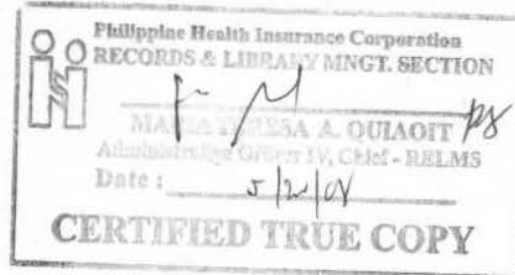




Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Centre, 709 Shaw Boulevard, Pasig City  
Healthline 637-9999 www.philhealth.gov.ph

March 24, 2008

PHILHEALTH CIRCULAR  
NO. 10, S-2008  
*PS*



TO : ALL ACCREDITED HEALTH CARE PROVIDERS (INSTITUTIONS  
AND PROFESSIONALS), ALL PHILHEALTH OFFICES,  
ACCREDITATION DEPARTMENT ALL OTHERS CONCERNED

SUBJECT : Grounds for Non-Renewal of Accreditation/Non-Granting of  
Re-accreditation as a Result of Performance Monitoring of Health  
Care Providers

R.A. 7875 as amended by R.A. 9241 states "the Corporation shall have the authority to grant health care provider accreditation which confers privilege of participation in the program". Further, following are the provisions in the IRR of the National Health Insurance Program (NHIP), to wit:

Section 63 (a) The Corporation shall determine the period of accreditation and reserves the right to issue or deny accreditation after an evaluation of the capability and integrity of the health care provider

Section 64 (a) The Corporation shall determine the period of accreditation and reserves the right to issue or deny accreditation after an evaluation of the capability and integrity of the health care professional

Section 71 Grounds for denial/non-reinstatement of accreditation  
(a) non-compliance with any or all of the rights and conditions of accreditation  
(b) non-compliance with the safeguards provided under these Rules

As such, in order for the Corporation to monitor the compliance and performance of the accredited health care providers and following the IRR which provides under Rule XII Section 76 for the Corporation to develop and implement a performance monitoring system for all health care providers which shall provide safeguards against practices enumerated therein, Philhealth Board Resolution (PBR) 1048, s. 2008 created the Performance Assessment and Monitoring System (PAMS). Moreover, this system was created because of the fact as stated in the said PBR "whereas it has come to the knowledge of the Corporation through the exercise of its quality assurance and quasi-judicial power that there is an alarming increase of unscrupulous health care institutions and professionals who have learned to

circumvent the provisions of the law and its implementing rules and have incessantly undermined the authority of the Corporation in the administration of the NHIF and the Program”.

This circular shall provide a scheme to ensure the following:

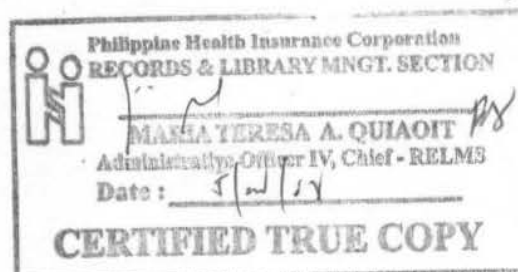
1. Strict compliance of all PhilHealth policies, rules and regulations on accreditation, quality assurance, claims processing and fraud detection and prevention.
2. Establish offenses and violations as a result of monitoring the performance of accredited health care institutions and professionals and a scheme that will immediately forewarn therein non-compliance with accreditation requirements and violations of the policies, rules and regulations
3. Safeguard the Corporation against unscrupulous health care institutions and professionals who are unworthy of participation in the National Health Insurance Program and are not qualified for renewal of accreditation
4. Maintain high quality standards of care being rendered to members by accredited health care institutions and professionals

The following are the grounds for non-renewal of accreditation/non-granting of re-accreditation as a result of the performance monitoring;

- I. Health care providers considered as outlier/violator on the safeguards on practices provided in Rule XII, Section 76, IRR of R.A. 7875 as amended by R.A. 9241 to wit:
  - a) over- and under-utilization of services
  - b) unnecessary diagnostic and therapeutic procedures and interventions
  - c) irrational drug use
  - d) inappropriate referral practices
  - e) gross, unjustified deviations from currently accepted practice guidelines or treatment protocols
  - f) use of fake, adulterated or misbranded pharmaceuticals or unregistered drugs
  - g) use of drugs other than those recognized in the PNDF and those for which exemptions were granted by the Board
  - h) withholding/denial of benefits/services to members and dependents.

Further, violations such as the following are also grounds for non-renewal/non-granting of re-accreditation

- a) Utilization of unsafe and inappropriate instruments in the performance/practice of procedures
- b) Unethical/Mismanagement/Questionable practice patterns



These outliers/violators shall be determined by the Peer Review Committee (PERC) and reported as such by the Standards and Monitoring Department.

II. Breach of Warranties of Accreditation (please find attached)

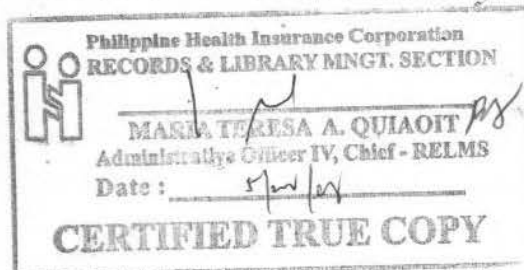
III Non-compliance with PHIC policies and regulations to include but not limited to the following:

- a) Non-issuance of official receipts to PhilHealth or to members which contravenes PHIC Circular 24 s-2005 which mandates issuance of official receipts
- b) Absence of physician and/or registered nurse during inspection or monitoring of health care institutions
- c) Non-serving of meals
- d) Incidence of double-filing of claims, overlapping claims as supported by the report generated through the n-claims system
- e) Non-submission of mandatory monthly hospital report
- f) Filing of claims for cataract procedures performed during medical missions inconsistent with PHIC Circular 19, s-2007
- g) Hospitals found with the same deficiency/deficiencies or multiple deficiencies for 2 consecutive years during inspection \*\*
- h) Providers which have been penalized thrice (3) or more based on the decision rendered by the Arbitration Department of this Corporation \*\*
- i) Family confinements defined as "record of at least 4 family members purportedly confined at the same time" except during epidemics as confirmed by DOH/concerned agency and other exclusions as determined by Standards and Monitoring Department\*\*
- j) Weekend confinements defined as "pattern/record of at least 50% of claims with weekend confinements meaning admitted Friday or Saturday and discharged on Sunday or early Monday\*\*

Except those which have been specifically qualified (\*\*), the foregoing grounds for non-renewal/non-granting of accreditation shall be acted upon as follows;

- |                |   |
|----------------|---|
| First Offense  | - HCP's shall be notified of the violation  |
| Second Offense | - Stern Warning with a notation that another violation shall be basis for recommendation of non-renewal/non-granting of accreditation |
| Third Offense  | - Recommendation of non-renewal/non-granting of accreditation   |

Any violation committed and/or determined shall be considered as an offense and accumulation of three (3) offenses not necessarily of the same nature shall be considered as a third offense, hence, recommended for non-renewal/non-granting of accreditation.



## PROCESS SCHEME

### A. REPORTING

Information/reports shall be referred by the following;

- a) Office of the Senior Vice-President for Health Finance Policy Sector
- b) Office of the Vice-President for Quality Assurance Group
- c) Standards and Monitoring Department
- d) Peer Review Committee
- e) Fact-Finding investigation and Enforcement Department
- f) PhilHealth Regional Offices
- g) Arbitration Department
- h) Other sources such as but not limited to stakeholders, societies/organizations, agencies

These reports shall be referred to the Standards and Monitoring Department (SMD) for validation. Once validated as an offense, the SMD shall forward a report to the Accreditation Department which shall then be responsible in collating, updating and recording of the offenses committed by health care providers. The Accreditation Department shall also be responsible in forwarding the recommendation of non-renewal of accreditation/non-granting of re-accreditation to the Accreditation Committee.

### B. DECISION

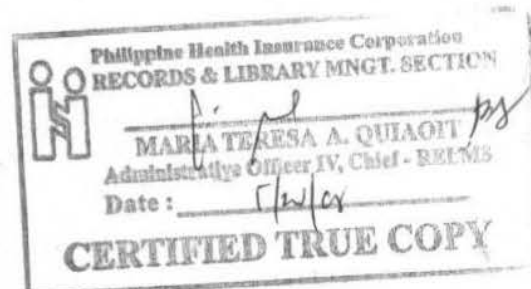
The Accreditation Committee shall act on the recommendation accordingly and may render any of the following decisions subject to the approval of the President and CEO.

- a) Grant renewal/re-accreditation
- b) Deny renewal/re-accreditation

Health care providers which have not been accorded or denied of accreditation in view of the abovementioned grounds shall be precluded from initiating new application for accreditation within one (1) year from the time the accreditation was not renewed/granted or to a period to be determined by the Corporation.

This circular shall take effect fifteen (15) days after publication in broadsheets of national circulation. All other issuances inconsistent herein are hereby repealed and modified accordingly.

  
Lorna O. Fajardo  
Acting President & CEO



## PART II – WARRANTIES OF ACCREDITATION

The undersigned, as representative to act for and on behalf of

\_\_\_\_\_  
(Hospital)

Located at \_\_\_\_\_ warrants  
(address)

The following:

### I. ELIGIBILITY

- 1.1. That the aforementioned health care institution has been in operation for at least three years,
- 1.2. That it is duly licensed/ accredited by the Department of Health,
- 1.3. That it shows a good track record in the provision of health care,
- 1.4. That it is a member of good standing of \_\_\_\_\_ (association) duly recognized by PhilHealth with its established standards and criteria,
- 1.5. That it has the human resources, equipment, physical structure and other requirements in conformity with standards established by the Corporation,
- 1.6. That it has an ongoing quality assurance program.

### II. COMPLIANCE TO PERTINENT LAWS

- 2.1. That the aforementioned health care institution shall in the course of its participation with the National Health Insurance Program by virtue of its accreditation comply with the provisions of the National Health Insurance Law (R.A. 7875), its implementing Rules and Regulations, all administrative orders of the corporation,
- 2.2. That it shall comply at all times with the provisions of the Hospital Licensure Act ( R.A. 4226), its prevailing implementing Rules and Regulations (A.O. # 147, s.2004), Administrative Order # 183, s. 2004 for ambulatory surgical clinics as well as all other pertinent laws and administrative orders,
- 2.3. That all DOH-retained hospitals shall comply with the provisions of Administrative Order # 137, s. 2002 on the waiver of excess fees and charges for Philhealth indigent patient,
- 2.4. That it shall accept the formal program of Quality Assurance, payment mechanism and utilization review of the National Health Insurance Program,
- 2.5. That its personnel shall strictly adhere and comply at all times with the Codes of Ethics of the Medical and Nursing professions and other medical related professions of the Philippines,
- 2.6. That it shall strictly enforce a smoke-free policy within the premises of the health care institutions, Premises shall be understood to include all areas of a health care institution's compound regardless whether the same is inside or outside an enclosed structure,
- 2.7. That it shall strictly adhere and abide by the Expanded Senior Citizens Act of 2003 (R.A. 9257), A.O. # 177 s. 2004 as implemented in Philhealth Circular 2, s. 2005,



### III. CLINICAL SERVICES

- 3.1. That the aforementioned health care institution shall guarantee, safe adequate and standard medical care for all patients seeking medical care; and shall exercise observance of public health measures in case of communicable disease,
- 3.2. That it shall adopt referral protocols, strictly follow guidelines and health resource sharing arrangements of the Program,
- 3.3. That it shall extend without delay chargeable benefits due qualified members and beneficiaries,
- 3.4. that it shall not engage in unethical and illegal solicitation of patients for purposes of compensability under the National Health Insurance Program,
- 3.5. That it shall maintain at all times the required personnel, serviceable equipment and facilities for use of patients.

### IV. CLINICAL RECORDS AND PREPARATION OF CLAIMS

- 4.1. That the aforementioned health care institution shall maintain and accomplish at all times accurate chronological records of all patients, services rendered and health outcomes resulting from such services and health expenditures on patient care,
- 4.2. That it shall keep a neat and systematic records file in a safe but accessible place for easy retrieval,
- 4.3. That it shall undertake measures to enter only true and correct data in all patients records and in the preparation of claims and ensure the filing of legitimate claims within the sixty (60) calendar days after the patient's discharge,
- 4.4. That I, acting on behalf of this institution, together with the concerned personnel, shall take full responsibility for any omission or commission in the preparation of claims and in the entry of clinical records.

### V. MANAGEMENT INFORMATION SYSTEM

- 5.1. That the aforementioned health care institution shall give proper information of its accreditation status by posting the PhilHealth certificate of accreditation in a very conspicuous place in the said institution,
- 5.2. That it shall post at its billing section updated information of the Program's benefits and procedural requirements and make available the necessary forms for patient's use,
- 5.3. That it shall inform the Department of Health all reportable cases confined in the aforementioned institution,
- 5.4. That it shall immediately inform the PhilHealth in writing of any of the following changes in the institution's (1) location (2) ownership or management, or (3) closure or temporary cessation of hospital operation.

### VI. HOSPITAL INSPECTION/VISITATION/INVESTIGATION

- 6.1. That the aforementioned health care institution recognizes the authority of the PhilHealth and its duly authorized representative or agents deputized by PhilHealth to conduct inspection, visitation or investigation of the institution at anytime,
- 6.2. That the PhilHealth's duly authorized representative shall be accorded with courtesy and respect by the hospital management and staff during inspection/visitation/investigation of the institution,
- 6.3. That it shall cooperate in the inspection/visitation/investigation by making ready and available all hospital records (medical and financial) and other pertinent documents,
- 6.4. That it shall obey without delay summons, subpoena or subpoena duces tecum from the corporation or Local Health Insurance Office.

Finally, I hereby certify that I have read fully the provisions of these warranties and affirms that the PhilHealth, by virtue of its power under R.A. 7875 may DENY, suspend or revoke the accreditation of this institution if found to have violated any of the provisions of the National Health Insurance Act, or its Implementing Rules and Regulation and any of these Warranties of Accreditation.

\_\_\_\_\_  
Medical Director/Administrator  
(Signature over Printed Name)

SUBSCRIBED AND SWORN TO, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

At \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Until \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Issued at \_\_\_\_\_  
Issued on \_\_\_\_\_

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Book No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Series of 20 \_\_\_\_\_