processed within Applicable Processing Time <sup>4</sup> / Total number of	5%	(Actual/Target) x Weight 0% = If less than 90%	100%	92% (11,613,477/ 12,598,630)	4.60%	Unverifiable	0%		

<sup>4</sup> Applicable processing time subject to compliance with Republic Act No. 7875, as amended by R.A. No. 10606 or Republic Act No. 11032 otherwise known as Ease of Doing Business and Efficient Government Service Delivery (EODB) Act of 2018, whichever is applicable. PhilHealth to seek clarification with the ARTA Authority.

## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
		claims received									
SM 10c	Percentage of Claims Paid within the Acceptable Time	Number of Claims Paid Within the Acceptable Time <sup>5</sup> / Total Number of Approved Claims	5%	(Actual/Target) x Weight 0% = If less than 90%	100%	86% (5,704,042 / 6,636,952)	0%	Unverifiable	0%		

<sup>5</sup> Applicable processing time subject to compliance with Republic Act No. 7875, as amended by R.A. No. 10606 or Republic Act No. 11032 otherwise known as Ease of Doing Business and Efficient Government Service Delivery (EODB) Act of 2018, whichever is applicable.

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
	SM 11	Percentage of Social Marketing Communication Plan Implemented (SMCP)	SMC Plans Implemented/ Total SMC Plans	5%	(Actual/Target) x Weight 0% = If less than 85%	100% <sup>6</sup>	1. Intensify marketing and communication channels (97.50%) 2. Boost content creation (100%) 3. Increase Capacity for Feedback Mechanism (100%) 4. Develop Communication Plans and Creative Campaigns (100) 5. Improve Brand Management (100%)	4.98%	88.89%	4.44%	<ul style="list-style-type: none"><li>• Audio Video Presentation (AVP)</li><li>• Flyers</li><li>• Tarpaulin</li><li>• Corporate Personnel Orders</li><li>• After-Event Reports</li><li>• Memorandum of Agreement/Understanding (MOA/U)</li><li>• Certifications</li><li>• Broadcast Scripts</li><li>• Attendance</li></ul>	Target not met.
			Sub-Total	40%				32.79%		13.13%		
STRONG FOUNDATION	SO 7	Ensure Organizational Alignment and Workforce Engagement										
	SM 12	Improvement on the Competency Level of the Organization	Competency Baseline <sup>7</sup> 2021 – Competency Baseline 2020	5%	All or Nothing	Improvement on the Competency Level of the Organization based on the	CY2020: 90% CY2021: 85%	5%	5% decrease in the Competency Level.	0%	-HRD Memorandum -Alamin and Kakayahan, Pagbutihin at	The request to revise the target to 80% competency level is <b>DENIED</b> . The CGO-A understands the

<sup>6</sup> Based on the Board-Approved Social Marketing Communication Plan.

<sup>7</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:  
where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

$$\frac{\sum_{b=1}^B \left[ \frac{a \cdot \left( \frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right)}{A} \right]}{B}$$

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## Validation Result of 2020 Performance Scorecard (Annex A)

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
					2020 assessment					Panatilihin (AKaPP) 2021 Result -AKaPP Comparison of CY2019 CY2020 and CY2021 -Corporate Order No. 2016-0094 on the Guidelines on the Conduct of Annual Competency Survey Under PhilHealth's Competency Management Program AKaPP; -Excel file of the computation of the competency level for the year 2020 and 2021 -Samples of accomplished competency assessment surveys.	representations made by PhilHealth in terms of the relationship of productivity and competency level of the employees as well as the current manpower of the organization. However, it is worth to note that the overarching goal of this measure is to respond to the competency-based hiring, retention of competent employees, and efficiency of intervention in closing competency gaps, since these aforementioned areas may affect the increase or decrease in the competency level of this organization.

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
	SM 13	Percentage of Budget Utilization	Actual Disbursement / DBM approved COB (both net of PS)	5%	All or Nothing	Not lower than 90% but not exceeding 100% of the DBM-approved COB (net of PS)	95.81%  (Note: Using the Proposed Formula of Total Obligation/Total COB)	5%	39.65%	0%	<ul style="list-style-type: none"><li>• Computation Summary of Disbursement/ COB net of PS</li><li>• Board Resolutions</li><li>• Status of Corporate Operating Budget (SCOB)</li><li>• Statement of Appropriation Allocation Obligation Disbursement and Balances (SAAObDB)</li></ul>	Target not met.  The request to revise the formula is <u>DENIED</u> . It should be noted that the objective of the measure is to ensure the efficient use of the government resources and execution of PhilHealth's function as the fund administrator.
	SO 9	Integrated and Optimized Information Systems										
	SM 14	Percentage of Systems Enhanced or Developed Based on UHC Policies	No. of Systems Enhanced, Developed, or Implemented / No. of Systems Targeted under the DICT-Approved ISSP	5%	(Actual/Target) x Weight	100% implementation of targets for 2021 reflected in the ISSP as approved by the DICT	100%	5%	100%	5%	<ul style="list-style-type: none"><li>• 2021 DICT-approved ISSP</li><li>• Performance Monitoring of the Information System (IS) Based on the ISSP Report</li><li>• Systems Developed/Enhanced under ISSP Projects Report</li><li>• Screenshot of ticket status, Acceptance Checklist and</li></ul>	Acceptable.

*Handwritten signature/initials*

Component						PhilHealth Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating		
										other documentary forms supporting the accomplishment	
		Sub-Total	15%				15%		5%		
		TOTAL	100%				91.81%		28.07%		

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