

WHAT HEALTHCARE FACILITIES NEED TO KNOW ABOUT THE THIRD WAVE OF DEBIT-CREDIT PAYMENT METHOD

With the staggering number of COVID-19 cases significantly burdening the Philippine Health System, and with health care facilities (HCFs) requiring sufficient cash flow to continue operating during the pandemic, PhilHealth has adopted the DCPM pursuant to Republic Act Nos. 7875, as amended, and 11223 on the adoption of payment mechanisms to healthcare providers.

The first two waves had been implemented in April and August 2021 with a total release of P11.04 billion. On December 8, 2021, a new Circular was published implementing a third wave of DCPM. This time, all claims from HCFs managing COVID-19 patients with inpatient and testing claims of more than 60 days shall be addressed.

1. What is the DCPM?

It is a mechanism adopted by PhilHealth to facilitate the settlement of accounts payable to Health Care Facilities (HCFs) during the State of Public Health Emergency due to the COVID-19 pandemic to ensure continuous delivery of health care services.

2. What is DCPM-Nationwide?

Through PhilHealth Circular 2021-0023 (Application of DCMP-Nationwide), the coverage is expanded to all accredited HCFs treating COVID-19 patients and facilities providing the PhilHealth COVID-19 testing package with in-process claims ageing 60 days and beyond, received/refiled starting February 01, 2020 to August 21, 2021, not included in the DCPM population from the first and second implementation.

The facility should have no unliquidated IRM Fund balances on record, and is not serving the penalty of suspension during the applicable period.

Under DCPM-Nationwide, PhilHealth shall facilitate the settlement of accounts payable with the following rules:

- Pay eighty percent (80%) of the total amount of applicable HCF receivables subject to two percent (2%) expanded withholding tax for private HCFs, as applicable;
- Pay progressively the remaining twenty (20%) of the amount of good claims, subject to two percent (2%) expanded withholding tax for private HCFs, as

applicable, following full compliance to existing claims processing requirements and full reconciliation of at least eighty percent (80%) of the total amount of applicable HCF receivables initially paid to the HCF.

3. What are the exclusions in the DCPM-Nationwide?

The following are excluded in the computation:

- Return-to-Hospital (RTH) and denied claims, referred to legal for further investigation which includes claims under the Temporary Suspension of Payment of Claims order;
- Already approved for payment;
- Received claims starting August 22, 2021 and onwards;
- All directly-filed claims.

4. What is the legal basis of implementing the DCPM?

Pursuant to its mandate under Section 16.d and 34 of Republic Act 7875, as amended by RA 9241 and 10606, also known as the National Health Insurance Act of 2013, PhilHealth as the administrator of the National Health Insurance Program is granted the power and functions to “ formulate and implement guidelines on... payment, methods, and referral systems” and that PhilHealth can design provider payment mechanisms including “case-based payment...” and “other provider payment mechanisms that may be determined and adopted by the Corporation... subject to the approval of the Board, the Corporation may adopt other payment mechanism that are most beneficial to the members and the Corporation.” Likewise, Section 18.10 of Implementing Rules and Regulations of RA 11223 provides that “PhilHealth shall adopt any or a combination of closed-end, prospective provider payment mechanisms, such as... case-based payment... and other appropriate mechanisms”.

5. Does DCPM only cover COVID-19 cases?

All claims received/refiled aging 60 days and beyond of HCFs whether cases of COVID-19 or not shall be covered by DCPM. HCF only needs to apply and qualify to the criteria set forth by the Corporation.

6. Are all HCFs qualified to apply for DCPM-Nationwide?

No. Only accredited HCFs treating COVID-19 patients and facilities providing the PhilHealth COVID-19 testing package shall be qualified to apply for DCPM-Nationwide.

To reiterate, the HCF should also meet the following criteria to be eligible for DCPM:

- Must have no IRM Fund balance on record;
- With claim for PhilHealth COVID-19 packages;
- Was not serving the penalty of suspension during the applicable period

7. Are HCFs who availed of the 1st and 2nd DCPM entitled to DCPM-Nationwide?

Yes. HCFs who availed of the 1st and 2nd DCPM may avail as long as at least 20% of the released DCPM amount has been reconciled.

8. What are the requirements that the HCF need to submit to apply for DCPM?

Eligible HCFs that are interested to participate must submit a Letter of Intent or application for DCPM, and Undertaking duly signed by the HCF owner of Medical/Hospital Director subject to the concurrence of PhilHealth.

9. Where can the HCF get a copy / template of the Undertaking?

The template of the Undertaking is attached as Annex A of the PhilHealth Circular 2021-0023. This can also be downloaded through the PhilHealth website (www.philhealth.gov.ph) or through the PhilHealth Regional Office.

The said Undertaking is currently being modified in coordination with the Philippine Hospital Association and the Private Hospitals Association of the Philippines, Inc.

10. How fast will the PhilHealth Regional Office process the HCF's application for DCPM?

As soon as the concerned PRO receives the complete requirements from interested HCFs, the application shall be processed accordingly.

11. Will the HCFs continue to receive DCPM-Nationwide after August 21, 2021?

The Corporation, subject to the approval of the Board, can adjust the inclusive dates of claims applicable for DCPM. Any changes to the inclusive dates shall be announced through a separate issuance.

12. Does the HCF need to immediately issue an Official Receipt for the payment received?

The HCF shall issue an electronic copy of the Official Receipt (OR) within five (5) days from receipt of payment. The HCF shall transmit the original OR within fifteen (15) days of receipt of payment. Failure to submit an OR shall result in the withholding of all succeeding payments from PhilHealth.

13. How much was the payment released by PhilHealth for DCPM 1, expansion and 2?

PhilHealth has released a total of P11.04 billion under the first two waves of DCPM. However, it continues to pay hospital reimbursements, a total of P165.8 billion in claims from January 2020 to date was already paid by PhilHealth.

14. When is the effectivity of the DCPM-Nationwide?

The PhilHealth Circular on DCPM-Nationwide has been effective on December 08, 2021 after it was published in a newspaper of general circulation (Malaya Business Insight).