

Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441-7444 www.philhealth.gov.ph

PHILHEALTH CIRCULAR

No. 0004 / s. 2014

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

SUBJECT : Implementation of the Interim Reimbursement Mechanism (IRM) for Health Care Institutions in Areas Directly Affected by 'Super Typhoon Yolanda'

I. RATIONALE

'Super Typhoon Yolanda' was recognized globally as one of the most devastating natural disasters in recent history. The Corporation recognizes the extreme nature of the difficulties faced by those living in areas that were directly affected by Super Typhoon Yolanda. As such, a sustained effort should be made in order to consolidate the gains from the immediate policy changes that the Corporation instituted as a result of said fortuitous event.

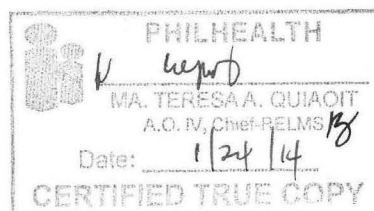
Hence, the PhilHealth Board approved the PhilHealth Board Resolution No. 1855 s. 2013 re: Interim Reimbursement Mechanism (IRM) for Health Care Institutions in Areas Directly Affected by 'Super Typhoon Yolanda'. The mechanism shall provide substantial aid to the affected health care institutions (HCIs) in the aftermath of the 'Super Typhoon Yolanda'. The IRM fund shall enable such health care institutions to continuously provide health care services to affected Filipinos especially the PhilHealth members and their dependents.

II. GENERAL GUIDELINES

A. Coverage

This Circular shall cover and shall be limited to the following HCIs:

1. Accredited hospitals, primary care facilities, ambulatory surgical clinics (ASCs), freestanding dialysis clinics (FDCs) and maternity care package providers (MCPs);



2. Located in areas or local government units (LGUs) directly affected by 'Super Typhoon Yolanda' as declared by the National Disaster Risk Reduction and Management Council (NDRRMC);
3. With clear and apparent intent to continuously operate and/or rebuild the HCI subject to proper pre-evaluation by the Corporation.

B. Submission of Letter of Intent (LOI) for application of IRM

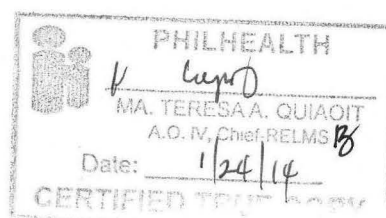
HCI shall accomplish two (2) copies of the LOI (*Annex A*) and submit to the nearest local health insurance office (LHIO) or PhilHealth Regional Office (PRO) within thirty (30) calendar days from effectivity of this Circular.

C. Survey of the IRM HCI applicant

1. A survey shall be conducted by a PhilHealth team within ten (10) calendar days from receipt of the LOI at the PRO to assess and document the current state of the HCI. The survey team shall take photos/videos for proper documentation.
2. The survey team shall be composed of : Chief of the Health Care Delivery Management Division, Head of the Field Operations Division, Head of the Accreditation and Quality Assurance Section, Head of the Benefits Administration Section and other staff)
3. The IRM HCI applicant shall prepare the following documents to be provided to the survey team:
 - a. List of equipment that are functional and non-functional;
 - b. Health care service capability (*ex: outpatient services, inpatient services, laboratory and diagnostic examinations*);
 - c. Current human resource complement;
 - d. Rehabilitation Plan;
 - e. Post-audited financial statement for CY 2012.
4. A post-survey report shall be accomplished to be jointly signed by both the head of the survey team and the HCI representative.

D. Decision on the Request for the application of IRM

1. The PRO and Area Vice President (AVP) shall issue a recommendation on the request for the IRM of the HCI applicant based on the need for the IRM fund and track record in terms of rendering health care services to PhilHealth members and their dependents;



2. The IRM HCI applicant shall be informed by the PRO through a written communication on the final decision of the President and CEO (PCEO) of the Corporation;
3. The decision of the PCEO shall be final and executory.

E. Processing of the IRM contract or memorandum of agreement (MOA) for those with approved request for inclusion in the IRM.

1. The HCI shall be sent a pro-forma IRM contract/MOA for signature of the Medical Director/Chief of Hospital/authorized HCI representative. The contract/MOA shall be accomplished in seven (7) copies;
2. The IRM fund shall only be processed once the HCI has already signed and forwarded the contract/MOA to the concerned PRO;
3. The IRM fund shall be released after the contract/MOA has been signed by the PCEO of PhilHealth.

III. COMPUTATION OF THE IRM FUND

A. The following formula shall be used in the computation of the IRM fund:

$$\text{IRM Fund} = \text{Average Reimbursement Per Day (ARPD)}^* \times \text{No. of days covered}^{**}$$

*Average Reimbursement Per Day (ARPD) = Total amount of paid claims for admissions in 2012 divided by 365 days.

** Number of days covered shall be from November 9, 2013 to March 31, 2014 (143 days).

EXAMPLE:

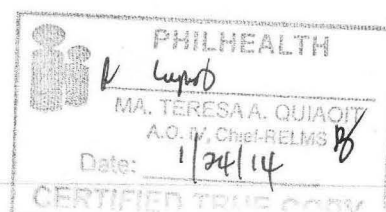
Hospital A was affected by Super Typhoon Yolanda that happened on November 9, 2013. Its ARPD for 2012 was 21,000 per day.

$$\begin{aligned} \text{IRM Fund} &= \text{P}21,000.00/\text{day} \times 143 \text{ days} \\ &= \text{P} 3,003,000.00 \end{aligned}$$

B. IRM formula for HCIs that are accredited for less than 1 year prior to occurrence of 'Super Typhoon Yolanda'.

$$\text{IRM Fund} = \text{Average Reimbursement Per Day (ARPD)}^* \times \text{No. of days covered}^{**}$$

*Average Reimbursement Per Day (ARPD) = Total amount of paid claims for admissions for the accredited period prior to occurrence of Super Typhoon



Yolanda (November 8, 2013) divided by the total no. of days accredited sixty (60) calendar days prior to occurrence of Super Typhoon Yolanda.

** Number of days covered shall be from November 9, 2013 to March 31, 2014 (143 days).

C. IRM FUND availment options for HCIs

1. The HCI may opt to avail the full IRM fund or only a specified percentage thereof.
2. Changing the option shall no longer be allowed after the contract is already being processed by PhilHealth.

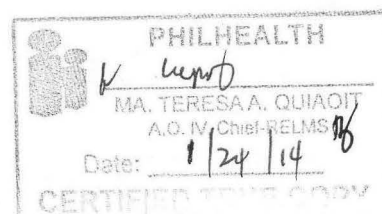
IV. DEDUCTION OF REIMBURSEMENTS FOR ALL VALID CLAIMS FROM THE IRM FUND.

- A. The mode of payment mechanism (fee-for-service or case rate) shall be based on the admission date. Claims filed by the IRM HCI shall be processed following the applicable existing policies and guidelines.
- B. All reimbursements for valid claims filed from November 9, 2013 onwards by the IRM HCI shall be deducted from the IRM fund until such time that the IRM fund has been fully liquidated;
- C. Direct filing shall not be allowed for IRM HCIs upon release of the IRM fund. However, all directly filed claims for admissions from November 9, 2013 until the release of the IRM fund shall still be allowed by PhilHealth but shall be deducted from the IRM fund.

V. REQUEST FOR ADDITIONAL IRM FUND

A. Additional IRM fund can be requested more than once and availed of by an IRM HCI (whether initial IRM fund was availed in full or not) provided the following pre-requisites are met:

1. The previously released IRM fund has been liquidated by at least 80% (on or prior to March 31, 2014);
2. The IRM HCI is assessed by PRO to be compliant with the policies of PhilHealth especially on the use of the IRM fund and health care services rendered to PhilHealth members and their dependents;
3. The IRM HCI submits a letter of request for additional IRM fund that includes justification for the additional fund.



4. The IRM HCI submits other supporting documents that may be requested by PhilHealth.

B. The additional IRM fund that can be requested shall be up to the initial IRM fund which covered 143 days only.

C. The additional IRM fund shall be subject to the approval of PCFO of PhilHealth.

VI. MONITORING

The health care providers shall be subjected to the rules on monitoring and evaluation of performance as provided for in PhilHealth Circular 54, s.2012: Provider Engagement through Accreditation and Contracting for Health Services (PEACHeS).

VII. REPEALING CLAUSE

All provisions of previous issuances that are inconsistent with any provisions of this Circular are hereby amended/modified/or repealed accordingly.

VIII. SEPARABILITY CLAUSE

In the event that any part or provision of this Circular is declared unauthorized or rendered invalid by any Court of Law or competent authority, those provisions not affected by such declaration shall remain valid and effective.

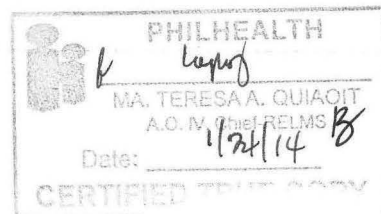
IX. EFFECTIVITY

This Circular shall take effect immediately and shall be published in any newspaper of general circulation and thereafter deposited with the National Administrative Register at the University of the Philippines Law Center.

ALEXANDER A. PADILLA

President and CEO

Date signed: 1-23-14



**LETTER OF INTENT
FOR THE APPLICATION OF THE
INTERIM REIMBURSEMENT MECHANISM**

Date: _____

Name of Health Care Institution (HCI): _____

Address of the HCI: _____

I, _____ (Name) _____, medical director/chief of hospital/authorized representative of _____ Name of HCI _____ hereby signify an intent for the application of the Interim Reimbursement Mechanism (IRM) of PhilHealth for the HCI to continue delivering the health care services to Filipinos affected by Super Typhoon Yolanda particularly the PhilHealth members and their dependents.

Signature over printed name

Date signed

PHILHEALTH USE ONLY

	LHIO	PRO
Date & time of Receipt		
Received By:	<p>_____ Signature over printed name</p>	<p>_____ Signature over printed name</p>

