

# Submission of Claim Form 5 (CF5) for Shadow Billing

In preparation for the transition to a provider payment mechanism using Philippine Diagnosis-Related Groups (PHL-DRG), PhilHealth shall begin to implement Shadow Billing. This data collection process shall initially involve private inpatient health facilities (i.e., infirmaries, level 1, 2, and 3 hospitals).

In this regard, **all health facilities' information technology (IT) service providers** are encouraged to complete their eClaims 3.0 certification for Claim Form 5 (CF5) by **June 15, 2025**.

Further, **all private inpatient health facilities** are advised to begin submitting the CF5 along with their claim forms starting **June 30, 2025**.

Please refer to Annexes A and B for more information. For further inquiries, please contact the PhilHealth Corporate Action Center Hotline at (02) 8662-2588 or email [actioncenter@philhealth.gov.ph](mailto:actioncenter@philhealth.gov.ph).

**(Sgd.) EDWIN M. MERCADO, MD, MHA, MMSc**  
Acting President and Chief Executive Officer

Date signed: May 26, 2025

## Annex A: Frequently Asked Questions (FAQs)

### What is the PHL-DRG system?

It is a patient classification system wherein inpatient cases that have similar clinical management and resource use are grouped together. Each group has a specific relative weight assigned which directly correlates to its cost.

### What is Shadow Billing?

Shadow Billing is the process of simulating or running a parallel claims submission/billing system alongside the current system. It involves generating hypothetical DRG claims alongside the All Case Rates (ACR) claims.

### Why is Shadow Billing needed?

Shadow Billing is needed so PhilHealth can develop a casemix profile and initial PHL-DRG rates in preparation for implementation. The exercise will also allow PhilHealth to test and clean up the IT system that will be used for the implementation of PHL-DRG. This includes the claims submission, claims processing, and grouping, among others. Additionally, since Shadow Billing is a separate but parallel system, it provides a means to collect PHL-DRG data while preventing disruption of inpatient benefit payment through the ACR.

### What are the benefits of participating in Shadow Billing?

Participating in Shadow Billing would provide an early opportunity for inpatient health facilities to prepare their systems for PHL-DRG implementation. Gathered inpatient costing and clinical data will be utilized for developing the rates and refining the clinical groupings of the DRG system.

### Will participating inpatient health facilities be paid using PHL-DRG rates during the Shadow Billing period?

No. Participating inpatient health facilities will continue to be paid using the ACR system during the period of Shadow Billing exercises.

### What do inpatient health facilities need to do for Shadow Billing?

1. The health facility must ensure that their IT service provider (in-house or external) is certified by PhilHealth to submit the Claim Form 5 (CF5). The XML template and other system requirements are provided by PhilHealth's Information Technology Management Department (ITMD) following the existing procedures for software certification.
2. The health facility must have participated in capacity building activities organized by PhilHealth. Certificates of participation issued

by health facilities' respective PhilHealth Regional Offices (PROs) during capacity buildings held in 2024 are considered valid.

3. The health facility must submit a copy of the following documents to their respective PRO, addressed to the Regional Vice President, before June 30, 2025:
  - a. Certification of their IT service provider for eClaims 3.0 (CF5)
  - b. Certificate of participation in PhilHealth's capacity building activity on DRG data encoding
  - c. Cover letter (Please see Annex B: Letter Template for the Submission of Shadow Billing Requirements)
4. The health facility must start submitting the CF5, as part of the claims submission, starting June 30, 2025.

## Annex B: Letter Template for the Submission of Shadow Billing Requirements

<OFFICIAL LETTERHEAD OF HEALTH FACILITY>

<DATE>

<NAME>

Regional Vice President  
PhilHealth Regional Office \_\_\_\_

Greetings!

We are writing to submit the requirements of <NAME OF HEALTH FACILITY> for the Shadow Billing of Diagnosis-Related Groups in compliance with PhilHealth Circular No. 2024-0006 entitled, "Implementation of the Shadow Billing for the Transition to Diagnosis-Related Groups (Revision 1)." Please see attached the following documents:

1. Updated certification of our service provider, <NAME OF SP>, Certificate No. \_\_\_\_\_
2. Certificate of participation in PhilHealth's capacity building activity on DRG data encoding dated <DATE OF CAPACITY BUILDING ACTIVITY>

Should there be any concerns, please reach out to <NAME OF HEALTH FACILITY REPRESENTATIVE FOR SHADOW BILLING> through <CONTACT DETAILS>.

Thank you very much.

\_\_\_\_\_  
<NAME OF HEALTH FACILITY CHIEF>

<Position>

<Name of Health Facility>