



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

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PHILHEALTH CIRCULAR

No. 2017 - 0026

TO : ALL PHILHEALTH MEMBERS, ACCREDITED HEALTH CARE INSTITUTIONS, HEALTH CARE PROFESSIONALS, PHILHEALTH REGIONAL OFFICES AND ALL OTHERS CONCERNED

SUBJECT : Implementation of the Interim Reimbursement Mechanism (IRM) to Expedite the Recovery of the Healthcare System in Marawi

I. RATIONALE

The Corporation recognizes the extreme nature of the difficulties faced daily by those areas adversely affected by natural and man-made calamities. Hence, the PhilHealth Board Resolution No. 2274 approved the application of the Interim Reimbursement Mechanism (IRM) for Health Care Institutions (HCIs) in Marawi to be able to provide substantial aid in rebuilding their critically damaged healthcare system. It is understood that this initiative will make the PhilHealth benefits accessible even during the most challenging period of recovery and will ultimately redound to the adversely affected PhilHealth members.

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 the armed conflict in Marawi;
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.

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

IRM fund shall be limited to the HCIs that were able to submit their LOI.

C. Survey of the IRM HCI applicant

1. A survey shall be conducted by a PhilHealth team upon receipt of the LOI to assess and document the current state of the HCI. The survey team shall take photos/videos for proper documentation. The survey can proceed only when the threat of any physical harm to the surveyors has been properly addressed, otherwise this may be dispensed with at the discretion of the RVP, with the concurrence of the AVP and/or COO.
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

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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 2016;
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:

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

*Average Reimbursement Per Day (ARPD) = Total amount of paid claims for admissions in the fiscal year before the adverse event, to be divided by 365 days.

** Number of days covered shall be determined by the Corporation based on the report of the survey team.

EXAMPLE:

Hospital A was affected by the Armed Conflict that happened on May 23, 2017. Its ARPD for 2016 was P100,000.00 per day.

PhilHealth determined that the number of days that shall be covered is thirty (30)

$$\begin{aligned} \text{IRM Fund} &= \text{P100,000.00/day} \times 30 \text{ days} \\ &= \text{P3,000,000.00} \end{aligned}$$

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B. IRM fund formula for HCIs that are accredited for less than 1 year prior to occurrence of the adverse event.

IRM Fund = Average Reimbursement Per Day (ARPD)* X No. of days covered**

*Average Reimbursement Per Day (ARPD) = Total amount of paid claims for admissions prior to the disruption of its filing of claims with PhilHealth (start of the adverse event). To be divided by the total number of days it has been accredited prior to cessation of its operation due to the adverse event.

** Number of days covered shall be determined by the Corporation based on the report of the survey team.

EXAMPLE:

Hospital B was accredited from January 1, 2017 to December 31, 2017. Prior to the armed conflict in Marawi, Hospital B was only accredited for 143 days. Its ARPD from January 1 – May 23, 2017 is P100,000.00.

PhilHealth determined that the number of days that shall be covered is ten (10) days.

IRM Fund = P100,000.00/day x 10 days
= P1,000,000.00

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. 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.

V. MONITORING

The health care providers shall be subjected to the rules on monitoring and evaluation of performance as provided for in PhilHealth Circular 26, s.2016: Health Care Provider Performance Assessment System (HCP PAS).

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

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VI. REPEALING CLAUSE

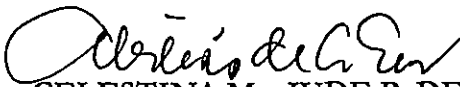
All provisions of previous issuances that are inconsistent with any provisions of this Circular are hereby amended/modified/or repealed accordingly.

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

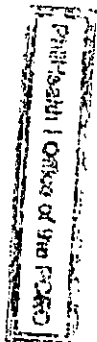
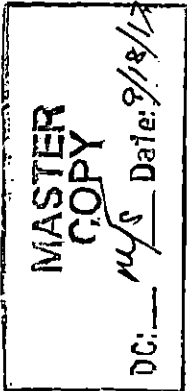
This Circular shall take effect immediately and shall be published in any newspaper of general circulation and thereafter deposited with the National Administrative Register at the University of the Philippines Law Center.



CELESTINA Ma. JUDE P. DE LA SERNA, M.D.

Interim President and CEO

Date signed: 9/9



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