



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

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PHILHEALTH CIRCULAR

No. 2021-0023

TO : ACCREDITED HEALTH CARE PROVIDERS, PHILHEALTH REGIONAL OFFICES, BRANCHES, LOCAL HEALTH INSURANCE OFFICES, AND ALL OTHERS CONCERNED

SUBJECT : Implementation of the Debit-Credit Payment Method Nationwide

I. RATIONALE

Pursuant to its mandate under Section 16.d and 34 of Republic Act (RA) 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 function 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 (IRR) 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”.

With the staggering number of COVID-19 cases significantly burdening the Philippine Health System and with HCFs requiring sufficient cash flow to continue operating during the pandemic, there is a renewed recognition on the value of consistent and efficient reimbursements for providers treating COVID-19 patients and facilities providing the PhilHealth COVID-19 testing package. This, however, does not diminish the value of protecting public interests and safeguarding public funds from misuse. In balancing these interests, the Corporation, upon securing board approval, shall adopt the application of Debit-Credit Payment Method (DCPM) to facilitate the settlement of accounts payable to HCFs during the State of Public Health Emergency due to the COVID-19 pandemic.

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II. OBJECTIVES

This PhilHealth Circular aims to establish the guidelines in facilitating the settlement of accounts payable to Health Care Facilities in order to ensure continuous delivery of health care services during the COVID-19 pandemic.



III. SCOPE

This PhilHealth Circular shall apply to 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 1, 2020 to August 21, 2021, not included in the DCPM first and second implementation, with no unliquidated IRM Fund balances on record, and that are not serving the penalty of suspension during the applicable period.

This will not apply to in-process claims already approved for payment for received claims starting February 1, 2020 to August 21, 2021. Likewise, this PhilHealth Circular will not apply to receive claims starting August 22, 2021 and onwards.

IV. DEFINITION OF TERMS

- A. Denied claim - a claim that has been determined to be invalid and unworthy of payment reimbursement due to an absolute deficiency that cannot be remedied through return to sender or due to a finding of an unmet requirement.
- B. Good claim – filed claims with complete documentary requirements that has been determined to be valid and worthy of payment.
- C. Health Care Facility (HCF) - health facilities public or private, devoted primarily to the provision of services for health promotion, prevention, diagnosis, treatment, rehabilitation and palliation of individuals suffering from illness, disease, injury, disability, or deformity, or in need of obstetrical or other medical and nursing care
- D. In process claims - claims received for processing without final decision as to denied, return-to-hospital (RTH), or paid.
- E. Received Claims –all claims manually and electronically received by the Corporation. These include refiled claims.
- F. Re-filed claim - a claim that has been previously submitted by a HCF or member but to which it is returned due to deficiency and compliance of documentary requirements.
- G. Return-to-Hospital (RTH) claim - a deficient claim after due adjudication and validation, redirected back to HCF with instructions to comply with a certain requirement, but from which the action of returning the complied claim to PhilHealth may result in the reversal of the deficiency into a good claim for payment or non-compliance that may result into the denial of the claim.
- H. Sixty (60) days turned-around-time – the period to process, review and pay claims as provided for under the Revised IRR of RA 7875, as amended by RA 9241 and 10606, otherwise known as National Health Insurance Act of 2013.

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V. POLICY STATEMENTS

- A. The implementation of DCPM nationwide shall be applicable only to in-process claims ageing 60 days and beyond, received/refiled starting February 1, 2020 to August 21, 2021, which are not included in the DCPM population from the first and second implementation, excluding Return-to-Hospital (RTH) and denied claims, claims referred to legal for further



investigation which includes claims under the Temporary Suspension of Payment of Claims order, and claims already approved for payment.

- B. Additionally, claims directly filed by the member, claims with invalid illness codes, and initially identified in-process claims included in the first and second implementation of DCPM that were returned-to-hospital and has since been received by PhilHealth within the inclusive period of the second implementation of DCPM shall likewise be excluded from the computation of applicable in-process claims. Likewise, all directly filed claims regardless of received date is excluded from the computation.
- C. Previous recipients from the initial and second implementation of DCPM shall be eligible to apply for the DCPM nationwide provided they meet the inclusion criteria.
- D. HCFs should meet the following criteria to be eligible for DCPM:
1. Must have no IRM Fund balance on record;
 2. With claim for PhilHealth COVID-19 packages;
 3. Was not serving the penalty of suspension during the applicable period;
 4. Healthcare Facilities who already availed of the 1st and 2nd DCPM may avail as long as at least 20% of the released DCPM amount has been reconciled.
- E. Eligible HCFs that are interested to participate must submit a Letter of Intent (LOI) or application for DCPM.
- F. The DCPM application shall only be processed once the HCFs have already forwarded the undertaking (see Annex A, "Undertaking") to the concerned PRO, duly signed by the HCF owner or Medical/Hospital Director subject to the concurrence of PhilHealth.
- G. Under DCPM nationwide implementation, PhilHealth shall facilitate the settlement of accounts payable from appropriate in-process claims in compliance with the following rules:
1. Pay eighty percent (80%) of the total amount of applicable HCF receivables subject to two percent (2%) expanded withholding tax for private eligible HCFs, as applicable; and,
 2. Pay progressively the remaining twenty percent (20%) of the amount of good claims, subject to two percent (2%) expanded withholding tax for private eligible 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.
- H. No adjustment shall be made to HCFs with payments received from first and second DCPM implementation in relation to the eighty (80 %) percent computation rate.
- I. In the Debit-Credit Reconciliation Notice, the reconciliation shall be indicated, and the HCF should be reflected in the subsidiary ledger.
- J. The Corporation, subject to the approval of the Board, can adjust the inclusive dates of

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claims applicable for DCPM. Any changes to the inclusive dates shall be announced through a separate issuance.

- K. The HCF shall issue an electronic copy of the Official Receipt (OR) within five (5) days of receipt of payment. Concurrently, the HCF shall transmit the original OR within fifteen (15) days of receipt of payment. Failure to submit the OR shall result in the withholding of all succeeding payments from PhilHealth.
- L. In cases where there is a need to recover unreconciled amounts under the DCPM, including but not limited to cases where the HCP ceased to operate and there are insufficient unpaid claims to be applied to paid amounts, PhilHealth shall apply the Payment Recovery Policy and/or exhaust all legal remedies, including the filing of legal action as warranted.
- M. PhilHealth reserves the right to suspend payments under the DCPM for recurrent non-compliance to standards of care, presence of fraud or for any other reason deemed relevant by PhilHealth.
- N. PhilHealth shall regularly monitor the implementation of the DCPM.

VI. PENALTY CLAUSE

Violations of any provision of this Circular shall be penalized under R.A. No. 11223, its Implementing Rules and Regulations and other applicable laws, rules, and regulations.

VII. SEPARABILITY CLAUSE

Should any provision of this PhilHealth Circular be declared invalid, unconstitutional or unenforceable in whole or part by any competent authority, it shall not affect or invalidate the remaining provisions hereof.

VIII. DATE OF EFFECTIVITY

This PhilHealth Circular shall be effective immediately upon publication in a newspaper of general circulation or Official Gazette. A copy of the Circular shall be also deposited with the Office of the National Administrative Register at the University of the Philippine Law Center.


ATTY. DANTE A. GIERRAN, CPA,
President and Chief Executive Officer (PCEO)

Date signed : 12-6-2021

Implementation of Debit-Credit Payment Method Nationwide



UNDERTAKING

(DCPM Nationwide)

KNOW ALL MEN BY THESE PRESENTS:

_____,
a health care facility duly organized and existing under and by virtue of the laws of the
Republic of the Philippines, with principal office address at
_____, duly represented herein by
_____, its President/Manager/Chief of Hospital,
Medical Director/Owner hereinafter referred to as "HCF,"

- IN FAVOR OF -

The PHILIPPINE HEALTH INSURANCE CORPORATION, a government-
owned and controlled corporation duly organized and existing by virtue of Republic Act
No. 7875, as amended by Republic Act No. 10606, otherwise known as the National
Health Insurance Act of 2013, with PhilHealth Regional Office (PRO) address at
_____, duly represented herein by Vice-
President/Regional Vice-President _____, hereinafter
referred to as "the PHILHEALTH".

WITNESSETH THAT -

WHEREAS, pursuant to Proclamation No. 1218, s. 2021, President Rodrigo Roa Duterte extended the period of the State of Calamity throughout the Philippines due to COVID-19 pandemic until September 12, 2022 and mandated all government agencies to continue rendering full assistance to and cooperation with each other and mobilize the necessary resources to undertake critical, urgent, and appropriate disaster response aid and measures in a timely manner to curtail and eliminate the threat of COVID-19;

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WHEREAS, the HCF has been licensed by the Department of Health as a hospital or health care facility that can provide appropriate care, supervision, and treatment of individuals who have been confirmed to be afflicted with the Covid-19 virus or conduct SARS-CoV-2 testing services;

WHEREAS, the HCF is currently an accredited health care provider who commits itself to participate and abide with the existing rules and regulations on the implementation of the National Health Insurance Program (NHIP);

WHEREAS, the HCF has pending benefit claims with the PHILHEALTH covering packages for Covid-19 and other illnesses/procedures;

WHEREAS, the PHILHEALTH, in recognizing the urgent necessity to institute measures to ensure that the HCI remain financially viable to enable it to continuously serve the health care needs of affected PHILHEALTH members in this time of public health emergency, resolved to engage in a Debit Credit Payment Method to quickly settle its accounts or arrears to the HCF's In-process claims to partially pay for the healthcare services provided to PHILHEALTH beneficiaries;

WHEREAS, the HCF has submitted documents to support its valid claim for reimbursement from PHILHEALTH;

WHEREAS, the PHILHEALTH shall allow payment of eighty percent (80%) of the total In-process claims of the HCF currently on board with the PHILHEALTH, subject to reconciliation, verification and validation of documents submitted and in compliance with the requirements of the PhilHealth Circular on DCPM Nationwide;

WHEREAS, as an additional condition to allow payment, it has been determined that the accreditation of the HCF is valid and that the HCF was not serving the penalty of suspension during the applicable period (February 1, 2020 – August 21, 2021);

NOW THEREFORE, for and in consideration of the above-premises, the HCF irrevocably and unconditionally undertakes, commits, and agrees to the following –

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- (a) The HCF hereby acknowledges the receipt of partial payment of its benefit claims by the PHILHEALTH in the amount of (state amount in words _____(P_____)), subject to application of the appropriate withholding taxes, as may be applicable.
- (b) The HCF undertakes to issue an official receipt for said partial payment to be sent to the PHILHEALTH within five (5) days for the electronic copy, and fifteen (15) days for original copy, from crediting of said amount in its identified account with its depository bank.
- (c) The HCF undertakes that despite receipt of said payment, it shall either refund to the PHILHEALTH within five (5) days from receipt of demand letter, an amount in excess of what it is entitled to or corresponding to the claims eventually found to be erroneous, fraudulent, or invalid, or allow recovery thereof through the PhilHealth Payment Recovery Policy.
- (d) The HCF represents, warrants, and commits that upon failure to deliver the required documents on the date specified herein for any reason whatsoever, or that claims have been found to be false with the intent to defraud the PHILHEALTH, the same shall give the PHILHEALTH the right to avail of any and all remedies to which it is entitled under the law and contract, or any other collateral documents, including the right to recover damages from the HCF and the right to deny or withdraw its accreditation.
- (e) In case of suits or actions arising out of or in connection with this Undertaking, actions shall be lodged with the proper courts where the PhilHealth Regional Office is situated, and the parties hereby waive other applicable venues.
- (f) The HCF undertakes to comply with all circulars, issuances, orders, and advisories issued by the PHILHEALTH, and to refrain from committing acts prejudicial to the interest of the PHILHEALTH and the National Health Insurance Program.
- (g) The duly-signed Performance Commitment of the HCF submitted to PhilHealth shall form an integral part of this Undertaking.

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- (h) This Undertaking is executed in accordance with the laws of the Philippines and is not contrary to the same.
- (i) The signatories of both Parties are also empowered and authorized to enter into this Undertaking on behalf of their principals.
- (j) If any provision of this Undertaking shall be held to be invalid or unenforceable for any reason by a court with jurisdiction over the parties to this Agreement, the remaining provisions shall continue to be valid and enforceable.
- (k) This Undertaking may be executed by electronic signature in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one (1) and the same instrument. Electronic signatures shall, for all purposes, be treated as originals.

IN WITNESS WHEREOF, the PHILHEALTH and the HCF through their duly authorized representatives, affixed their signatures this ____ day of _____ at _____, Philippines.

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PHILIPPINE HEALTH INSURANCE CORPORATION

By:

Vice-President/Regional Vice-President

<HEALTH CARE FACILITY>

By:

(Name)
(Authorized Representative)

Signed in the presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME, this ____ day of _____, personally appeared the following persons who exhibited to me the following:

Identification Document Presented	Place of Issuance and Expiry Date

Known to me to be the same person/s who executed the foregoing Undertaking consisting of _____ (____) pages including this page on which the acknowledgement is written and they acknowledged that the same is their free act and deed and that of the corporations being represented.

WITNESS MY HAND AND SEAL on the date and place first above written.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2021

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