



June 24, 2012

PHILHEALTH CIRCULAR

No. 032, s. 2012

TO : *Dang* ALL INDIVIDUALLY PAYING MEMBERS (IPM), IPM UNDER THE KaSAPI PROGRAM AND THE GROUP ENROLLMENT SCHEME, ACCREDITED HEALTH CARE PROVIDERS, ACCREDITED COLLECTING AGENTS, PHILHEALTH OFFICES AND ALL CONCERNED

SUBJECT : Deferment of Premium Increase for the Individually Paying Program

I. RATIONALE AND OBJECTIVES

PhilHealth Board Resolution No. 1571, series of 2011, gave the PhilHealth Management the authority to increase the annual premium contributions effective CY 2012. This increase in the annual premium contribution is an essential element to enable the National Health Insurance Program (NHIP) to realize the vision of universal health care for all Filipinos consistent with the thrust of the national government for *Kalusugang Pangkalahatan* (KP). Further, it reinforces strategic directions designed to ensure greater efficiency in the delivery of higher quality health care services that is affordable, acceptable, accessible and adequate.

Pursuant to its authority to increase the annual contributions effective CY 2012, the PhilHealth Management issued PhilHealth Circular No. 22, series of 2011 to inform the public of the necessary incremental adjustments per identified paying sector effective July 1, 2012. Specific to the Individually Paying Members, organized groups under the *Kalusugang Sigurado* at Abot-kaya sa PhilHealth Insurance (KaSAPI) program and the group enrollment scheme, an alternative premium discount was provided to those who will opt to pay for two consecutive years prior to the date of implementation. Correspondingly, PhilHealth Circular No. 20, series of 2012 was issued to introduce the Individual Policy Contract (IPC) for Individually Paying Members (IPM) and the Group Policy Contract (GPC) for organized groups. The IPC and GPC are documentary tools that provide financial risk protection for members and their dependents.

However, various sectors have continuously and vigorously pushed and demanded for a reconsideration of the decision to increase the annual premium contribution. In response thereto and so as to provide more time for further consultation and program enhancements, the PhilHealth Management has resolved to defer the July 1, 2012 effectivity of premium increase until October 1, 2012. As such, the full implementation of the annual premium increase for the Individually Paying Program (IPP) shall now be **October 1, 2012**. Consequently, all IPP premium payments until September 30, 2012 shall be computed under the current annual rate of One Thousand Two Hundred Pesos (Php 1,200) only.

Premised upon the foregoing, this Circular is hereby issued.

II. COVERAGE

This Circular applies to the Individually Paying Members (Self-employed/Voluntary) of the NHIP including those covered under the Kalusugang Sigurado at Abot-Kaya sa PhilHealth Insurance (KaSAPI) Program and the group enrollment scheme. Excluded are Self-employed professionals and other IPMs earning an average gross monthly income of more than Twenty Five Thousand Pesos (Php 25,000).

III. IMPLEMENTING MECHANISMS

A. FOR INDIVIDUALLY PAYING MEMBERS

Lock-in Mechanism

The Lock-in is a privilege of having to pay the old annual premium rate of P1,200.00 for CY2012 and CY2013, in the face of the new premium rates at P2,400.00 per annum starting October 1, 2012, granted to IPMs who opt to capitalize on this offer and pay their premiums in full for 2012 and 2013 at the rates as mentioned below. CY or calendar year refers to January 1 to December 31.

1. IPMs who have paid Php 2,100.00 before June 30, 2012 to cover the period from the 2nd quarter of 2012 and the whole CY2013 shall remain locked-in and covered without need to pay any additional premiums. With reference to the deferment of the premium increase, in effect extending the period to allow IPMs to lock-in, those who decide to pay after June 30, 2012 but before September 30, 2012 may still avail of the lock-in after payment of P1,800.00. The amount covers the remaining two (2) quarters of 2012 and the entire CY2013.
2. IPP payments made starting October 1, 2012, by those who had not availed of the lock-in, shall be computed under the new premium rate of Php 2,400.00 per year. Thus, the last quarter of CY 2012 shall now require Php 600.00 premium contribution.
3. All IPMs qualified to avail of the lock-in agreement shall be issued an IPC (lock-in) which will be released starting October 1, 2012. A supplementary Office Order shall be released to guide operations in the intricacies of IPC issuance.

4. IPMs qualified to avail of the lock-in agreement who have paid their premiums in accredited collecting agent's such as banks, commercial payment institutions, etc. shall present their PhilHealth Agent's Receipt/s (PAR) showing proof of payment for CY 2012 and CY 2013 to the Cashier of the nearest Local Health Insurance Office (LHIO) starting October 1, 2012 to avail of their IPC.

Premium increase

1. Starting October 1, 2012, premium rate for IPMs shall be computed under the new annual rate of Two Thousand Four Hundred Pesos (Php 2,400.00).
 - 1.a. All IPMs paying their premium starting October 1, 2012 shall be required to sign an Individual Policy Contract with PhilHealth.
 - 1.b. The IPM shall apply for a 1 or 2-year policy contract which he/she will declare in the IPC application form to be submitted to the LHIO Cashier along with the PhilHealth Premium Remittance Slip (PPPS).
 - 1.c. IPMs who have paid their premiums in accredited collecting agents starting October 1, 2012 shall be required to visit their nearest LHIO to apply for the IPC.
 - 1.d. All advance annual premium rates paid for CY 2014 onwards and computed at One Thousand Two Hundred Pesos (Php 1,200.00) shall be re-adjusted to cover only the remaining number of years applicable based on the new premium rate of Two Thousand Four Hundred Pesos (Php 2,400.00) effective October 1, 2012.

B. FOR ORGANIZED GROUPs (OG)

1. In anticipation of the impending roll-out of the new iGroup, OGs under the Kalusugang Sigurado at Abot-Kaya sa PhilHealth Insurance (KaSAPI) Program and the group enrollment scheme are likewise prompted to pay their full CY 2012 premium on or before **August 30, 2012** to give adequate time for transition to the new processes and terms of engagement of the re-packaged OG partnership called the iGroup.
2. Pending the results of the pilot-test implementation of the iGroup, policies governing OGs shall be issued under a separate order.
3. For efficiency, OG Partners are encouraged to pay their group premium directly to their partner LHIO.
4. The annual premium for New OG partnerships formed starting October 1, 2012 shall be Two Thousand Four Hundred Pesos (Php 2,400.00).

5. Issuance of the GPC for OGs will be subject to the terms and policies to be developed after the iGroup pilot-test implementation in San Jose, Antique.

IV. CONDUCT OF MASSIVE INFORMATION AND EDUCATION CAMPAIGN (IEC)

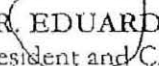
All Central and Regional Offices and employees are hereby directed to conduct immediately massive information and education campaign so as to ensure the intensive and immediate dissemination of these recent developments for the benefit of all the stakeholders and partners of PhilHealth.

V. EFFECTIVITY

In view of its urgent nature and because of time constraint, this Circular shall take effect immediately.

All issuances that are inconsistent with the provisions of this Circular are deemed superseded.

FOR STRICT AND IMMEDIATE IMPLEMENTATION.


DR. EDUARDO P. BANZON
President and CEO

6/27/2012

Date