Republic of the Philippines
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PHILHEALTH CIRCULAR

No. 037, s. 2012

TO : **ALL GOVERNMENT-OWNED INSTITUTIONAL HEALTH CARE PROVIDERS AND ALL OFFICES CONCERNED**

SUBJECT : **THE GLOBAL BUDGET PAYMENT PROGRAM**

I. Policy Rationale

The Aquino Health Agenda for Universal Health Care (UHC) and the Department of Health's (DOH) Kalusugang Pangkalahatan (KP) mandate for financial risk protection for all Filipinos, enhancement of health facilities, and the achievement of millennium development goals. Further, UHC seeks to harness the strength of revitalized public-private partnership especially in services needing heavy capital investments. In pursuance of said mandate and harnessing the strength of revitalized public-private partnership, and as the administrator of the National Health Insurance Program (NHIP), the Philippine Health Insurance Corporation (PhilHealth) is obligated to ensure that health services, supplies and drugs are provided to all PhilHealth members at little to no added cost when seeking care in health facilities, particularly those government-owned.

Notably, government health care facilities in general operate on limited resource settings. In addition, many Local Government Unit (LGU)-owned health care facilities lack the technical capacity to manage its resources. As such, provision of drugs, other medical supplies, and diagnostics are usually compromised leading to PhilHealth member-patients incurring high out-of-pocket expenses, and/or opting to seek care in privately-owned health care facilities.

In view of the foregoing and pursuant to PhilHealth Board Resolution Nos. 1113 s. 2008 (Leaping Four(4)ward framework) and 1630 s. 2012 (Global Budget Payment Program), PhilHealth has decided to operationalize the Global Budget Payment Program *(hereinafter referred to as the "GBPP")* so as to ensure that government health care facilities are fully-equipped to provide the best health services to all PhilHealth member-patients. As defined in Rep. Act. No. 7875, as Amended, the term "Global budget" shall be understood to mean as "an approach to the purchase of medical services by which health care provider negotiation concerning the costs of providing a specific package of medical benefits is based solely on a predetermined and fixed budget".

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Date: 8/30/17
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I. Objectives of GBPP

PhilHealth shall implement the GBPP for the following specific objectives:

1. To ensure the provision of adequate and appropriate hospital services for PhilHealth members and their dependents;
2. To minimize expenses related to inpatient hospital services, including the expanded adoption of No Balance Billing (NBB) arrangements for PhilHealth members and their dependents;
3. To encourage the expansion of PhilHealth membership;
4. To facilitate the payment of providers, thereby lessening transaction costs and eliminating reimbursement delays;
5. To catalyze the institution of cost-efficient yet quality facilities and processes related to the financing and delivery of hospital services; and
6. To support the tenets of the UHC initiative as espoused by the Aquino Administration and the DOH.

II. Main Feature of GBPP

The GBPP is a program that shall institute a provider payment system with the following main features:

1. Prospective payment arrangement which pays for inpatient hospital services and ambulatory surgeries and procedures compensable in accordance with existing PhilHealth guidelines;
2. Initially intended for government hospitals and hospital systems that adopt the NBB policy for ALL PhilHealth members and their dependents in non-private accommodation, and may later be expanded to include private facilities;
3. Comprehensively covers the appropriate medical and surgical service requirements of PhilHealth members and their dependents;
4. Payment and service arrangements are defined by a three-year contract; and
5. Meant to further the Aquino Health Agenda and Kalusugan Pangkalahatan.

III. GBPP Guidelines

The following guidelines are supplementary to existing NHIP regulations as contained in Rep. Act No. 7875, as Amended, and in subsequent PhilHealth resolutions and advisories.

1. Qualified Providers:

   1.a Participation in the GBPP shall initially be applicable only to the following providers:

      1.a.1 LGUs (provinces and chartered cities) in behalf of all licensed LGU-administered hospital facilities at all levels within their geographic

jurisdiction that have ordinances establishing *at least* income retention or *at best* fiscal autonomy of the LGU hospitals;

1.a.2 DOH tertiary, specialty, and teaching/training hospitals; and,

1.a.3 Other government hospitals, such as but not limited to those attached to State Universities/Colleges, AFP, and PNP tertiary hospitals, and other analogous facilities, having at least 200 bed capacity.

1.b However, priority shall be given to the following government hospitals:

1.b.1 Those that have at least 90% of their authorized or licensed bed capacity dedicated to non-private accommodations;

1.b.2 Those that are considered as Centers of Quality or Excellence and are referral hospitals for higher level care particularly for Sponsored Program members;

1.b.3 Those that are currently connected to the Claims Eligibility Web Service Phase I or with eClaims facility;

1.b.4 Those that are currently utilizing an electronic medical records system; and

1.b.5 Those LGU hospitals wherein their corresponding LGUs shall have implemented province-wide programs to ensure high PhilHealth enrolment, for sponsored, individually paying and employed sector programs

1.c Starting 2013, the GBPP shall be made available only to providers with functional eClaims facilities.

1.d PhilHeath may expand the coverage of GBPP after giving due consideration of the effectiveness of the payment system, provider demand, and new policy developments.

2. GBPP Applications:

2.a The Provincial Governor or Chartered City Mayor (for LGUs) or Chief of Hospital (for other government hospitals) shall submit to the nearest Local Health Insurance Office (LHIO) or directly to the PhilHealth Regional Office (PRO) all GBPP application requirements listed in Annex 1A hereof;

2.b For the 2012 implementation of GBPP, the deadline for the filing of GBPP application is on 15 September 2012; with contracts commencing on **01 November 2012**;

2.c For 2013 and for subsequent years thereafter, the deadline for the filing of GBPP applications shall be on the last working day of **October** for contracts commencing **January** of the following year.

3. Review of GBPP Applications/Selection:

3.a All GBPP applications shall be reviewed by the Regional GBPP Team. Only completed applications shall be forwarded to the GBPP Technical Working Group (GBPP-TWG) designated by the PhilHealth President/CEO.

3.b The GBPP-TWG shall be tasked to assess and recommend to the PhilHealth President/CEO applicants for inclusion in the GBPP.

3.c The PhilHealth President/CEO has the prerogative to approve or deny any GBPP application. His decision on any GBPP application shall be final and immediately executory.

3.d Once a decision has been duly made on any GBPP application, the concerned applicant shall be immediately informed in writing thereof. Applicants whose GBPP applications have been denied shall be provided with constructive feedback by the GBPP-TWG to aid them in their succeeding GBPP application.

3.e Applicants whose GBPP applications have been approved and are thus selected to participate in the GBPP shall be referred to as Selected Health Care Providers ("SHCPs").

4. Baseline Survey and Contract Management:

4.a The Provincial Governor or Chartered City Mayor (for LGU) or Chief of Hospital (for other government hospitals) shall officially designate the GBPP coordinator who shall be the official liaison of the SHCP through whom all relevant GBPP matters shall be channelled.

4.b The Regional GBPP Team shall manage all contractual arrangements pertaining to the GBPP, including setting of contractual targets with the SHCPs. It shall be authorized:

4.b.1 To inspect the premises, take photographs, conduct surveys or interviews, and review relevant records of the SHCPs in this interim; and

4.b.2 To recommend contractual targets and payment schedules for specified SHCPs. The concerned SHCP shall be given the opportunity to negotiate contractual targets and payment arrangements. Target setting shall be completed no later than two months prior to the effective date of the contract, except for the 2012 implementation.

4.c The participation of the SHCP in the GBPP shall officially commence upon the execution the corresponding Memorandum Of Agreement ("MOA"), a sample of which is hereto attached as Annex 5.

5. Other Provisions Applicable To GBPP:

5.a General Provisions:

5.a.1 The GBPP shall cover only patients admitted in non-private accommodations. Private rooms are defined as providing accommodation with a maximum of two patients per room.

5.a.2 The GBPP is to be financed through a Credit Line System as administered by PhilHealth.

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5.a.3 The GBPP shall require all SHCPs to open a Trust Fund specifically for this purpose.

5.a.4 SHCPs shall record the receipt of Global Budget Fund from PhilHealth as Trust Liability Account with Account Name "Due to PhilHealth".

5.a.5 The GBPP shall make available a costing spreadsheet which SHCPs shall submit as prerequisites for fund transfer (months 7 and 19).

5.a.6 The GBPP shall require SHCPs to maintain, at the minimum, its annual budget for its health facilities. SHCPs shall submit a Budget Support Report detailing funds released to the health facilities as prerequisite for fund transfer (months 1, 13 and 25).

5.a.7 The GBPP shall require electronic data submission for all admissions. The said data shall be the basis for computation or recomputation of the Global Fund. Exceptions may be made for facilities without available internet service providers (ISP) in their locality, as verified by the Regional GBPP Team.

5.a.8 Regular claims filing shall apply for all patients under private accommodation. SHCPs are encouraged to file the corresponding claims within 30 days from discharge. For hospitals contracted under Case Type Z, guidelines on claims processing provided for in PhilHealth Circular Nos. 29 and 30 s-2012 shall continue to apply.

5.a.9 PhilHealth shall no longer accept directly-filed claims from members admitted in non-private accommodations.

5.a.10 The GBPP Fund shall be computed on the basis of the following:

(a) For 2012 implementation of the GBPP:

a.1 For LGU hospitals: total reimbursements (covering full duration of stay even in medically-indicated confinement in special rooms, e.g. intensive care unit, isolation room) starting April of the preceding calendar year to March of the current calendar year, PhilHealth enrolment, projected utilization and performance factors.

a.2 For other government hospitals: total reimbursements (covering full duration of stay even in medically-indicated confinement in special rooms, e.g. intensive care unit, isolation room) starting April of the preceding calendar year to March of the current calendar year, projected utilization and performance factors.

(b) For succeeding years implementation of the GBPP:

b.1 For LGU hospitals: total reimbursements (covering full duration of stay even in medically-indicated confinement in special rooms, e.g. intensive care unit, isolation room) starting July of the preceding calendar year to June of the current calendar

year, provincial PhilHealth enrolment statistics, projected utilization and performance factors.

b.2 For other government hospitals: total reimbursements (covering full duration of stay even in medically-indicated confinement in special rooms, e.g. intensive care unit, isolation room) starting July of the preceding calendar year to June of the current calendar year, PhilHealth enrolment in the *catchment* area, projected utilization and performance factors.

(c) Annex 2A hereof provides details of the formula.

(d) PhilHealth shall re-evaluate every six months the accuracy of the allocation formula upon which the GBPP fund is based.

5.a.11 GBPP Fund shall be used primarily to pay for defined services and supplies, including medicines, needed for PhilHealth members and dependents, as further specified in the subsequent section on Service Requirements. Any gains as a result of efficient fund utilization shall be invested by the SCHCP in vital hospital equipment, supplies, and other service-enhancing assets subject to the approval or recommendation of the Regional GBPP team.

5.a.12 GBPP Fund may be utilized to pay for outsourced services, as enabled by Public-Private Partnership (PPP) contractual arrangements, should these be required by the facility or hospital system.

5.a.13 PhilHealth shall have the prerogative to disburse additional funds to the SHCP in exceptional cases, such as epidemics, calamities, fortuitous events, and force majeure, and upon due re-evaluation of the allocation formula.

5.b Specific Provisions:

5.b.1 Fund Management

(a) Year 1 and 2

a.1 The GBPP Fund for Year 1 and 2 ($GF_{1,2}$) shall be computed using formula in Annex 2A hereof, of which 65% is allocated for facility (hereiafter referred to as Facility Fee for Year 1 and 2 or "$FF_{1,2}$") and 35% for pooling (hereinafter referred to as Professional Fee or "$PF_{1,2}$").

a.2 The Facility Fee for Year 1 and 2 shall be released in two tranches per year for the first two years (months 1, 7, 13, 19) contingent on the verified accomplishment of contractually defined targets and submission of documentary requirements specified in Annex 2B hereof to the Regional GBPP Team. The tranches shall be broken down and released in the following order: 50%, 20%, 20%, and 10% of $FF_{1,2}$.

a.3 The Professional Fee for Year 1 and 2 shall be released in two tranches per year for the first two years (months 3, 9, 15, 21) contingent on the submission of proof of disbursement specified in Annex 2B hereof. Each tranche is 25% of $PF_{1,2}$.

b.4 SHCPs' performance shall be monitored based on the key areas outlined in Annex 3A hereof. Depending on the score, facility fee tranche amount may increase further (see Annex 3B hereof).

(b) Year 3

b.1 The GBPP Fund for Year 3 (GF_3) shall be computed using formula in Annex 2A hereof, of which 30% is allocated as Base Tranche and the remaining 70% as Performance Tranche.

b.2 The Base Tranche shall be released as a single tranche upon commencement of Year 3.

b.3 The Performance Tranche shall be released in tranches contingent on the verified accomplishment of contractually-defined targets in the key performance areas.

b.4 SHCPs may request for an earlier release of tranches in the event that the contractually-defined targets are met ahead of schedule.

b.5 For Year 3, 35% of each tranche (base and performance) shall be allotted as Professional Fee for pooling..

5.b.2 Mandatory Contractual Requirements:

(a) Service and Benefit Requirements:

a.1 The timely and adequate provision of hospital-based medical and ancillary inpatient services, including ambulatory surgeries and procedures, to PhilHealth members and dependents shall be the obligation of participating SHCPs, unless otherwise excluded by RA 7875 (as amended by RA 9241) and related guidelines.

a.2 SHCPs shall ensure the appropriate clinical management of PhilHealth members and dependents by provision of the diagnostic and therapeutic requirements, provided that:

i. these are consistent with the SHCP's adopted clinical practice guidelines (CPG) or clinical pathways;

ii. these are within the required level-specific capabilities of the hospital, and

iii. that unavailable but necessary services may be outsourced by the concerned hospital from other public or private entities at no cost to PhilHealth members and dependents.

a.3 SHCPs shall ensure that patients are accommodated in facilities with appropriate level of care capability with hospital transfers based solely on clinical need.

a.4 SHCPs shall accept re-admissions and referrals. The single period of confinement rule does not apply in GBPP.

a.5 SHCPs shall ensure that the PhilHealth members' and their dependents' accommodations meet the minimum physical requirements for NBB beds, as defined in pertinent PhilHealth guidelines.

a.6 SHCPs that are Centers of Excellence/Centers of Quality/Centers of Safety shall improve their quality level in accordance with the PhilHealth Benchbook standards for the duration of the contract.

a.7 No user fees or deposits prior to admission shall be required by participating SHCPs for all PhilHealth members and their dependents admitted in non-private accommodation.

a.8 No co-payments or professional fees shall be charged by the SHCPs for PhilHealth members and their dependents who avail of non-private or NBB accommodations.

a.9 No out-of-pocket payments payments (including those for board, lodging, medical supplies and services) shall be allowed for PhilHealth members and their dependents who avail of non-private or NBB accommodations. In the event that the SHCP cannot provide the necessary service or supply, the SHCP shall be required to advance the payment for such service or supply so that the affected patients can obtain these from other providers.

a.10 In the event that there are no available non-private accommodations for PhilHealth Sponsored Program members, the SHCP is obligated to admit the respective members and their dependents in private beds with no additional charges levied against them, subject to subsequent transfer to non-private accommodations upon vacancy or availability thereof.

a.11 For PhilHealth members or their dependents without proof of eligibilty during confinement, the SHCP shall facilitate the acquisition of these *prior* to discharge, through direct coordination with the nearest PhilHealth office.

a.12 The SHCPs shall work towards a social welfare assistance desk that doubles as an enrolment desk for PhilHealth.

a.13 The SHCPs shall provide the necessary support for the assigned PhilHealth Customer Assistance and Relations Empowerment Staff (CARES), as specified in related guidelines.

(b) Member Empowerment:

b.1 PhilHealth shall inform the general public about the inclusion of the hospital or LGU system into the GBPP.

b.2 The SHCP shall continuously conduct a heightened information campaign, especially for Sponsored Members, emphasizing the service requirements and member benefits of the Program, namely, no user fees, deposits, out-of-pocket payments and balance billing.

b.3 The SHCP shall ensure that members and their dependents admitted under non-private accommodations are properly informed that directly-filed claims will no longer be accepted.

b.4 PhilHealth shall establish a grievance system to ensure that members' concerns are documented and acted upon.

(c) Professional Fee (PF):

c.1 This includes PF for all cases paid either as fee-for-service or case payment.

c.2 All PF tranches shall be retained by the SHCP for pooling and distribution among health personnel, and shall follow the guidelines stated in the Implementing Rules and Regulation of RA 7875.

c.3 SHCPs, assisted by the Regional GBPP team, shall conductan orientation for all health personnel and a training for SHCP-employed PhilHealth claims encoders.

c.4 SHCPs shall formalize pooling and disbursement arrangement with all concerned health personnel prior to the release of the first PF tranche.

(d) Information Technology:

d.1 SHCPs shall be required to establish and maintain a hospital system-wide IT network that is consistent with DOH and PhilHealth administrative requirements, technical standards and in accordance with specific contractual requirements stated in Annex 4 hereof.

d.2 For the 2012 implementation of GBPP, SHCPs shall be required to use the e-Patient Logbook lodged in PhilHealth's

IHCP Portal to record all PhilHealth transactions in the first three months of implementation (November – December 2012). Starting January 2013, SHCPs shall then be required to become fully eClaims compliant.

d.3 The integrity and confidentiality of patient's information shall be ensured by all participating hospitals and by PhilHealth representatives conducting monitoring, audits and related activities.

d.4 SHCPs shall accomplish the Healthcare Information and Management Systems Society (HIMSS) evaluation survey on electronic health records/health information systems (EHR/HIS) maturity for which PhilHealth shall provide access to. Based on this, SHCPs shall submit a roadmap for EHR/HIS development as prerequisite for fund transfer (months 1).

d.5 SHCPs shall be required to submit an EHR/HIS Status Report as prerequisite for fund transfer (months 13 and 25).

(e) Monitoring and Evaluation:

e.1 PhilHealth shall monitor the SHCP on a regular and pre-announced schedule, focusing on key performance areas as outlined in the monitoring and evaluation system (see Annex 3A hereof). PhilHealth reserves the right to conduct unannounced evaluations as circumstances may warrant.

e.2 PhilHealth shall utilize a variety of methodologies for this purpose including, but not limited to, inspections, interviews, surveys, document reviews, and analysis of electronic data.

e.3 For LGU hospital systems, the Monitoring and Evaluation shall apply to all the included hospitals, such that non-compliance or violations committed by any single hospital in the system shall be a ground for disqualification of all member hospitals from the GBPP.

e.4 The results of the PhilHealth's assessments shall be the basis for determining the degree of compliance with contractual targets, payment levels and even corresponding penalties for the participating SHCPs.

(f) Acts or Ommission In Violation of this Circular:

f.1 Act or omission of the health care providers concerned in violation of the provisions of this Circular shall constitute as a breach of the Performance Commitment of the participating hospital and shall be dealt with in accordance with the pertinent provisions of Rep. Act No. 7875, as Amended, and its Implementing Rules and Regulations.

IV. Repealing Clause

All provisions of previous issuances, circulars, and directives that are inconsistent with any of the provisions of this Circular are hereby amended, modified, or repealed accordingly.

V. Effectivity

This Circular shall take effect 15 days after its publication in a newspaper of general circulation and a copy thereof shall be deposited thereafter with the Office of the National Administrative Register, University of the Philippines Law Center.

VI. Annexes

Annex 1. Application
- 1A. Requirements
- 1B. Scoring Tool
- 1C. Flowchart

Annex 2. Global Budget Payment Program Fund
- 2A. Calculation of Fund
- 2B. Schedule and Prerequisites for Tranche Payments

Annex 3. Performance-Based Incentives
- 3A. Monitoring Areas
- 3B. Performance Incentives

Annex 4. Information Technology Requirements
Annex 5. Contract/Memorandum of Agreement

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A.O. IV, Chief-RELMS
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ANNEX 1. Application

Annex 1A. Application Requirements

- Official letter of intent from the Provincial Governor or Chartered City Mayor (for LGU) or Chief of Hospital (for Other Government Hospitals)
- Resolution from the concerned Department, Board, Sanggunian, or other relevant entity authorizing the the concerned hospital executive officer or administrator (for individual facilities) or governor or chartered city mayor (for LGU hospital systems) to enter into contract with PhilHealth for purposes of the Global Budget Payment Program
- Official document designating a Global Budget Payment Program Coordinator signed by the Provincial Governor, Chartered City Mayor or Chief of Hospital
- Certified true copies of the latest audited financial statements of the SHCP
- Report on the Financial Management system of the SHCP, with special emphasis on the setting up of a trust fund for the anticipated global budget payment system
- Report on current and projected budget support for SHCP
- Certified true copies of contracts, memoranda of agreement, or similar documents that signify the SHCP's participation in outsourcing or PPP arrangements
- Additional requirements for LGUs:
    - Certified true copies of LGU ordinances on the establishment of a province-wide public hospital system, inclusive of the executive organizational structure of such system
    - Sanggunian Panlalawigan resolution for the adoption of the PhilHealth Global Budget Payment arrangement for all provincial public hospital facilities
    - For hospital systems that include separately administered municipal and city public hospitals within the province, the respective local ordinances and Memoranda of Agreement which allow or authorize the inclusion of these latter facilities in the provincial hospital system, as well as, conformity with the PhilHealth Global Budget Payment arrangements
    - Report on programs that foster increase in PhilHealth enrolment, particularly for the Sponsored, Individually Paying and Employed Sector Programs.

NOTE: PhilHealth reserves the right to require such other relevant documents, as it may be deem proper or necessary.

Annex 1B. Scoring Tool for 2012 Implementation

Name of Hospital: _____

Address: _____

Instruction. Allocate points for every criterion fulfilled.

Use this if LGU Hospital/Systems		Use this if Other Government Hospitals	
▪ Authorized or licensed bed capacity dedicated to non-private accommodations • Less than 70% - 0 point • 70% - 89% - 1 point • 90% - 100% - 2 points ▪ Accreditation Status • CoS – 0 point • CoQ – 1 point • CoE – 2 points ▪ Claims Eligibility Web Service Phase I • Not connected - 0 • Connected - 2 points ▪ Electronic medical records (EMR) in hospital • None - 0 • EMR in selected areas/departments - 1 point • EMR hospital-wide – 2 points ▪ Net increase in enrollment for Sponsored, Individually Paying and Employed Sector Program • At least 10% increase- 1 point • More than 10% increase - 2 points ▪ Province-wide programs to increase PhilHealth enrolment • None – 0 • Present – 2		▪ Authorized or licensed bed capacity dedicated to non-private accommodations • Less than 70% - 0 point • 70% - 89% - 1 point • 90% - 100% - 2 points ▪ Accreditation Status • CoS – 0 point • CoQ – 1 point • CoE – 2 points ▪ Claims Eligibility Web Service Phase I • Not connected - 0 • Connected - 2 points ▪ Electronic medical records (EMR) in hospital • None - 0 • EMR in selected areas/departments - 1 point • EMR hospital-wide – 2 points	
MAXIMUM SCORE: 12		MAXIMUM SCORE: 8	

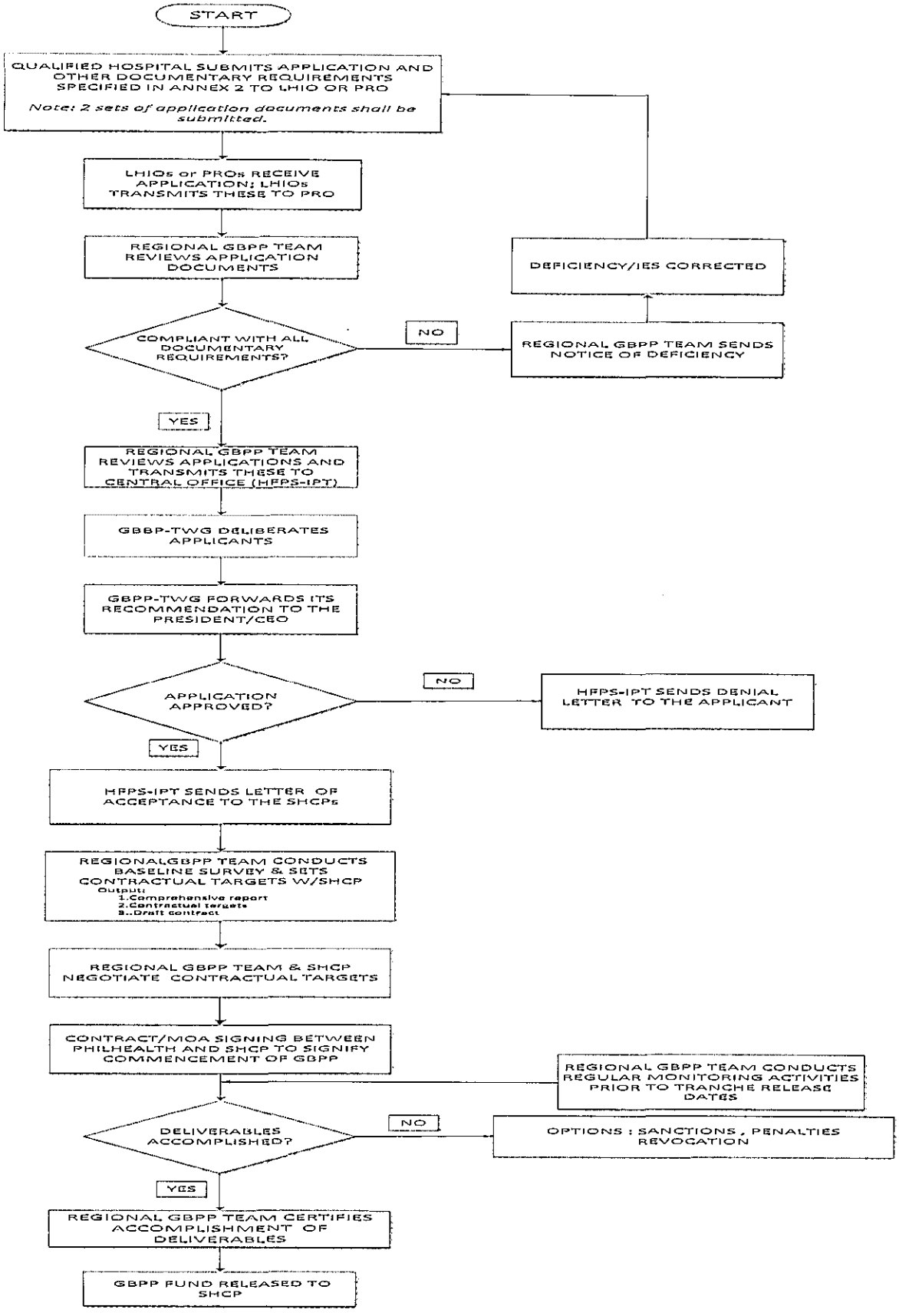
Annex 1B. Scoring Tool for Succeeding (2013-onwards) Implementation

Name of Hospital: _____

Address: _____

Instruction. Allocate points for every criterion fulfilled.

Use this if LGU Hospital/Systems		Use this if Other Government Hospitals	
▪ Authorized or licensed bed capacity dedicated to non-private accommodations • Less than 70% - 0 point • 70% - 89% - 1 point • 90% - 100% - 2 points ▪ Accreditation Status • CoS – 0 point • CoQ – 1 point • CoE – 2 points ▪ Claims Eligibility Web Service Phase I • Not connected - 0 • Connected - 2 points ▪ Electronic medical records (EMR) in hospital • None - 0 • EMR in selected areas/departments - 1 point • EMR hospital-wide – 2 points ▪ Net increase in enrollment for Sponsored, Individually Paying and Employed Sector Program • At least 10% increase- 1 point • More than 10% increase - 2 points ▪ Province-wide programs to increase PhilHealth enrolment • None – 0 • Present – 2		▪ Authorized or licensed bed capacity dedicated to non-private accommodations • Less than 70% - 0 point • 70% - 89% - 1 point • 90% - 100% - 2 points ▪ Accreditation Status • CoS – 0 point • CoQ – 1 point • CoE – 2 points ▪ Claims Eligibility Web Service Phase I • Not connected - 0 • Connected - 2 points ▪ Electronic medical records (EMR) in hospital • None - 0 • EMR in selected areas/departments - 1 point • EMR hospital-wide – 2 points	
MAXIMUM SCORE: 12		MAXIMUM SCORE: 8	


START
QUALIFIED HOSPITAL SUBMITS APPLICATION AND OTHER DOCUMENTARY REQUIREMENTS SPECIFIED IN ANNEX 2 TO LHIO OR PRO
Note: 2 sets of application documents shall be submitted.
LHIOs or PROs RECEIVE APPLICATION; LHIOs TRANSMITS THESE TO PRO
REGIONAL GBPP TEAM REVIEWS APPLICATION DOCUMENTS
COMPLIANT WITH ALL DOCUMENTARY REQUIREMENTS?
NO
REGIONAL GBPP TEAM SENDS NOTICE OF DEFICIENCY
DEFICIENCY/IES CORRECTED
YES
REGIONAL GBPP TEAM REVIEWS APPLICATIONS AND TRANSMITS THESE TO CENTRAL OFFICE (HFPS-IPT)
GBBP-TWG DELIBERATES APPLICANTS
GBPP-TWG FORWARDS ITS RECOMMENDATION TO THE PRESIDENT/CEO
APPLICATION APPROVED?
NO
HFPS-IPT SENDS DENIAL LETTER TO THE APPLICANT
YES
HFPS-IPT SENDS LETTER OF ACCEPTANCE TO THE SHCPs
REGIONALGBPP TEAM CONDUCTS BASELINE SURVEY & SETS CONTRACTUAL TARGETS W/SHCP
Output:
1.Comprehensive report
2.Contractual targets
3.Draft contract
REGIONAL GBPP TEAM & SHCP NEGOTIATE CONTRACTUAL TARGETS
CONTRACT/MOA SIGNING BETWEEN PHILHEALTH AND SHCP TO SIGNIFY COMMENCEMENT OF GBPP
REGIONAL GBPP TEAM CONDUCTS REGULAR MONITORING ACTIVITIES PRIOR TO TRANCHE RELEASE DATES
DELIVERABLES ACCOMPLISHED?
NO
OPTIONS : SANCTIONS , PENALTIES REVOCATION
YES
REGIONAL GBPP TEAM CERTIFIES ACCOMPLISHMENT OF DELIVERABLES
GBPP FUND RELEASED TO SHCP

ANNEX 2. Global Budget Payment Program Fund

Annex 2A. Calculation of Fund

1. Year 1 and 2 Global Fund (GF)

$$GF_{1,2} = 2 * R_{x-1} * E_x * U_x$$

where x = year one

R = reimbursements (source: PhilHealth N-claims database)
For 2012 implementation: April 2011 to March 2012
For 2013 implementation: July 2011 – June 2012
For succeeding implementation: $July_{(x-2)} - July_{(x-1)}$

E = percent increase (E>1) or decrease (E<1) in enroled number of members in current year (x) compared to previous year (x-1) (source: PhilHealth membership database)
For LGU: enrolment in LGU
For other government hospitals: enrolment in catchment area

U = projected utilization factor, or assumed probable increase due to medical inflation, utilization as a result of increased access through PhilHealth CARES, and No Balance Billing (source: PhilHealth Actuary)

2. Year 3 Global Fund (GF) computed as:

$$GF_3 = R_{y-1} * E_y * U_y$$

where y = year three

R = reimbursements (source: electronic data submitted through eClaims)
For 2012 implementation: April 2013 to March 2014
For 2013 implementation: July 2013 -- June 2014
For succeeding implementation: $July_{(y-1)} - July_{(y)}$

E = percent increase (E>1) or decrease (E<1) in enroled number of members in current year (x) compared to previous year (y-1) (source: PhilHealth membership database)
For LGU: enrolment in LGU
For other government hospitals: enrolment in catchment area

U = projected utilization factor, or assumed probable increase due to medical inflation, utilization as a result of increased access through PhilHealth CARES, and No Balance Billing (source: PhilHealth Actuary)

Annex 2B. Schedule and Prerequisites for Tranche Payments

1. Year 1 and 2

Facility Fee ($FF_{1,2}$) = 65% of $GF_{1,2}$
Professional Fee ($PF_{1,2}$) = 35% of $GF_{1,2}$

Tranche	Amount*	Schedule	Prerequisites for Fund Transfer
FF 1	50% of $FF_{1,2}$	Month 1	▪ Completed requirements for application ▪ Signed and notarized Memorandum of Agreement ▪ EHR/HIS Roadmap
PF 1	25% of $PF_{1,2}$	Month 3	▪ Pooling and disbursement arrangements
FF 2	20% of $FF_{1,2}$	Month 7	▪ Certification of achievement of contractual targets ▪ Fund Utilization Report ▪ eClaims or e-Patient Logbook summary of admissions (c/o PhilHealth) ▪ Costing spreadsheet
PF 2	25% of $PF_{1,2}$	Month 9	▪ Proof of disbursement of PF1
FF 3	20% of $FF_{1,2}$	Month 13	▪ Local COA-audited financial statement for tranche 1 ▪ Certification of achievement of contractual targets ▪ Fund Utilization Report ▪ eClaims summary of admissions (c/o PhilHealth) ▪ Budget Support Report ▪ EHR/HIS Status Report
PF 3	25% of $PF_{1,2}$	Month 15	▪ Proof of disbursement of PF2
FF 4	10% of $FF_{1,2}$	Month 19	▪ Local COA-audited financial statement for tranche 2 ▪ Certification of achievement of contractual targets ▪ Fund Utilization Report ▪ eClaims or e-Patient Logbook summary of admissions (c/o PhilHealth) ▪ Costing spreadsheet
PF 4	25% of $PF_{1,2}$	Month 21	▪ Proof of disbursement of PF3

** Actual tranche may increase depending on the performance score. (Refer to Annex 3A and B)*

2. Year 3

Tranche	Amount	Schedule	Prerequisites for Fund Transfer
Base	30% of GF_3	Month 25	▪ Signed and notarized contract/memorandum of agreement ▪ Budget Support Report ▪ EHR/HIS Status Report
Performance*	70% of GF_3	Variable*	▪ Achievement of contractual targets ▪ Fund utilization report

**Number of tranches dependent on contractually defined targets and schedule of tranches*

ANNEX 3. Performance-Based Incentives

Annex 3A. Performance Areas (Annual and Semi-Annual)

ANNUAL (Month 12, 24)					
Performance Area	**Method**	**Result**	**Score**	**Highest Possible**	**Lowest Possible**
Enrollment	Database review: *MCIS*	Decreased	Revoke	5	0
		Improved or maintained high for individually-paying members and employed sector	5		
DOH License	Document review: *License to Operate* of current year	Not maintained	Revoke		
PhilHealth Accreditation Award	Database review: *B-Pass*	Not maintained	Revoke	5	2
		Maintained	2		
		Improved	5		
	Survey: Benchbook Monitoring Tool	Not maintained	Revoke	5	0
		Maintained	2		
		Improved	5		
Patient Safety	Inspection, document review	Repeated, systemic safety violations	Revoke	0	-2
		Non-reporting	Revoke		
		Isolated adverse events	-2		
				15	-2

SEMI-ANNUAL (Month 6, 12, 18, 24, 30)					
Performance Area	**Method**	**Result**	**Score**	**Highest Possible**	**Lowest Possible**
Patient Welfare					
Information Campaign	Observation and Interviews	Absent	Revoke	2	0
		Present	2		
Patient Satisfaction	Third-party administered patient satisfaction survey	Failed	Revoke	2	0
		Passed	2		
No User Fees, No Out-of-Pocket and No Balance Billing	Discharge Survey, *all* Exit Interview, *random*	Failed	Revoke	10	0
		Passed	10		
	Document Review, *hospital policies* Interview, *random*	Absent	Revoke	5	0
		Existence of hospital policy *(i.e. sanctions for violators)*	1		
		Policy implemented	5		
Appopriateness of Care	Chart Review, Hospital Utilization Review	80% or greater occupancy, all for appropriate indications	2	12	0
	Chart Review, *at least 10* charts of Top 10 diseases	CPG-appropriate	2		
	Chart Review, Hospital Utilization Review	ALOS of index* cases improved or maintained acceptably low	2		
	e-Patient logbook / Admission logbook Review	Patient admitted to appropriate level of care facility	2		
	ER/Referral Logbook or Slips Review Interview, *random*	Appropriateness of transfers	2		
	Document Review: *Sentinel, Adverse and Incident Reports, Nosocomial infection reports, Mortality and Morbidity reports*	Decreased or negligible procedural morbidities or nosocomial infections	2		
Employee Welfare					
Appropriate and	PhilHealth-administered	Failed	Revoke	2	0

timely disbursement of PF	Survey for representative hospital personnel	Failed	Revoke	2	0
		Passed	2		
Membership Expansion					
PhilHealth enrollment facilitated by Social Welfare Desk	Inspection Interview, *social welfare staff and patients*	Absent	Revoke	5	0
		Done	2		
		With innovative programs/schemes	3		
Resource Management					
Appropriate Use of funds	Review of SHCP's COA report: *latest* available	Adverse COA report	Revoke	2	0
		Favorable COA report	2		
Availability of Drugs (Emergency, Case Rates, Therapeutic List)	Inspection Interviews Review, *delivery receipts*	Otherwise	Revoke	10	
		100% available for Emergency and Case Rates Drugs and 80% of Drugs in the Therapeutic List	10		
Availabilty of all required diagnostics appropriate for level of facility	Inspection Interviews Review, *MOA (if any)*	Otherwise	Revoke	5	0
		100% of level-appropriate ancillary services	5		
		Otherwise	Revoke	5	0
		100% of Level-appropriate lab	5		
				60	0

Annex 3B. Performance Incentives

Months 12, 24	Months 6, 18, 30	Actual Tranche (Incentive)
56 - 75	41 – 60	120% of computed tranche
36 – 55	31 – 40	110% of computed tranche
0 – 45	0 – 30	100 % of computed tranche

ANNEX 4. Information Technology Requirements

1. **Health Management Information System.** The hospital should put into place an information system that is eClaims compliant, and one that tracks key investments, expenditures, and relevant clinical encounters. The HMIS must comply with current and future standards as prescribed by DOH and Philhealth. The HMIS must have the necessary hardware, software, network, policies, and human resources required to run a cost-effective data collection system.

2. **Connectivity.** Each hospital must have available broadband via DSL, Cable or 3G wireless technology. SHCPs shall maintain its own secure local area network (LAN).

3. **IT Human Resource.** The hospital must have at least 1 dedicated IT personnel with Bachelor of Science in any IT related course to do introductory orientation, provide direct assistance and troubleshoot hardware, software and connection related issues. The IT personnel will monitor compliance of vendors in cases when the hospital outsources its HMIS, partly or in full, to health information technology providers.

4. **IT Roadmap.**
    a. Accomplish HIMSS evaluation survey on electronic health record/health information systems (EHR/HIS) maturity
    b. Present a roadmap for EHR/HIS development.

ANNEX 5. Contract/Memorandum of Agreement