



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
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PHILHEALTH CIRCULAR

No. 47, s. 2009

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**TO : ACCREDITED HEALTH CARE PROVIDERS,
PHILHEALTH REGIONAL OFFICES AND ALL
OTHERS CONCERNED**

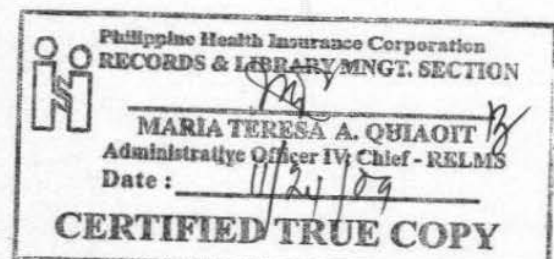
**SUBJECT : IMPLEMENTING GUIDELINES ON THE
IMPOSITION OF PREVENTIVE SUSPENSION UPON
ACCREDITED HEALTH CARE PROVIDERS WITH
PENDING ADMINISTRATIVE CASES BEFORE
PHILHEALTH**

I. RATIONALE

Despite the institution by PhilHealth of appropriate administrative cases against accredited health care providers which are involved in fraudulent practices, some of these providers continue to perpetuate the same practices to the grave prejudice of PhilHealth and the beneficiaries of the Program. It is therefore necessary to further strengthen the capabilities of PhilHealth to adequately address such fraudulent practices. One effective way is to enable PhilHealth, thru the Warranties of Accreditation, to place errant providers with pending administrative cases under preventive suspension. Hence, the PhilHealth Board resolved to approve the inclusion in the Warranties of Accreditation of a provision which authorizes PhilHealth, thru the Arbitration Department, to place under preventive suspension accredited health care providers with pending administrative cases subject to specific conditions.

II. BASIS

This implementing guidelines is issued pursuant to PhilHealth Board Resolution (PBR) No. 1304, s. 2009 dated 2 September 2009 (Re: Resolution Providing for a Provision in the Warranties of Accreditation on the Preventive Suspension of Accredited Health Care Providers with Pending Administrative Cases Before PhilHealth).



III. INCLUSION IN THE WARRANTIES OF ACCREDITATION OF A PROVISION ON PREVENTIVE SUSPENSION

A provision on the preventive suspension of accredited health care providers with pending administrative cases shall henceforth be included in the Warranties of Accreditation to be executed and signed by health care providers upon their initial accreditation, re-accreditation or renewal of accreditation with PhilHealth, as the case may be.

IV. DURATION OF A PREVENTIVE SUSPENSION

The duration or period of a preventive suspension shall not exceed ninety (90) calendar days and shall automatically be lifted once a decision has been rendered or upon an order lifting the same by the Arbitration Department in the subject pending administrative case. A preventive suspension may be imposed only once in a pending administrative case.

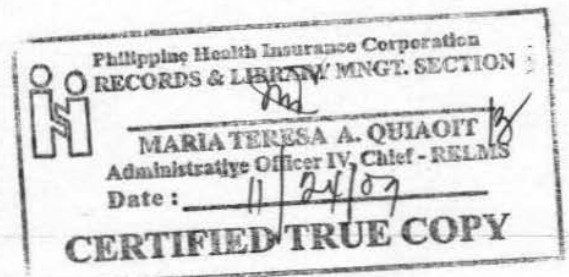
V. CONDITIONS FOR A PREVENTIVE SUSPENSION

A preventive suspension may be issued only upon the concurrent presence or existence of the following conditions:

- a. There must be a pending administrative case with the Arbitration Department against the health care provider which involves any fraudulent offense, namely:
 1. Padding of Claims
 2. Claims for Non-Admitted Patients
 3. Extending Period of Confinement
 4. Postdating of Claims
 5. Misrepresentation by Furnishing False or Incorrect Information
 6. Fabrication or Possession of Fabricated Forms and Supporting Documents
 7. Other Fraudulent Acts
 8. Misrepresentation by False or Incorrect Information or
 9. Other Violations
- b. The order of preventive suspension must be recommended by the Arbitration Department, motu proprio or upon a motion by the Prosecution Department, and must be approved by the Senior Vice-President or head of the Legal Sector; and
- c. The evidence of guilt is strong against the health care provider in the pending administrative case, as determined by the Arbitration Department.

VI. TREATMENT OF PREVENTIVE SUSPENSION SERVED

Although a preventive suspension is not a penalty but is a precautionary measure, the period of preventive suspension served shall be credited and deducted from the period of suspension of accreditation which may subsequently be imposed upon the provider in the subject administrative case.



VII. DATE OF EFFECTIVITY OF A PREVENTIVE SUSPENSION

An order of preventive suspension shall expressly state therein the precise date of effectivity of the preventive suspension which shall not however commence earlier than thirty (30) days from the date of issuance of such order.

VIII. DENIAL OF CLAIMS FOR CONFINEMENTS DURING THE PREVENTIVE SUSPENSION

All benefit claims filed with PhilHealth for confinements, treatments and professional services during the preventive suspension of the concerned provider shall be denied payment by PhilHealth unless such confinements, treatments and professional services are emergency in nature as contemplated under the existing rules of PhilHealth, and subject to the existing remedies of a motion for reconsideration with the concerned PhilHealth Regional Office (PhRO) and an appeal with the Protests and Appeals Review Department (PARD) in cases of denied claims.

IX. MOTION TO LIFT THE ORDER OF PREVENTIVE SUSPENSION /RESOLUTION AND EFFECT THEREOF

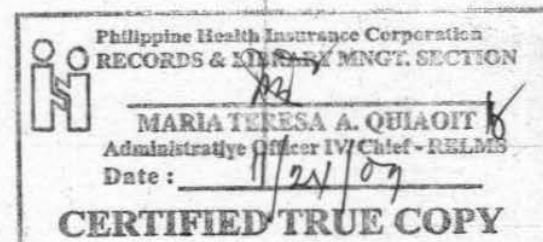
A "motion to lift the order of preventive suspension" may be filed with the Arbitration Department by the affected health care provider within a non-extendible period of five (5) calendar days from receipt by the latter of an order of preventive suspension. The Arbitration Department shall then resolve such motion within five (5) calendar days from actual receipt thereof through an order either denying or granting the said motion. The filing of such motion shall not affect the execution of an order of preventive suspension unless the said motion is granted. Being summary in nature, a formal hearing on the motion is not required, disposition of the motion shall only be based on the submitted pleadings. No Motion for Reconsideration or Appeal from such order granting or denying the same shall be allowed and entertained.

X. SERVICE OF ORDER OF PREVENTIVE SUSPENSION

Simultaneous to the issuance of an Order of Preventive Suspension, the Arbitration Department shall issue a directive to the Legal Service Unit (LSU) under whose regional jurisdiction the health care provider is situated, to make personal service of the said Order within seven (7) days from receipt thereof. In cases involving health care professionals, service shall be made on the last known address as stated on the accreditation record of the health care professional, but if personal service is not feasible, service may be done via registered mail.

In the event that the charged health care provider shall refuse to formally accept the personal service of the Order, tender of the same by leaving a copy of the Order with the health care provider shall be deemed an effective service thereof. In the case of health care professionals, the rules on Substituted Service provided in the Rules of Court shall apply.

Regardless of the manner of acceptance by the health care provider, the LSU together with representatives from the Accreditation office of the PhRO, shall then post a Notice of



Preventive Suspension ("Notice" for brevity) in three conspicuous areas of the facility within five (5) days prior to the start of the preventive suspension.

The Notice must be made of white tarpaulin and in the same size as that of the required signage under PHIC Circular No. 01 s. 2001, and in bold black letters must state clearly and visibly as follows: "The PhilHealth accreditation of (name of hospital) is preventively suspended from (date of start) until (date of conclusion). No claims for confinements at this hospital during this period shall be received, processed and paid by PhilHealth." If possible, a translation in the vernacular may likewise be inserted in the Notice. With due consent of the convicted health care provider, the signage of "PHILHEALTH Accredited" or any other sign or marker informing the public of its PhilHealth accreditation should be removed if possible.

The LSU and Accreditation office of the PhRO shall exhaust all efforts to monitor faithful compliance of the Order by the health care provider. In case there shall be a violation of the same, such acts shall constitute as grounds for the filing of a new administrative case for Breach of the Warranties of Accreditation.

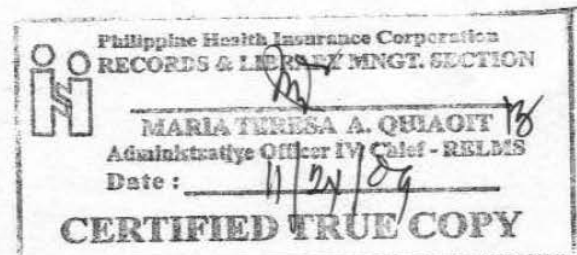
After service of the Order is made, the LSU shall submit a report of the same within seven (7) days to the Arbiter *a quo*, copy furnished the Accreditation Department of Central Office. After receipt of the report on the service, the Accreditation Department shall commence appropriate revision of the accreditation status of the health care provider concerned. After which, the Accreditation Department shall then inform the PhRO of such revision.

XI. NOTICE TO THE PUBLIC

As soon as the concerned PhRO receives a copy of the directive from the Arbitration Department to execute the Order of Preventive Suspension, the PhRO shall immediately disseminate information to PhilHealth members and beneficiaries on the impending preventive suspension of the health care provider and the effects thereof on their PhilHealth benefits and claims. The dissemination of information shall be continuous until the termination of the preventive suspension or the release of the decision of the case, whichever comes first.


XII. REPEALING CLAUSE

All orders, circulars, or rules, which are inconsistent with these guidelines, are hereby repealed, amended, or modified accordingly.



XIII. EFFECTIVITY CLAUSE

This circular shall take effect fifteen (15) days after its publication in a major newspaper of general circulation and shall be applied prospectively to all health care providers who are covered by the revised Warranties of Accreditation.


DR. REY B. AQUINO
President and CEO

11/20/09

