



PHILHEALTH CIRCULAR
 No. 2021-003

TO : ALL ACCREDITED HEALTH CARE PROVIDERS AND ALL OTHERS CONCERNED

SUBJECT : Temporary Suspension of Payment of Claims (TSPC)

I. RATIONALE

Consistent with the Implementing Rules and Regulations of the Republic Act (RA) No. 7875, as amended by RA No. 9241, RA No. 10606 (2013 National Health Insurance Act) and RA 11223 (Universal Health Care Act), PhilHealth shall strengthen the mechanism to monitor the performance of health care providers (HCPs), assess the outcomes of the services that they rendered and provide feedback to the HCPs as well as the public. As steward of the National Health Insurance Fund (NHIF), PhilHealth employs measures in order to assure rational use of funds by detecting potential fraud or reimbursement abuse through dubious claims. In this light, and consistent with Presidential Decree No. 1445 it is imperative to institute policies and procedures that shall prevent continual loss or wastage of public funds due to indiscriminate or irregular use of the NHIF by imposing the Temporary Suspension of Payment of Claims (TSPC) against accredited HCPs at the onset of investigation under specific parameters and conditions. In addition, Commission on Audit (COA) Circular No. 2012-003 dated October 29, 2012 entitled "Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable (IUEEU) Expenditures" emphasizes the policy that government funds and property shall be fully protected and conserved. The IUEEU expenditures or uses of such funds or property should be prevented".

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II. OBJECTIVE

This circular establishes the guidelines on the issuance of TSPC as a payment preventive measure against HCPs that are subject of investigation based on credible and verifiable report by the Corporation or other duly authorized government agencies, owing to apparent and probable presence of fraudulent act, unethical practices and/or abuse of authority.

III. SCOPE

This circular covers all PhilHealth-accredited healthcare institutions, their provider networks, and healthcare professionals pursuant to the Universal Health Care Act.

IV. DEFINITION OF TERMS

- A. **Temporary Suspension of Payment of Claims (TSPC)** – It is the conditional stoppage of payment for claims undergoing investigation. It is not a penalty but a preventive measure to avoid the loss or wastage of funds due to fraudulent acts, unethical acts and abuse of authority.
- B. **Fraudulent acts** - Refers to any act of misrepresentation or deception resulting in undue benefit or advantage on the part of the doer or any means that deviate from normal procedure



and is undertaken for personal gain, resulting thereafter to damage and prejudice which may be capable of pecuniary estimation

- C. **Unethical acts** - Refers to any action, scheme or ploy against the NHIP, such as overbilling, upcoding, harboring ghost patients or recruitment practice, or any act contrary to the Code of Ethics of the responsible person's profession or practice, or other similar, analogous acts that put or tend to put in disrepute the integrity and effective implementation of the NHIP.
- D. **Abuse of authority** - Refers to an act of a person performing a duty or function that goes beyond what is authorized by the Act and RA 7875 (National Health Insurance Act of 1995), as amended, or their implementing rules and regulations (IRR), and is inimical to the public.

V. GENERAL GUIDELINES

A. Any of the following acts shall be a ground for the issuance of TSPC:

- 1. Fraudulent acts;
- 2. Unethical acts; and/or
- 3. Abuse of authority.

B. A **Notice of Findings** shall be issued to the concerned HCP by the Vice President (VP)/Regional Vice President (RVP) or the Fact-finding Investigation and Enforcement Department as part of the investigation process. The HCP shall be required to file an answer within a non-extendable period of three (3) calendar days from receipt thereof.

C. If the answer to the Notice of Finding lacks merit or no answer has been filed within the prescribed period, a TSPC Order shall be recommended in the investigation report.

D. A **TSPC Order** shall be approved by the President and CEO. If no action is thereon taken within thirty (30) days from receipt of such recommendation, the same shall be deemed approved.

E. A **Notice of TSPC Order** shall be issued by the VP/RVP to the HCP indicating the effectivity date which corresponds to the date of the investigation report.

F. The notice of TSPC Order shall be delivered to the concerned HCP through available communication channels such as email, short messaging service (SMS), private courier or personal service.

G. The TSPC Order may be directed towards a particular health care institution (HCI), its network, and/or any of its affiliated health care professionals.

H. The TSPC Order shall cover the following:

- 1. All affected/identified claims already in the possession of PhilHealth that have not been paid including those refiled, under motion for reconsideration and/or appeal;
- 2. Affected/identified claims that will be submitted to PhilHealth after issuance of the TSPC but before the lifting or expiration of the TSPC.

Claims with case/s that is/are still pending with the Prosecution Department or Arbitration Office shall not be covered by this policy.

I. The extent of TSPC can either be:

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1. ALL claims of the concerned HCP when the finding/s can extend to other claims. (e.g. suspected claim of a non-admitted or non-treated patient [ghost patient] can involve any claim);
 2. ALL claims of a specific condition or procedure when the finding/s is/are particular or exclusive to such condition or procedure. (e.g. sweeping of patients for cataract extraction, TSPC shall apply only to cataract claims of the concerned HCP).
- J. PhilHealth shall continue to receive and process ALL claims from the HCP with TSPC Order. However, payment shall be put on hold pending investigation or resolution of cases.
- K. The TSPC shall not exceed one hundred twenty (120) calendar days, unless otherwise extended to warrant further investigation which shall not exceed ninety (90) calendar days.
- L. The TSPC Order may be lifted either by reason of the expiration of the 120 calendar day effectivity period, unless otherwise extended, or when, after investigation, no evidence of an offense was found that the concerned HCP has committed.
- M. Payment of claims subjected to investigation but cleared from fraud and/or irregularities shall be released after the TSPC period.
- N. The Corporation shall continue close monitoring of the performance of said HCP and it shall be subject to other notices or warnings for other offenses as may be warranted.

VI. REPEALING CLAUSE

Part H of PhilHealth Circular No. 2018-0019 Health Care Provider Performance Assessment System (HCP PAS) Revision 2 is hereby revised, modified or repealed, accordingly.

VII. DATE OF EFFECTIVITY

This Circular shall take effect after fifteen (15) days from publication in a newspaper of general circulation. A copy thereof shall be deposited thereafter with the National Administrative Register at the University of the Philippines Law Center.

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 DC: MS Date: 8/29/21



ANTY. DANTE A. GIERRAN, CPA
 President and Chief Executive Officer (CEO)

Date signed _____

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