

PHILHEALTH CIRCULAR
 No. 024-2014

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' (Revision 1)

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 *in Region 8*:

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 *and compliance to other requirements as prescribed by the regulatory agencies such as but not limited to the Department of Health and Department of Environment and Natural Resources.*

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 DC: Date: 10/24/14

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

IRM fund shall be limited to the HCIs that were able to submit their LOI on or before February 19, 2014.

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 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 fund 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 143 days.

EXAMPLE:

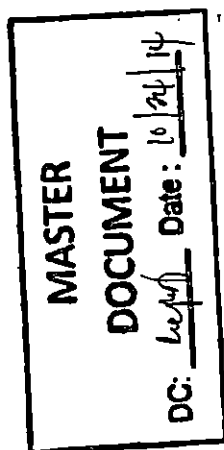
Hospital B was accredited from January 1, 2013 to December 31, 2013. Prior to Super Typhoon Yolanda which is on November 8, 2013, Hospital B was only accredited for 10 months and 7 days. Its ARPD from January 1 – September 9, 2013 is 12,500.

$$\begin{aligned} \text{IRM Fund} &= 12,500/\text{day} \times 143 \text{ days} \\ &= 1,787,500.00 \end{aligned}$$

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.



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



- 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 on claims reimbursement;
- B. The IRM fund shall only be up to the full amount of the computed IRM fund for a particular HCI. There shall be no additional IRM fund or succeeding releases of the IRM fund beyond the computed amount;
- C. In order to maximize the use of the IRM fund released to IRM HCIs, the deduction from the IRM fund shall be three (3) months from the date of the release of the IRM fund to the HCIs until such time the IRM fund has been fully liquidated.

IRM HCIs (initial batch) with outright deductions shall be released the deducted amount but shall only be up to the maximum amount of computed IRM amount.

V. 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).

The concerned PRO shall submit a monthly monitoring and utilization report to the office of the Chief Operating Officer and PCCEO. The Office of the Senior Vice President of Health Finance Policy Sector shall be copy furnished of all the reports.

VI. REPEALING CLAUSE

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

VII. 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.

VIII. 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: 10/23/14

MASTER DOCUMENT
Date: 10/23/14
DC: [Signature]