

PhilHealth Board Assessment Orientation & Onboarding 2019

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January 2020

1. INTRODUCTION

During its regular meeting on December 2016, the PhilHealth Board adopted a policy and a process, as proposed by the Governance Committee (GovCom), to assess the PhilHealth Board, its committees, and its members on an annual basis. The PhilHealth Manual of Corporate Governance contemplates board assessment as “a tool to enhance professionalism and to incentivize the Directors, as well as to develop effective induction and training programs for Board Members (BM).”

The most recent annual assessment of the PhilHealth Board for 2019 was held last 9 December 2019 at Astoria Plaza Hotel, Ortigas, Pasig City. A total of five¹ BMs attended the assessment. The objective of this evaluation was to assess the Directors’ performance of their roles, including their strengths and weaknesses.

The 2019 assessment encountered major limitations, among which was the fact that many of the Board Directors are new appointees. PhilHealth underwent a major revamp last June 2019, affecting senior leaders and the board of directors. Thus, the appointment of the new set of board members happened during the second half of 2019. The newly appointed BMs have not had a chance to participate in many meetings of the board, including those set by the committees. In fact, one of the BMs had just been appointed a few days before the conduct of the board assessment. There are still three appointive BMs that have not yet been selected or appointed. This limitation significantly contributes to the paucity of information generated.

2. ASSESSMENT OBJECTIVES

Recognizing [1] the significance of the regular board assessment process to the organization’s development and strategic directions, and [2] working within the limitations encountered in the process of doing so, it was determined, with the majority approval from the BMs, that the 2019 board assessment shall also be treated as an orientation-onboarding opportunity for the new BMs and will accomplish the following objectives:

1. To expand the board’s understanding of their roles to the organization, in light of current realities and reforms;
2. To deepen the board’s ownership of the board assessment process as a mechanism for personal, professional, and organizational growth; and
3. To assess the board's baseline performance of their roles as an input to planning for effective BM onboarding and development strategies.

¹ Many of the BMs had to leave due to pressing concerns that they needed to attend to.

3. METHODS

For the orientation and onboarding component of the workshop, a consultative process was adopted to reach majority approval from the BMs on the following themes or decision points:

- Implications of the Universal Health Care (UHC) Law to Philhealth Governance (Function, Structure, Relationship with Management, and Relationship with the Department of Health or DOH)
- Board mandates, general responsibilities, and specific board functions
- Committee membership
- Overall Board Assessment Framework, Process, and Criteria

For every item or decision point in the above-mentioned areas, three decision options were provided:



Maintain



Revisit



Remove

For the assessment, attendees were asked to assess their skills and performance as BMs in terms of personal performance in the following categories: knowledge and personal development, preparedness and participation, teamwork and communication, and conduct and behavior. The rater was encouraged to be forthright to freely state the reasons for any ratings made in the comments section.

Assessment questions and indicators were not arbitrary and were mostly based on PhilHealth’s Charter on Board duties. The following assessment scale, wherein “shortcomings” mean that the Board needs to step up to do its duty under the law, was used:

SCORE	RATING	DESCRIPTION
5	Excellent	NO shortcomings. Performs the behavior 95-100% of the time.
4	Very Good	MINOR shortcomings. Performs the behavior 85-94% of the time.
3	Good	MODERATE shortcomings. Performs the behavior 75-84% of the time.
2	Fair	SIGNIFICANT shortcomings. Performs the behavior 60-74% of the time.
1	Poor	SEVERE shortcomings. Performs the behavior < 60% of the time.
N/A	Not Applicable	The rater has limited knowledge or experience to make a valid evaluation.

In view of the limitations stated earlier, the assessment component of the workshop was kept to a minimum. The BMs agreed to do a baseline self-assessment of their individual performance as BMs (Director Assessment), foregoing the overall board assessment and committee assessments for now. The domains included in self-assessment were attendance, personal effectiveness, and interpersonal quality. Most were of the opinion that there was no sufficient basis to do a peer assessment, as well as a committee assessment, since most had just assumed their posts as board directors.

4. RESULTS

Before the assessment started, the mandate and responsibility of the Board as well as its special functions were reviewed. Each of the participants were given time to evaluate their individual performance as BMs using the provided assessment scale. In addition, board members also gave comments and feedback related to the presented mandate and responsibility. Appropriate modifications were noted by the Corporate Secretary who was also tasked to do the revisions to reflect the feedback from the Board.

The assessment identified all categories to have minor shortcomings (average of 4), except for the category on conduct and behavior, which was identified to have no shortcomings (average of 5). Since a different assessment criteria was used for the previous assessment rounds, no comparison can be made. The results of the assessments are as follows:

Criteria		Average Score
1	Knowledge & Personal Development	
1.1	I understand the mission, vision, and values of PhilHealth.	4.67
1.2	I know and own the duties and roles of a director. I am able to distinguish between Board and Management roles.	4.33
1.3	I understand the general, economic, social, and sectoral issues that affect PhilHealth.	4.33
1.4	I am willing to participate in director development activities (e.g. seminars).	3.67
1.5	I am open to feedback about my performance.	3.0
AVERAGE		4.0
2	Preparedness & Participation	
2.1	I devote sufficient time and attention to properly discharge and perform my duties and responsibilities as director.	4.33
2.2	I am updated on developments regarding PhilHealth, including its financial and operational performance.	3.67

Criteria		Average Score
2.3	I have working knowledge on the legal and regulatory requirements affecting PhilHealth (charter and by-laws, GCG requirements, COA, etc).	4.00
2.4	I actively participate in board discussions and deliberations.	4.67
2.5	When absent in meetings, I proactively acquire information from what has been discussed to stay updated.	3.67
2.6	I contribute to strategy formulation by proposing policies and suggesting corresponding incentives/sanctions.	4.00
2.7	I am involved in the oversight of strategy execution, particularly in its monitoring and assessment.	3.33
AVERAGE		3.95
3	Teamwork & Communication	
3.1	I actively establish and maintain good personal relations with my co-directors and management.	4.67
3.2	I handle work conflict positively and constructively.	4.00
3.3	I listen attentively to the contribution of others.	4.33
3.4	I actively participate in board discussions and deliberations.	4.33
3.5	I explore differences in opinion in a positive way.	4.33
3.6	I maintain objectivity in the face of difficult decisions.	4.33
AVERAGE		4.33
4	Conduct & Behavior	
4.1	I act with transparency, accountability, integrity & fairness, fully aware that the office of a director is one of trust and confidence.	5.00
4.2	I ensure the confidentiality of business information acquired by reason of my position as a director, including board's deliberations.	4.67
4.3	I ensure that my personal interests do not conflict with the interest of PhilHealth.	5.00
4.4	I treat anyone in PhilHealth with courtesy and respect.	4.67
AVERAGE		4.83
OVERALL AVERAGE		4.28

4. RECOMMENDATIONS

It is highly recommended that a major revisit be conducted of the recommendations that were made and submitted for board assessment report of 2018. More and more, these inputs remain very relevant particularly due to the challenges and issues that PhilHealth faced in the past year. Greater clarity with regards roles and responsibilities of the board and its committees come to fore particularly with the signing of the UHC Law in February 2019 and subsequently the Implementing Rules and Regulations (IRR) in October 2019.

There are several overlapping roles and responsibilities between the board and management in PhilHealth. These has led to a very blurry implementation of tasks and roles.

In view of the limitations in terms of attendance during board assessments, it is suggested that a fresh round of assessment-related activities be conducted before the end of the first quarter 2020. There is in fact an urgent need to do a skills inventory and a needs assessment in order to prepare for a proper and appropriate on-boarding of all newly appointed BMs.

It is crucial as well that all BMs are informed about the different components of the assessment activity so that at the end of the calendar year, the assessment process will be more robust and become more useful for the work of the board and its committees.

The following are specific recommendations that can hopefully contribute to a more robust, dynamic and relevant board of directors as they carry out their responsibilities in shepherding PhilHealth and the UHC Law:

1. The implementation of the UHC Law is a major breakthrough that has significant impact in terms of the roles, responsibilities and functions of the Board of Directors. It would be useful to plan for and conduct a thorough on-boarding for the Board of Directors, encompassing topics such as roles and responsibilities vis a vis management and technical operations in light of the UHC Law.
2. Build on the accomplishments and milestones of the previous years as well as revisit and improve on areas that proved to be challenging and problematic.
3. Present and discuss the modifications and suggested revisions articulated by the PhilHealth President and CEO and other board directors regarding the stated functions and accountability of the Board of Directors.
4. Ensure that all board members are able to do a self-assessment that can serve as baseline information. This can then serve as basis for the year-end assessment that is usually done before the end of the current calendar year.