



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**

Citystate Centre, 709 Shaw Boulevard, Pasig City  
Healthline 441-7444 [www.philhealth.gov.ph](http://www.philhealth.gov.ph)



**PHILHEALTH CIRCULAR**

No. 061, s. 2012

TO : ALL INDIVIDUALLY PAYING MEMBERS, ACCREDITED  
HEALTH CARE PROVIDERS, ACCREDITED COLLECTING  
AGENTS, PHILHEALTH OFFICES AND ALL CONCERNED

SUBJECT : New Provisions on the Issuance of the Individual Policy  
Contracts for the Individually Paying Program (IPP)

**I. RATIONALE**

The Individual Policy Contract (IPC) is a legal document executed by and between PhilHealth and an Individually Paying Member (IPM) as evidence of membership and coverage in the National Health Insurance Program (NHIP). It is intended to guide and encourage members to sustain active participation in the NHIP and guarantee the entitlement to benefits thereby providing continuous financial risk protection in health care costs within a specified validity period enunciated under PhilHealth Circular No. 20 s. 2012. In order to ensure utmost customer satisfaction, the IPC guarantees more flexible terms in accessing health care benefits and shall serve as the primary document for IPMs and their dependents to avail of benefits.

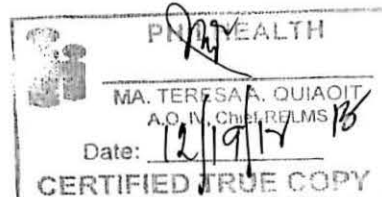
Effective January 1, 2013, IPC issuance shall form part of the regular registration procedure among individual members under the Individually Paying Program (IPP).

**II. EXCLUSION**

Active IPMs covered by the Group Policy Contract sealed between PhilHealth and the Organized Group under the iGroup Program shall not be required to sign IPC. Coverage under the iGroup shall be separate and distinct from that covered under the IPC.

**III. SUPPLEMENTAL IMPLEMENTING GUIDELINES**

Starting January 1, 2013, all IPMs shall be issued an enhanced IPC which include additional amendatory conditions:



## A. IPC VALIDITY

1. An option to apply for a minimum of twelve (12) months IPC validity, twenty-four (24) or a maximum of thirty-six (36) months with fiscal year application;
  - a. A 3-year IPC validity shall be required to qualify a member to avail of Case Type Z Benefits;
  - b. Entitlement to Case Type Z benefits also requires a minimum of one (1) year advance premium payment.
2. To acquire an IPC, an IPM shall be required the following minimum premium contribution according to number of years contracted and shall be locked in to the current premium rate if fully paid upon signing of the IPC:

IPC Validity	Option 1 Advance Full Payment	Option 2 Minimum Premium Requirement	Effect of Option 2 to succeeding contributions in case of premium increase within a validity period
1 year	Premium contribution shall be locked in and computed based on the current rate upon signing of the IPC. IPM shall not be charged with underpayment if any premium increase is implemented within a validity period.	25% of annual premium	Premium contribution shall be adjusted based on current applicable rate upon payment or remittance
2 years		50% of annual premium	
3 years		1 year full payment	

- a. An IPM who would opt for monthly mode of payment will still be required to pay the initial 25% premium contribution for a 1 year IPC. Succeeding payments may then be made monthly.
- b. An IPM cannot change the originally set mode of payment within the validity of the IPC

## B. DEADLINE OF PREMIUM REMITTANCE AND MODE OF PAYMENT

1. Premium contributions may be paid or remitted according to any of the following mode:

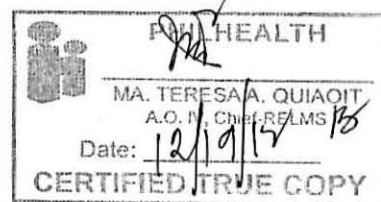


- a. **Monthly** – one (1) month premium contribution which shall be paid on or before the last working day of the month prior to the applicable month;
  - b. **Quarterly** – twenty-five percent (25%) of the annual premium contribution which shall be paid on or before the last working day of the month prior to the applicable three-month period ;
  - c. **Semi-annual** – fifty percent (50%) of the annual premium contribution which shall be paid on or before the last working day of the month prior to the applicable six-month period;
  - d. **Annual** – one hundred percent (100%) of the annual premium contribution which shall be paid on or before the last working day of the month prior to the applicable twelve-month period;
2. All premium contributions shall have prospective application. Exceptions to this rule are:
1. IPMs who shifted from a different paying membership category in order to avoid gaps in entitlement to benefits and premium remittance. Thus, IPP premium payment for the current period may be accepted provided that the member is a shifter with previous active contribution immediately prior to applicable period.

Example: Employed to IPP

JAN 2013	FEB 2013	IPC Validity (1 year/semi-annual mode)
<b>Employed</b>	IPM	Feb 2013 – January 2014
<b>Premium Paid</b>	Accept IPP premium	<ol style="list-style-type: none"> <li>1. Require 50% advance premium computed at Php 1,800 annual premium rate for CY 2013 <b>OR</b> Php 900.00 to cover Feb – July 2013;</li> <li>2. Remaining 50% should be paid on or before the last working day of July 2013 to cover August 2013 to January 2014.</li> <li>3. Any increase in CY 2014 shall be effective upon renewal of the IPC.</li> </ol>

2. Acceptance of retroactive payments for overdue premium/s with interest charges.



### C. GRACE PERIOD

1. Grace period shall be allowed for delayed remittance once within a twelve-month period. Succeeding delay/s in premium remittance within a twelve-month validity period shall be subject to corresponding interest charge/s that may be imposed by the Corporation as penalty;
2. Grace period may vary according the elected mode of payment;

<b>Mode of Payment</b>	<b>Grace period</b>	<b>Interest charge for Payment made after the Grace Period</b>
<b>Annual</b>	30 days ( <i>renewal</i> )	<i>Subject to applicable interest rates and penalties</i>
<b>Semi-annual</b>	15 days	
<b>Quarterly</b>	10 days	
<b>Monthly</b>	5 days	

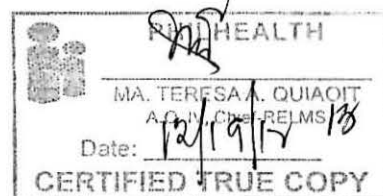
### D. PAYMENT OF OVERDUE PREMIUMS

1. Interest charges shall be applicable to the validity period with unpaid or incorrect premium contribution.
2. Payment of overdue premium/s plus charges, *if applicable*, may be allowed within 60 days from date of discharge from hospital confinement to allow the processing of benefit claim/s;

*Example: IPM with 1 year IPC/quarterly mode of payment*

1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Remarks
Paid	Unpaid	Unpaid	Paid	<b>Payment on the 4<sup>th</sup> qtr will require:</b> <ul style="list-style-type: none"> <li>- 2<sup>nd</sup> Qtr plus interest charge</li> <li>- 3<sup>rd</sup> Qtr plus interest charge, and</li> <li>- 4<sup>th</sup> Qtr contribution <b>without</b> interest charge if made within the 10 days grace period; or</li> <li>- 4<sup>th</sup> Qtr contribution <b>plus interest charge</b> if paid <b>after the 10 days grace period</b></li> </ul>
		Confined on Sept 15		Benefit claim may be processed if payment for the unpaid period (3 <sup>rd</sup> Qtr), with interest charges, were made before the end of the 60 days prescribed period ( <i>in this case, before Nov 15</i> ) to file a benefit claim

3. No benefit claim with retroactive payment/s shall be processed unless arrearages are paid in full.
4. Filing of claims for those covered by premium arrearages paid shall be the responsibility of the member and shall be submitted to the nearest PhilHealth



Local Health Insurance Office. The LHIO shall assist the IPM on the procedures involved in direct filing.

5. The PhilHealth Official Receipt shall reflect payments made for premium arrears and interest charges.
6. The Fund Management Sector shall guide the PRO Fund Management Sections on proper recording of advance payments as premium collection for applicable year/s.

#### **E. IPC RENEWAL**

Renewal is the process of applying for a subsequent IPC covering a new validity period or the process of extending the good status of a contract prior to its expiration to effect continuity or resumption of benefit entitlement. IPC renewal for purposes of this Circular may also apply to an expired and /or terminated IPC.

1. The IPM shall request for the renewal of his/her an IPC within the quarter prior to its expiration to avoid gaps in benefits availment. Regular IPC application procedure shall apply.
2. Non-compliance to the payment terms of the IPC or any form of misrepresentation shall cause the suspension or termination of the contract. However, renewal pre-conditions shall be made available for members subject to the approval of PhilHealth.
3. Renewal for a suspended or terminated IPC may be requested by the member subject to compliance with specific requirements, such as:
  - a. *Full premium payment covering the unpaid period up to the end validity of the contract with interest charges, as applicable;*
  - b. *Completion of the suspension period, if applicable.*
  - c. *Any other documentary pre-requisites that the Corporation may impose as it may deem fit and necessary to effect renewal of the contract.*
4. Premium requirement for the payment of the unpaid period shall be based on the applicable rate for the missed period.

#### **F. BENEFITS ENTITLEMENT**

1. Entitlement to avail of benefits shall be based on the 3/6 minimum requirement regardless of type of illness.
  - a. *Exception to this rule are Case Type Z illnesses which require advance full payment of at least one year premium contribution and*

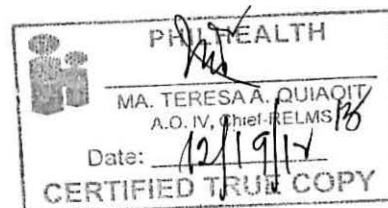


*other future benefits specifically requiring more than 3 months contribution after the effective date of this Circular;*

- b. The 9/12 prerequisite for maternity and other procedures enumerated under PhilHealth Circular No 36, s. of 2006 is superseded by this guarantee;*
  - c. Counting of the three months requirement shall be reckoned from the immediate 6 months prior to confinement.*
  - d. Reckoning of the 45 days allowance for benefits entitlement shall be based on the applicable annual validity period of an IPC.*
- 2. By signing an IPC, the IPM is assured of no disruption of benefits entitlement even for premium payments made during or within 60 days after the confinement of a member or qualified dependent. This supersedes the specific prohibition of availment stated in PhilHealth Circular No. 25, s. of 2010 on the applicability of current premium contribution;
  - 3. In case of death of the member, the dependents may continue to avail of NHIP benefits for the period already paid in advance;
  - 4. The IPC shall be issued only once in a given validity period. The IPM shall present the PhilHealth Official Receipt (POR) or PhilHealth Agent's Receipt (PAR) as proof of eligibility to avail of benefits;
  - 5. Dependents not yet reflected in the IPC may be included upon renewal of the contract. The IPM shall request for an updated MDR to validate relationship with a dependent in case benefit availment is necessary within a validity period.

#### **IV. COMPLIANCE**

- 1. All PhilHealth LHIOs shall ensure efficient implementation of IPC issuance processes at the frontlines and properly inform the members on the value of the IPC;
- 2. All accredited collecting agents shall inform members paying in their different branches to present their PhilHealth Agent's Receipt (PAR) at the nearest PhilHealth Office to be able to secure copies of their respective IPC;
- 3. IPC renewal and payment of applicable fees shall be done at the Local Health Insurance Offices where the contract shall be issued;
- 4. Pre-termination of contract may be allowed for members shifting to a different NHIP membership type. There shall be no refund of excess premiums. Premium payments already remitted in advance shall be adjusted accordingly to cover future payments subject to existing policies on advance payments;





5. An IPM may issue a Special Power of Attorney (SPA) to allow another person to sign his/her IPC. The SPA must be attached to the IPC to verify the authority of the person signing the contract;
6. Retroactive payments shall be accepted only at PhilHealth LHIOs. Payments made in accredited collecting agents shall be applied prospectively.
7. The PhilHealth Official Receipt (POR) shall reflect payment/s made for interest charge/s and applicable period paid for;
8. Local Health Insurance Offices shall require the updated mobile phone number and electronic mail address of IPMs for electronic notification and billing in case of default in payment;
9. IPM shall be bound to fully comply with the terms of the contract.

## V. CONDUCT OF INFORMATION AND EDUCATION CAMPAIGN (IEC)

PhilHealth Offices shall update the public through the conduct of appropriate IEC activities on these recent developments. IEC materials shall be provided to support the campaign on IPC issuance and increase awareness on the National Health Insurance Program.

## VI. EFFECTIVITY

This Circular shall take effect on January 1, 2013. It shall be published in any newspaper of general circulation and deposited with the National Administrative Register at the University of the Philippines Law Center.

All previous issuances on the subject-matter otherwise inconsistent with the provisions of this Circular are hereby deemed amended and superseded.

For information and guidance.

<sup>20</sup>  
**DR. EDUARDO P. BANZON**  
President and CEO

12/18/2012  
Date

