

Call for Participation in Shadow Billing (Submission of Claim Form 5 and Electronic Statement of Account through eClaims 3.0)

In line with the Philippines' transition toward the implementation of the **Philippine Diagnosis-Related Groups (PHL-DRG)** as the inpatient provider payment mechanism, the Philippine Health Insurance Corporation (PhilHealth) hereby **calls on all PhilHealth-accredited inpatient health facilities, including public hospitals, private hospitals (Levels 1, 2, and 3), and infirmaries**, to participate in **Shadow Billing** through the **submission of Claim Form 5 (CF5) and Electronic Statement of Account (eSOA) via eClaims 3.0**.

The CF5 captures additional inpatient clinical data necessary to reflect the full clinical profile of each admission, while the eSOA reflects the costs for each case. Data from both these forms shall be utilized to compute the cost weights of each DRG.

The implementation of Shadow Billing shall now be expanded to include all PhilHealth-accredited public hospitals, in addition to private hospitals and infirmaries, subject to compliance with the prescribed requirements. Department of Health-retained and Local Government Unit-owned hospitals are especially enjoined to participate in the data collection exercise. All health facilities intending to participate in Shadow Billing must submit the following documents to their respective PhilHealth Regional Office (PROs), addressed to the Regional Vice President, to become **tagged as a Shadow Billing site**:

1. Certification of the IT Service Provider (in-house or external) for the use of eClaims 3.0, including CF5 submission;
2. Certificate of Participation in PhilHealth's capacity-building activity on DRG data encoding; and
3. Cover Letter (Please refer to Annex B: Letter Template for the Submission of Shadow Billing Requirements).

Upon submission and validation of the above requirements, participating health facilities are expected to commence submitting CF5 and eSOA through eClaims 3.0 as part of their regular claims filing process. Additionally, government-owned health facilities are only expected to submit CF5 and eSOA for claims of patients admitted in private/non-ward accommodations. PhilHealth further reminds health facilities that have already been previously tagged as Shadow Billing sites to immediately begin submitting CF5 and eSOA, if they have not yet done so.

For further details, please refer to Annex A (Frequently Asked Questions) and Annex B. For additional guidance and concerns, health facilities may coordinate with their respective PhilHealth Regional Offices or contact the PhilHealth Corporate Action Center Hotline at (02) 8662-2588, or email actioncenter@philhealth.gov.ph

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

Date signed: January 22, 2026

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. Each group has a specific relative weight assigned, which directly correlates to its cost.

What is Shadow Billing?

Shadow Billing is the submission of the Claim Form 5 (CF5) and electronic statement of account (eSOA). It 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 its 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 building 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:
 - 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 well as the eSOA, as part of the claims submission as soon as possible.

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 attach 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>