



August 14, 2006

PHILHEALTH CIRCULAR
 No. 24, s-2006

TO : All Concerned
SUBJECT : Pilot-Testing of the Partner Pharmacy Project (PPP) at PhilHealth Regional Office (PRO) I

I. OBJECTIVE

The establishment of the Partner Pharmacy Project is in line with the Corporation's function to *'formulate and implement guidelines on contributions and benefits; portability of benefits, cost containment and quality assurance; and health care provider arrangements, payment, methods and referral systems'* (NHI Act Sec. 16d). The Partner Pharmacy Project shall have the following objectives:

1. To make drugs and medicines readily available;
2. To avoid direct filing of reimbursement of claims for drugs and medicines (less administrative cost for PhilHealth, less inconvenience for members);
3. To establish a system wherein reimbursement for drugs and medicines shall only be made in accordance with the Drug Price Reference Index (DPRI) and/or within the allowable mark-up price as determined by the PhilHealth Board.

II. PARTNER PHARMACY PROJECT

It is a system where patients shall be able to avail themselves of drugs and medicines through the 'drug coupon' system. The hospitals shall be guided by the DPRI to be provided by PhilHealth. It is assumed under this option that prices of drugs are known prior to the issuance of 'drug coupons'. The 'drug coupons' shall be within the control of the hospital which at all times should know the available balance / amount of drugs and medicine benefits that can be availed of by the member. The ceiling of the said benefit as set by PhilHealth shall guide the hospitals in the issuance of 'drug coupons.'

The drug coupon shall be the obligation of the hospital to the pharmacy. The hospital shall be responsible for filing the claims with PhilHealth. PhilHealth shall pay the designated pharmacy on the terms as may be agreed upon by the two parties.

Below is the process description:

1. A Pharmacy is designated (only one per hospital). Selection of drug store shall be the sole discretion of the Hospital subject to notification with PhilHealth;
2. Upon notification, PhilHealth, through the concerned PhilHealth Regional Office (PRO) shall check the drugstore or the affiliated drugstore and shall submit a report to the Accreditation Committee (AC). For this purpose the Accreditation Committee shall issue an order for the guidance of the PROs in their inspection of the designated Pharmacy. Only in extreme cases (e.g. drugstore not licensed, etc.) shall PhilHealth not concur with the hospital discretion;
3. Hospital after issuing prescription to an admitted member-patient and making the necessary computation (in referral to the DPRI) shall prepare the drug coupon;

4. Hospital claims the needed drugs (including supplies like syringe, gloves, cotton, plaster, etc.) from its partner Pharmacy presenting to the designated pharmacy the drug coupons together with the prescription;
5. Partner Pharmacy indicates in the drug coupon the released drugs and medicines (name and quantity) for the day;
6. The hospital presents the drug coupon to the Partner Pharmacy immediately before the patient is discharged, for the Partner Pharmacy to issue the corresponding receipt for all the drugs and medicines availed of by the member through that drug coupon;
7. Upon discharge, the member/patient shall be given a copy of the drug coupon to inform him or her of the consumed medicines for the whole period of confinement and the corresponding amount thereto/total Medicare benefit for drugs and medicines;
8. The member/patient reviews the drug coupon and acknowledges the same;
9. Hospital processes papers. A copy of the drug coupon and the corresponding receipt shall be attached to the claim;
10. Processed paper submitted to PhilHealth;
11. PhilHealth disburses cheque to hospital;
12. Hospital reimburses designated pharmacy in a manner and frequency as may be agreed upon and stipulated in their Memorandum of Agreement (MOA). In cases wherein the hospital and the pharmacy agree that PhilHealth shall directly reimburse claims for drugs and medicines to the pharmacy, the same shall be arranged with PhilHealth. It shall be agreed upon that first payment for claims for drugs and medicines shall be to the Pharmacy followed by the hospital and the member (in cases where the ceiling has not been exhausted);
13. To facilitate reconciliation and for monitoring purposes, the Hospital and its Partner Pharmacy may agree to develop a monitoring mechanism (e.g. summary report of all drugs and medicines issued through the drug coupon on a frequency to be agreed upon).

A MOA shall be forged between the accredited Hospital and the Designated Pharmacy. The MOA shall be continually in effect unless revoked by any of the parties. The MOA shall provide for any other conditions or arrangements not specified in this circular. In areas with established Philippine International Trading Corporation's (PITC) 'Botika ng Bayan,' Hospitals are encouraged to tap / designate as their Partner Pharmacy the said 'Botika ng Bayan.'

III. IMPLEMENTATION

The implementation of the pilot testing shall be phased-in with the development and/or modification of PhilHealth's existing application systems (e.g. claims processing, accreditation).

The Benefits Development Office (BDO), Accreditation Department, Claims Program Management, Management Information Systems Department and PhilHealth Regional Office I are hereby directed to coordinate closely for the implementation of this pilot test. The Office of the Vice President for Health Finance Policy Services and the Office of the Senior Vice President for Health Insurance Operations shall ensure the smooth implementation of this pilot test.

For the information and guidance of all concerned.

(Sgd.) LORNA O. FAJARDO, CESO III
 Acting President and Chief Executive Officer