

Guidance on Procurement of Health Coverage from Private Health Maintenance Organizations (HMOs) by Government Agencies

In reconciling Executive Order 150 entitled “Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order NO. 203 (s. 2016), and for other purposes” with Commission On Audit (COA) Resolution No. 2024-004 entitled “Amendment of Commission on Audit (COA) Resolution No. 2005-001” dated February 3, 2005 on the Procurement of Health Care Insurance from Private Insurance Agencies, the Commission on Audit has permitted the purchase of healthcare service coverage from private Health Management Organizations (HMOs) provided that the “programs or benefits covered therein are not yet covered or provided by the PHIC”.

Given the COA Resolution, government agencies (GAs), government owned and controlled corporations (GOCCs), and government financial institutions (GFIs) are advised that PhilHealth coverage includes payment for:

1. Basic and essential health services for select inpatient and outpatient services;
2. Primary care services and select diagnostic and commodities; and
3. Select catastrophic cases.

Conversely, current exclusions from PhilHealth coverage include:

1. Hospital amenities;
2. Expanded choice of specialists and health facility;
3. Specialist outpatient care;
4. Most outpatient drugs;
5. non-PNF drugs;
6. Commodities, devices and procedures without HTA;
7. Outpatient emergency services; and
8. Select rehabilitative and palliative care;
9. Annual Physical Examination.

More so, PhilHealth coverage allows cost share for the following:

1. Fixed co-pay in public hospitals and Z Benefits contracted hospitals; and,
2. Costs on top of PhilHealth payment in private hospitals and clinics.

GAs, GOCCs, and GFIs are expected to comply with COA Rules and Guidelines in procuring private health coverage. PhilHealth remains independent from the decision of any GA, GOCC, or GFI in procuring private health coverage and advises the same to ensure that any public funds spent for supplemental coverage are not paid for by the benefits already covered through PhilHealth, thereby constituting “double compensation and irregular disbursement of public funds”.

Supplemental coverage through PhilHealth Plus is still currently under development and has yet to be made available to GAs, GOCCs, and GFIs. PhilHealth will cease from releasing individual certifications to this effect. PhilHealth will make an announcement through appropriate issuances when PhilHealth Plus will be made available. The Corporation advises GAs, GOCCs, and GFIs to secure additional certification from their HMO of choice which stipulates that: (1) coverage provided by the HMO does not coincide with any existing PhilHealth benefits and (2) premiums paid to the HMO is discounted based on assumed PhilHealth payments.

(Sgd.) EMMANUEL R. LEDESMA, JR.

President and Chief Executive Officer

Date signed: April 30, 2024