



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

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UNIVERSAL HEALTH CARE
 LAKSIPRAN AT KALIGRA PAK SA LAHAT

PHILHEALTH CIRCULAR
 No. 2022-0024

TO : ALL ACCREDITED AND CONTRACTED HEALTH FACILITY, PHILHEALTH REGIONAL OFFICES, AND ALL OTHERS CONCERNED

SUBJECT : Statement of Account (SOA) Requirement for Z Benefits Claims Submission

I. RATIONALE

Republic Act (RA) No. 7875, as amended by RA Nos. 9241 and 10606, Sec. 34, includes case-based payment among the provider payment methods (PPM) allowed for paying public and private providers.¹

PhilHealth Board Resolution (PBR) No. 1629 s. 2012 approved the case-based PPM for the Z Benefits. Services are for specialized patient management from diagnosis, treatment, follow-up visits, and, as needed, rehabilitation, covering the entire spectrum or whole cycle of care. As there could be more than one episode of care for a Z Benefits patient, PhilHealth reimburses contracted health facilities (HF) in tranches. However, a tranche payment does not necessarily correspond with the billing charges during the episode of care. PhilHealth's basis for paying contracted HF's is the provision of mandatory services for the corresponding tranche. Additionally, PhilHealth strictly requires contracted HF's to submit properly accomplished Z Benefits forms as supporting documents for all Z Benefits claims applications.

For auditing purposes, as required by Section 4 of Presidential Decree No. 1445 dated June 11, 1978,² the Corporation will implement the inclusion of the Statement of Account (SOA) for the submission of Z Benefits claims and the submission of the Annual Statements of Accounts (Annual SOA). The SOA may provide additional information that PhilHealth can use for policy research purposes.

II. OBJECTIVES

This PhilHealth Circular describes the SOA requirement for Z Benefits claims submission.

III. SCOPE

This PhilHealth Circular shall cover claims of contracted HF's for the Z Benefits.

¹ Republic Act (RA) No. 7875, as amended by RA 9241 and 10606: The National Health Insurance Act of 2013

² Presidential Decree No. 1445: Government Auditing Code of the Philippines

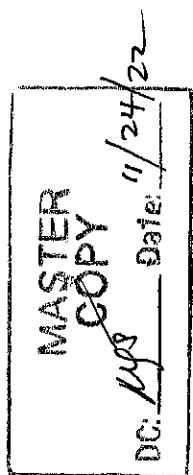
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IV. DEFINITION OF TERMS

- A. **Annual Statements of Accounts (Annual SOA) for the Z Benefits** – A document that reflects the summary of transactions that took place between PhilHealth and contracted health facilities from the previous calendar year that reflects the details of the service charges, professional fees, and package rates of the corresponding Z Benefits claims.
- B. **Case-based payment** – A provider payment method (PPM) that reimburses HF's at a predetermined fixed rate for each treated case or disease. Case-based PPM promotes efficient and rational use of health care resources and gives a strong incentive to encourage technical efficiency in health service provision by allowing HF's to use minimum resources to achieve optimal results.
- C. **Contracted Health Facility (HF)** – A PhilHealth-accredited facility that enters into a contract with PhilHealth for the provision of mandatory services and specialized care for the Z Benefits.
- D. **Co-payment** – A pre-determined fixed amount agreed upon by the contracted HF and PhilHealth that will be charged to patients for services outside the mandatory or covered services of the Z Benefits, for amenities, choice of room accommodation, choice of physician, or any additional or upgrade of services per cycle of care of the Z Benefits. Co-payment for the Z Benefits shall have a fixed limit or cap that shall not exceed the package rate. Additionally, co-payment for the Z Benefits shall be indicated in the contract of accredited HF and in the Member Empowerment Form (ME Form).
- E. **Cycle of Care of the Z Benefits** – A range of health services and care settings that include assessment, diagnosis, treatment, management, and rehabilitation of a patient suffering from a disease, injury, or disability.
- F. **Efficiency gains** – Contracted HF's, through the case-based reimbursement design of the Z Benefits, are incentivized to promote efficient use of healthcare resources by containing costs while maintaining quality. Efficiency gains (Krishnan n.d.) enable contracted HF's to generate surplus revenue, which they can use to improve quality of services continuously³. The surplus generated by contracted HF's through efficiency gains shall not be interpreted as overpayments. On the contrary, this surplus will incentivize the contracted HF's in their quality improvement efforts, such as upgrading facilities and equipment, procuring additional medicines and supplies, or augmenting human resource complement with the ultimate goal of ensuring client satisfaction.
- G. **Hospital charges** – The value declared by the hospital for the items or services indicated on the patient's billing statement during an episode of care. Hospital charges vary across hospitals.
- H. **Mandatory services** – The minimum standards of quality care that PhilHealth covers, which contracted HF's should deliver to the beneficiaries of the National Health Insurance Program (NHIP).

³ Alshreef, A. (2019, September 4). [www.intechopen.com](https://www.intechopen.com/chapters/68032). Retrieved October 10, 2021, from <https://www.intechopen.com/chapters/68032>.



- I. **Out-of-pocket (OOP) expenses** – refer to the balance of healthcare provider charges that are paid directly by the patients from their own resources or cash reserves or health spending made directly from households to providers.
- J. **Professional fees (PF)** – refer to the component of the SOA detailing the charges declared by the attending physicians, specialists, and other attending healthcare professionals for services rendered to patients during the episode of care. A reader's fee is also considered a professional fee.
- K. **Reader's fee** – A type of professional fee for services requiring expert interpretation of imaging tests, diagnostic tests, or other similar procedures.
- L. **Statement of Account (SOA) for the Z Benefits** – The document generated by contracted HF reflecting the summary of actual charges, including professional and reader's fees for the corresponding tranche of the Z Benefits claim.
- M. **Z Benefits** – The benefits packages that focus on providing relevant financial risk protection against medically and economically catastrophic illnesses.

V. POLICY STATEMENTS

A. Minimum information required in the SOA for the Z Benefits

1. The SOA for the Z Benefits shall reflect the following minimum information:
 - a. Reference or control number as assigned by contracted HF's;
 - b. Date (For inpatient care, this refers to the dates of admission and discharge. For outpatient services, indicate the date of availment);
 - c. Name of PhilHealth member/patient, PhilHealth identification number (PIN), birthdate, and sex;
 - d. Z Benefits package code and description;
 - e. Tranche number and the corresponding Z Benefits package rate;
 - f. Details of hospital charges, including professional and reader's fees; and
 - g. Other funding sources, as applicable (e.g., health maintenance organization (HMO), Philippine Amusement and Gaming Corporation (PAGCOR), Philippine Charity Sweepstakes Office (PCSO), Malasakit, out-of-pocket, etc.)
2. The equivalent documents of the SOA for the Z Benefits are, but are not limited to, the following:
 - a. Patient account statement
 - b. Billing statement
 - c. Patient bill
 - d. Medical invoice
 - e. Running bill

B. Guidelines for accomplishing the SOA for the Z Benefits

1. The SOA shall reflect the minimum information required under Section V.A.1. The SOA shall likewise show the amounts of PhilHealth benefits for both the HF fee and professional fees in Part III Item A of Claim Form 2 (CF2) that are

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deducted from the total HF charges. The figures written in Part III, Certification of Consumption of Benefits and Consent to Access Patient Record/s of the CF2, must be consistent with the figures written in the SOA for the Z Benefits tranche.

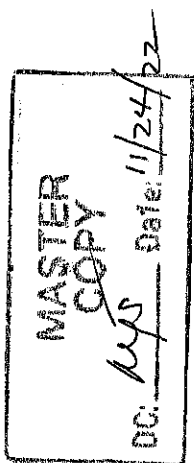
2. The contracted HF shall generate the SOA for the corresponding tranche of the Z Benefits claim.
3. The contracted HF shall reflect the charge amount shouldered by other fund sources, such as HMO, PCSO, PAGCOR, or Malasakit in the SOA for the Z Benefits.
4. The billing clerk or designated personnel of the contracted HF's billing section shall duly sign the SOA in either handwritten or electronic formats and indicate their printed name and official designation.
5. The authorized or designated signatory of the contracted HF shall certify the SOA for the Z Benefits as true and correct and affix their handwritten or electronic signature, printed name, and official designation.
6. The contracted HF shall ensure the integrity, accuracy, and authenticity of all submitted documents attached to their Z Benefits claims.
7. The member, patient, or representative, shall affix their handwritten or electronic signature above their name in the designated portion of the SOA for the Z Benefits.

If the member or patient is incapable or unable to sign the SOA, they may affix their thumbmark instead of the signature. Affixing the thumbmark should be done in the presence of at least one (1) witness who shall sign their name in addition to the thumbmark.

8. The SOA should reflect the representative's printed name, contact number, and relationship to the PhilHealth member if they are not the signatory in the PhilHealth Benefit Eligibility Form (PBEF) or the PhilHealth CF1 under Part III, Member Certification.
9. Contracted HFs shall follow the current requirements of the Bureau of Internal Revenue (BIR) on the value-added tax (VAT) and other applicable taxes.
10. The printed copy of the SOA for the Z Benefits must be made available to the patient or authorized representative free of charge.
11. Patients or their representatives may report to PhilHealth any contracted HF that either:
 - a. Required their signature on a blank copy of the SOA; or
 - b. Charged them any amount in exchange for a copy of the SOA.

Either (a) or (b) are grounds for appropriate legal actions.

12. Any action of the contracted HF in letters a and/or b of V.B.11 above shall be reported through:



- a. PhilHealth's Corporate Action Center (CAC) telephone no. (02) 8441-7442, callback channel 0917-898-7442 (PHIC); and
- b. PhilHealth CARES stationed at PhilHealth's accredited HFs.

C. Guidelines for accomplishing the Annual SOA for the Z Benefits

1. The contracted HF shall prepare the summary of their Z Benefits utilization by providing the following information (Annex A):
 - a. List of patients;
 - b. PhilHealth ID number;
 - c. Date (Date of availment or date of confinement);
 - d. Hospital charges, PF, Z Benefits package rate, and other funding sources indicated per tranche, as applicable; and
 - e. Additional line items for the following: Per item total of all hospital charges, PF, Z Benefits package rate, and other funding sources for the corresponding calendar year (CY).
2. The rules indicated in item V.B nos. 3, 4, and 5 of this Circular shall also apply in accomplishing the Annual SOA for the Z Benefits.
3. All contracted HFs shall submit via email the signed electronic Annual SOA document, preferably in Excel format, to the designated PhilHealth Regional Office (PRO) on or before March 15 of the following year. If the deadline for submission falls on a weekend or is declared a holiday, the next working day will be the deadline for submission of the Annual SOA.
4. In case of a fortuitous event, PhilHealth gives an extension of sixty (60) days for the contracted HF to submit their Annual SOA.
5. Non-compliance of the contracted HF with the deadline for submission of Annual SOA as specified in Section V.C.3 shall be considered sufficient ground for non-renewal of the contract for the Z Benefits or appropriate action by the Corporation. Failure to comply within the prescribed period does not prevent the Corporation from obtaining the Annual SOA from the concerned contracted HF.
6. The contracted HF shall submit a justification/explanation letter in place of the Annual SOA when there is no utilization of the Z Benefits for the corresponding CY, which shall be subject to deliberation by the PRO for renewal of the contract.
7. The PhilHealth Regional Office shall keep electronic copies of the Annual SOA submitted by contracted HFs and transmit these to the Benefits Development and Research Department.
8. PhilHealth shall facilitate the necessary support systems, such as IT systems and communications, to ensure the proper implementation of this policy.

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D. Claims Submission

1. The contracted HF shall submit to PhilHealth the original or certified true copy of the SOA containing the minimum information listed in Item V.A.1 of this Circular for the tranche claim documents of the Z Benefits.
2. The contracted HF shall completely fill out Part III of CF2 on the "Certification of Consumption of Benefits and Consent to Access Patient Records." The contracted HF shall ensure that the entries in the CF2 are consistent with the amounts reflected in the SOA for the Z Benefits.
3. The member/patient shall sign Part III of CF2, "Certification of Consumption of Benefits and Consent to Access Patient Records," indicating the hospital charges.
4. After the contracted HF deducts the PhilHealth benefits and benefits coming from HMO, PCSO, PAGCOR, or Malasakit, the remaining chargeable amount is the out-of-pocket (OOP).

E. Monitoring

PhilHealth shall monitor the implementation of this policy and the compliance of contracted HFs following the current rules and guidelines of PhilHealth.

F. Policy Review

PhilHealth shall review this policy as necessary in collaboration with relevant stakeholders, considering pertinent updates and IT-related concerns.

G. Annexes

Annex A: Sample template of Annual Statements of Accounts for Z Benefits

VI. PENALTY CLAUSE

Any violation of this PhilHealth Circular shall be dealt with and penalized in accordance with the pertinent provisions of RA No. 11223 and RA No. 7875, as amended by RA Nos. 9241 and 10606, and their respective Implementing Rules and Regulations.

VII. TRANSITORY CLAUSE

- A. All contracted HFs for the Z Benefits shall submit the SOA following the provisions in Section V.B of this PhilHealth Circular after sixty (60) days from the effectivity of this policy.
- B. The guidelines for submitting the Annual SOA for the Z Benefits under Section V.C of this PhilHealth Circular shall become effective on January 1, 2023, following the publication of this policy.
- C. PhilHealth will develop the IT solution to facilitate the electronic submission of the SOA and Annual SOA for the Z Benefits. PhilHealth shall issue separate guidelines for this purpose.

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VIII. SEPARABILITY CLAUSE

If any provision of this PhilHealth Circular shall be declared invalid, unconstitutional, or unenforceable, the validity of the remaining parts or provisions not affected shall remain in full force and enforceable.

IX. REPEALING CLAUSE

This PhilHealth Circular repeals Item V.B.2.d of PhilHealth Circular No. 2017-0014 titled "Submission of Statement of Account (SOA) or its Equivalent for All Case Rates Claims Reimbursement (Revision 1)."

All circulars, issuances, rules, and regulations or parts thereof that are contrary to and inconsistent with this PhilHealth Circular are hereby repealed, amended, or modified accordingly.

X. DATE OF EFFECTIVITY

This PhilHealth Circular shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation. A copy of this PhilHealth Circular shall thereafter be deposited to the Office of the National Administrative Register (ONAR) at the University of the Philippines Law Center.

ATTY. ELI DINO D. SANTOS
Officer-in-Charge
Office of the President and CEO

Date signed: 11/17/22

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Annex A: Annual Statements of Accounts

(Letter head of Hospital)

Annual Statements of Accounts for Z Benefits Claims
CY: _____

Z Benefits: Coronary Artery Bypass Graft Surgery (CABG)						
Patient Name	PhilHealth ID No. of member	Date	Hospital charges (Php)	Professional fees (Php)	Package rate (Php)	Other funding Sources (Php)
A	x		xx.xx	xxx.xx	xxx.xx	xxx.xx
B	x		xx.xx	xxx.xx	xxx.xx	xxx.xx
C	x		xx.xx	xxx.xx	xxx.xx	xxx.xx
Total			xxx.xx	xxx.xx	xxx.xx	xxx.xx

Prepared by:

Certified Correct by:

Printed name and signature

Printed name and signature of authorized signatory

Designation

Designation

Date

Date

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