

PHILHEALTH CIRCULAR

No. 14013 - 0011

FOR : ALL ACCREDITED HEALTH CARE PROVIDERS AND ALL OTHERS CONCERNED

SUBJECT : Recognition of Third Party Accreditation (TPA) Mechanisms

I. RATIONALE

Quality of health services is paramount on the promise of universal health care. Section 27 of Republic Act (RA) No. 11223 otherwise known as Universal Health Care Act, prescribed that “PhilHealth shall establish a rating system under an incentive scheme to acknowledge and reward health facilities that provide better service quality, efficiency and equity: Provided, that PhilHealth shall recognize third party accreditation mechanisms and may use these as basis for granting incentives.”

Consistent with this, PhilHealth embraces its crucial role in the aspiration of the Philippine government for a health system that demonstrates responsiveness, financial protection and better health outcomes. PhilHealth accepts the challenge of ensuring high quality services, one of the core health system values. The Corporation continues to uphold installing a culture of quality and safety in health facilities while ensuring members’ universal access to health care. As such, PhilHealth, using the Benchbook for Hospitals (2nd ed.) and for Non-Hospital Health Care Facilities¹, will confer recognition to health facilities (HFs) having exemplary performance for those meeting the set standards through PhilHealth-recognized third-party accreditation (TPA) mechanisms.

II. OBJECTIVES

This PhilHealth Circular aims to establish the guiding principles on the third party accreditation mechanism for health facilities of the Corporation.

III. SCOPE

This PhilHealth Circular shall establish the criteria, standards and requirements for the recognition of the third-party accreditor. This shall cover all applications for third party accreditation received upon the effectivity of this PhilHealth Circular.

¹ www.philhealth.gov.ph/partners/providers/benchbook

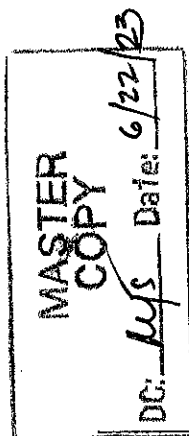
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IV. DEFINITION OF TERMS

- A. Benchbook** – a document that serves as a yardstick for measuring and assessing the quality health care rendered by PhilHealth and the accredited HFs and professionals and which lays out basic concepts on the value of quality assurance in health care and how accreditation process supports continuous quality improvement².
- B. Financial Risk Protection** – protection of the population from high and unexpected cost of illness.³
- C. Health Care Provider (HCP)**⁴ – refers to any of the following:
1. A **health facility**, which may be public or private, devoted primarily to the provision of health 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;
 2. A **health care professional**, who may be a doctor of medicine, nurse, midwife, dentist or other allied professional or practitioner duly licensed to practice in the Philippines;
 3. A **community-based health care organization**, which is an association of members of the community organized for the purpose of improving the health status of that community.
- D. Third Party Accreditation** - the mechanism whereby PhilHealth shall outsource the assessment of health facilities to duly-recognized and authorized third party entity/ies for the purpose of granting incentives.
- E. Third Party Accreditor** – organization or entity that shall be recognized by PhilHealth to assess the compliance of HFs to the standards set by the Corporation.

V. POLICY STATEMENTS

- A. The Corporation shall implement a TPA mechanism to look into the following quality performance aspects of accredited HFs with intention to be incentivized under this scheme:
1. Leadership and governance in the organization that embraces the responsibility and commitment to implement and maintain the highest standards of healthcare service;
 2. Practice of evidence-based patient care processes;



² Benchbook on Performance Improvement for Health Services, 2004.

³ PhilHealth Circular No. 2022-0014

⁴ RA 11223, or the Universal Health Care (UHC) Act Section 4

3. Efficient implementation of disciplinary policies and procedures among health care organizations, anchored on assurance of legal and research-driven management protocols;
 4. Strategic resource development as a critical element in the achievement of organization's objectives and addressing challenges;
 5. Improving the quality of patient-centered health services of paramount importance in delivering on the promise of universal health coverage;
 6. Development and maintenance a quality improvement culture at all levels of the organization; and
 7. Ensuring financial risk protection to PhilHealth members.
- B. The accredited HFs with intention to be incentivized under this scheme shall be assessed on their quality performance using the Benchbook for Hospital 2nd edition and the Benchbook for Non-Hospital Facilities. Revision/s of the standards in any or both of the set of standards or the process in the recognition shall require issuance of a new policy.
- C. The TPA process shall be on top of the current accreditation process and shall be the basis for the granting of incentives to HFs with exemplary performance in line with the provisions of Section 27 of the UHC Act.
- D. The Corporation shall recognize third party accreditors to assess the HFs qualified for the incentive scheme under the TPA mechanism.
- E. The third-party accreditors shall comply with the following standards and requirements, to wit:
1. Accreditation mechanisms shall ensure better health service quality, efficiency, and equity to all patients.
 2. Human resources are available and qualified to provide comprehensive assessment of the facility within one cycle of accreditation.
 3. The human resources assigned to assess the HFs shall have at least a background in health sciences or qualifications in health care audit including management systems. Further, the TPA organization is composed of certified staff in relevant fields and has continuing professional development programs.
 4. The TPA organization applies total quality management approach.
 5. A business entity that is organized, registered with the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), Local Government Unit – Business Permits and Licensing Office (LGU - BPLO) and/or other relevant government offices, and compliant to applicable existing laws and regulations.

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6. The core medical audit team shall include competent technical staff. It shall likewise have an in-depth understanding of the parameters in assessing quality performance and qualifications of HFs. The recommended team composition is in Annex A (Composition of the Medical Audit Team).
7. The medical audit team members shall have commitment and understanding of the plans and objectives of the medical audit systems and PhilHealth Benchbook.
8. The TPA organization team should possess the following skills:
 - a. Knowledge of PhilHealth standards and benchmarks;
 - b. Use of relevant information technology systems; and
 - c. Data management.
9. The TPA is an independent and reputable party that shall render impartial evaluation on HF's operation, standard medical practices, and performance.
10. The cost of accreditation is not prohibitive for the HF to continue normal operations. The engagement shall be between the HF and the TPA. It shall be aligned with relevant laws and regulatory requirements of PhilHealth and Department of Health (DOH).
11. Presence of a mechanism of review or audit of performance of each self-nominated HF under the accreditation program of the third-party accreditor. The result/s of review shall be submitted within the prescribed period to be determined by the Corporation.

- F. TPA will be performed by either a local or internationally-recognized health care accreditor for quality performance.
- G. The implementing guidelines on the TPA mechanism shall be through a separate issuance.
- H. Monitoring and Evaluation of TPA Scheme

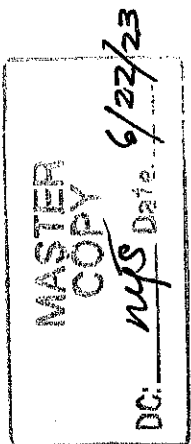
All HFs granted incentives through the TPA scheme shall be subject to the existing PhilHealth rules on the HCP performance monitoring.

The PhilHealth-recognized health care accreditor/s for quality performance shall be subject to the provisions as provided in the agreement with PhilHealth.

VI. PENALTY CLAUSE

Any violation of this PhilHealth Circular, terms and conditions of the Performance Commitment and all existing PhilHealth Circulars and directives shall be dealt with in accordance with the pertinent provisions of R.A. No. 11223⁵ and R.A. No. 7875, as

⁵ R.A. No. 11223 Chapter X, Section 38.



amended by R.A. No. 9241 and R.A. No. 10606⁶ (National Health Insurance Act of 2013), and their Implementing Rules and Regulations.

VII. SEPARABILITY CLAUSE

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

VIII. REPEALING CLAUSE

All provisions of previous issuances, PhilHealth Circulars, and directives that are inconsistent with any of the provisions of this PhilHealth Circular for this particular circumstance wherein the same is particularly applicable, are hereby amended, modified or repealed accordingly.

IX. DATE OF EFFECTIVITY

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



EMMANUEL R. LEDESMA, JR.
Acting President and Chief Executive Officer (APCEO)

Date signed: 06/21/23

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⁶ R.A No. 10606 Title IX, Rules I, II and IV

Annex A: Composition of the Medical Audit Team

The core medical audit team shall include technical staff with different capabilities. The composition is highly recommended to include but are not limited to:

1. Medical officers or doctors
2. Nurses and midwives
3. Pharmacists
4. Medical laboratory scientists and technicians
5. Administrators
6. Data entry operators
7. Programmers
8. Statisticians, researchers and analysts
9. Financial accountants
10. Certified medical auditors
11. Fraud risk experts

