

PHILHEALTH CIRCULAR
No. 2023 - 0022

FOR : ALL ACCREDITED HEALTH FACILITIES, PHILHEALTH REGIONAL OFFICES (PROs), LOCAL HEALTH INSURANCE OFFICES (LHIOs) AND ALL OTHERS CONCERNED

SUBJECT : Recognizing Third Party Accreditors

I. RATIONALE

The Universal Health Care Act (UHC Act) or Republic Act No. 11223, Sec. 27 Safety and Quality mandates PhilHealth to establish a Third Party Accreditation Mechanism to identify and incentivize health facilities that provide health care services that are of quality, responsive to the beneficiaries' needs and cost efficient, and serve as models of best practices to the health sector and industry.

Following the continuous quality improvement (CQI) framework, the Corporation has developed the Benchbook Standards to instill a culture of quality care in health facilities. It aims to ensure that the care is patient-centered, timely, safe, and effective. The Benchbook Standards shall be the basis of the PhilHealth Rating System as provided in R.A. 11223 and its Implementing Rules and Regulations.

II. OBJECTIVES

This PhilHealth Circular establishes the mechanism to recognize Third Party accreditation organizations/ bodies and the rules of engagement between the Corporation and eligible Third Party accreditors.

III. SCOPE

This PhilHealth Circular covers the mechanisms pertaining to the Third Party accreditation (TPA) organizations with intent to participate in the incentive program under this PhilHealth Circular.

IV. DEFINITION OF TERMS

A. **Benchbook** – a document that serves as a yardstick for measuring and assessing the quality health care rendered by PhilHealth accredited health Facilities (HFs) and health care professionals (HCPs) and which lays out basic concepts on the value of quality assurance in health care and how Accreditation process supports continuous quality improvement¹.

¹ Benchbook on Performance Improvement for Health Services, 2004.
² RA 11223

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- B. **Financial Risk Protection** – protection of the population from high and unexpected cost of illness.
- C. **Health Care Provider (HCP)** - refers to any of the following²:
 1. **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. **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. **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; or
 4. Pharmacies or drug outlets, laboratories and diagnostic clinics.
- D. **Third Party Accreditation** - is the accreditation of health facilities by a Third Party duly recognized and authorized by PhilHealth exclusive of the decision-making function to grant or deny accreditation to the Program. This is above the regular accreditation required to participate in the National Health Insurance Program.
- E. **Third Party Accreditor** - an organization that reviews a process, product, system, organization, person, etc., to determine if a prescribed standards of performance is achieved.

V. POLICY STATEMENTS

- A. PhilHealth shall acknowledge and incentivize good performing health facilities based on achievement of quality health care standards according to Benchbook 2 and Benchbook for Non-hospital facilities with expected impact on patient Experience and services.
- B. The Corporation shall recognize TPA organizations with established accreditation standards, both local and foreign accreditation/ certification organizations, to assess achievement of HFs to quality health care standards with expected impact on patient experience and services.
- C. The provisions or rules on the incentive mechanism for good performing Health facilities shall be issued in a separate policy.
- D. The PhilHealth-recognized Third Party accreditor shall conduct the survey, assess achievement versus quality standards and submits its findings to PhilHealth.

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E. The assessment by the TPA organization shall include, but not limited to the following:

1. Measures on provision of complete and appropriate care;
2. Health outcomes;
3. Patient satisfaction;
4. Fund utilization and allocation of resources across health care providers and different levels of care;
5. Compliance to standards of clinical practice as approved by DOH;
6. Submission of price information of health goods and services;
7. Compliance to guidelines and standards as prescribed by DOH and PhilHealth and other applicable laws; and
8. Other indicators as deemed necessary.

F. PhilHealth may conduct additional assessment for aspects not included in the current indicators of the TPA such as financial risk protection standards.

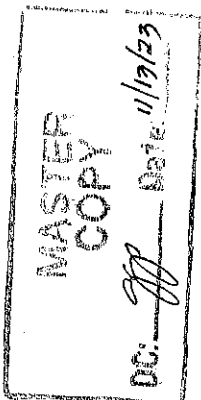
G. Expression of Intent to participate in the TPA mechanism:

1. Interested local and international organizations shall submit the following to the Accreditation Department in the PhilHealth Head Office:
 - a. Letter of Intent;
 - b. TPA profile; and
 - c. List of members of the medical Audit team and the corresponding photocopies of their Professional Regulation Commission (PRC) license, or its equivalent;
2. Local TPA organizations shall submit the following additional requirements:
 - a. Securities and Exchange Commission (SEC) Registration for corporations, and Department of Trade and Industry (DTI) registration for single proprietorships, or Certificate of Registration from the Cooperative Development Authority (CDA) for cooperatives; and
 - b. Bureau of Internal Revenue (BIR) Certificate of Registration.
3. Incomplete documents shall be returned to the applicant for completion.

H. Selection of TPA:

1. PhilHealth shall select the TPA to be recognized based on standards set by the Corporation
2. Once selected, the organization shall execute a contract with PhilHealth stipulating the agreement both parties.

I. Agreement between PhilHealth and the TPA



1. The Third Party Accreditation Agreement (Annex A) between PhilHealth and the recognized TPA shall be valid for five (5) years unless earlier terminated.
2. The agreement shall be renewed within ninety (90) days before its expiration.
3. Roles of the TPA

The TPA shall:

- a. Have six (6) months to complete the assessment process; and
- b. Submit to PhilHealth an official report (in hard and soft copies) of the data results in a format prescribed by PhilHealth.

4. Roles of PhilHealth:

PhilHealth shall:

- a. Provide proof of recognition/selection;
- b. Inform the TPA for changes in the standards/ criteria/ scoring guidelines of the Benchbook , if any;
- c. Provide updates on the implementation of the TPA mechanism; and
- d. Receive recommendation/s from TPA for the incentivization for quality health care.

J. The names of the recognized TPAs shall be posted on the Corporate website.

K. Cessation of the recognition of the TPA organization:

The following conditions shall result in the cessation of the recognition:

1. Dissolution of the TPA organization;
2. Voluntary withdrawal of participation in the Program;
3. Verified collusion between the HF and the TPA organization, or fraud; and/or,
4. Cessation of the Incentive Program.

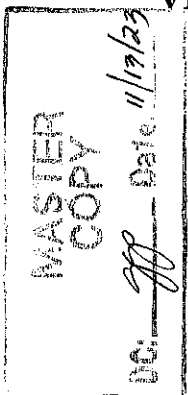
L. Monitoring And Evaluation:

PhilHealth shall monitor recognized TPA continued compliance to the PhilHealth TPA standards and evaluate their performance based on agreed criteria as stipulated in the contract.

VI. PENALTY CLAUSE

Any violation of this PhilHealth Circular, terms and conditions of the Performance Commitment³ and all existing PhilHealth Circulars and directives shall be dealt with in accordance with the pertinent provisions of R.A. No. 11223 and R.A. No. 7875, as amended by R.A. No. 9241 and R.A. No. 10606

³ [https://www.philhealth.gov.ph/downloads/accreditation/AnnexC_PerformanceCommitment\(Revised062023\).pdf](https://www.philhealth.gov.ph/downloads/accreditation/AnnexC_PerformanceCommitment(Revised062023).pdf)



(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.
President and Chief Executive Officer

Date signed: 11/08/2023

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Recognizing Third Party Accreditors

ANNEX A: Third Party Accreditation Agreement

THIRD PARTY ACCREDITATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Third Party Accreditation Agreement is made and entered into this _____ day of _____ 20 ____ in Pasig City, Metro Manila, Philippines, by and among:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government -owned and controlled corporation duly created by virtue of Republic Act No. 7875, as amended by Republic Act No. 10606 and Republic Act No. 11223, with principal office address at the Citystate Center Bldg., 709 Shaw Blvd., Pasig City, Philippines represented by its President and Chief Executive Officer, _____, hereinafter referred to as "PHILHEALTH";

- And -

_____ a domestic corporation organized and existing under and by virtue of the laws of the Philippines with principal office address at _____, represented herein by its _____, hereinafter referred to as _____";

-And-

WITNESSETH, That:

WHEREAS, Republic Act No. 11223, otherwise known as the Universal Health Act", seeks to progressively realize universal health care in the country through a systemic approach and clear delineation of the roles of key agencies and stakeholders towards better performance in the health system;

WHEREAS, the IRR of RA 11223 Section 27.3 provides that PhilHealth shall prescribe the standards and requirements for third party accreditation mechanism. These may be used as basis for granting incentives to health care providers to be identified by PhilHealth;

WHEREAS, the PhilHealth Circular No. 2023-0011 established the guiding principles on the third party accreditation mechanism for health facilities of the Corporation;

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WHEREAS, to implement the TPA mechanism, PhilHealth needs to engage third party organization/s to conduct the survey of interested accredited health facilities;

NOW THEREFORE, for and in consideration of the foregoing, PhilHealth, _____ hereby agree, as they hereby agree, to enter into this TPA under the following terms and conditions:

Article 1
SUBJECT MATTER

The subject matter of this Third Party Accreditation Agreement is the assessment of health facility's achievement of quality health care standards using the Benchbook for hospital 2 and non-hospital Benchbook.

_____ is a non-government organization with established accreditation standards, engaged in _____, and its services include the accreditation of health facilities.

Article II
CONSIDERATIONS

1. The Corporation shall recognize TPA organizations with established accreditation standards, both local and foreign accreditation/ certification organizations, to assess achievement of HFs to quality health care standards with expected impact on patient experience and services.
2. The recognition shall be valid for a maximum of five (5) years, subject to renewal upon compliance to requirements within ninety (90) days prior to end of the Agreement.
3. The TPA organization shall evaluate the HF using the Benchbook for hospitals 2 and the non-hospital Benchbook.

Article III
RESPONSIBILITIES OF THE THIRD PARTY ACCREDITATION ORGANIZATION

1. _____ shall look into achievement of the following to assess the compliance to quality standards, which qualifies the health facilities for the PhilHealth incentive program:
 - a. Measures of the HF on the provision of complete and appropriate care;
 - b. health outcomes;
 - c. patient satisfaction;
 - d. fund utilization and allocation of resources across health care providers and different levels of care;

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- e. compliance to standards of clinical practice as approved by DOH;
 - f. submission of price information of health goods and services;
 - g. compliance to guidelines and standards as prescribed by DOH and PhilHealth and other applicable laws;
2. The TPA organization shall complete the assessment of the HF within six (6) months from time the HF submit its application to PhilHealth.
 3. The TPA organization shall forward to PhilHealth the result of its assessment in the prescribed format right after the assessment period;
 4. The TPA organization shall also provide PhilHealth, upon the latter's request, with their schedule of fees to be charged to our providers for their accreditation services.

**Article IV
RESPONSIBILITIES OF PHILHEALTH**

1. Provide the TPA organization with a proof of recognition of the TPA organization.
2. Inform TPA for changes in the standards/ criteria/ scoring guidelines of the Benchbook, if any
3. Provide updates on the implementation of the TPA mechanism; and
4. Receive recommendation/s from TPA for the incentivization for quality health care.
5. Conduct additional assessment for aspects not included in the current indicators of the TPA such as financial risk protection standards.

**Article V
EFFECTIVITY, PRE-TERMINATION OR RENEWAL OF
ACCREDITATION**

1. Upon the effectivity of this Agreement all parties shall ensure that the provisions of this Agreement shall be immediately implemented.
2. This Agreement shall be effective for a period of five (5) years from _____ to _____ unless pre-terminated in writing by either party and upon prior sixty (60) days' notice to the other party.
3. Application for renewal of accreditation shall be filed within ninety (90) calendar days prior to expiration of the existing recognition of _____.
4. The provisions of this Agreement shall be in full force and effect between PHILHEALTH, and _____ until the new Agreement is signed by the parties while the renewal of accreditation is in process.

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**Article VI
AMENDMENT OR REVISION**

The parties may amend, revise or modify the terms and conditions of this Agreement at any time during the period of its effectivity provided that the same shall be in writing and upon mutual agreement of the parties.

**Article VII
BREACH OF CONTRACT**

1. Violation of any provision of this Agreement or failure to provide the services and obligations as required by this Agreement, resulting in damage or injury to the other party, shall be tantamount to Breach of Contract and/or violation of the Warranties of Accreditation which shall be, among others, valid grounds for pre-termination of this Agreement.
2. In the event of Breach of Contract and/or violation of the Warranties of Accreditation by either party, the aggrieved party shall send a written notice to the breaching party within ten (10) days from discovery of the breach specifying in reasonable detail, the circumstances which constituted the breach. Such notice shall also serve as a written notice from the abiding party of its intention to pre-terminate this Agreement.

**Article VIII
CONFIDENTIALITY CLAUSE**

1. This Agreement shall be treated with utmost confidentiality. As such, all parties shall not, during the term of this Agreement, or at any time thereafter, disclose to any person, firm or corporation, any information each party may have acquired by reason of the services or responsibilities performed under this Agreement.
2. Each party shall keep and maintain all Confidential Information in strict confidence, using such degree of care as is appropriate to avoid unauthorized use or disclosure.
3. Each party shall not, directly or indirectly, disclose any Confidential Information to any third party, except with prior written consent of the other party or compulsory process.
4. At any time, upon request of a party (the "Requesting Party"), the other party (the "Requested Party") shall deliver promptly to the Requesting Party all memoranda, notes, records, reports, media and other documents and materials regarding or including any Confidential Information which the Requested Party may then process or have under its control, except for one copy which it may keep for documentation purposes.

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5. Each party may disclose the Confidential Information to its directors, advisers, employees and other agents who may need to know such information in connection with the performance of the collection services. If disclosure is required by law however, a party shall notify the other party in writing at least five (5) calendar days in advance of such disclosure, and provide the other party with copies of any related information so that such party may take appropriate action to protect the Confidential Information.

**Article IX
DATA PRIVACY CLAUSE**

_____ shall recognize their responsibilities under the Republic Act No. 10173, otherwise known as Data Privacy Act 2012, with respect to the data they collect, record, organize, update, use, consolidate or destruct from the PhilHealth members.

_____ have instituted appropriate technical and physical security measures to ensure the protection of the PhilHealth members' personal data. The information collected and stored in the portal database of health facilities shall only be used for the processing and reporting of documents related to the achievement of the standards.

Moreover, _____ shall not disclose PhilHealth members' personal information without their consent obtained from the portal database. Personal data of PhilHealth members shall be kept confidential indefinitely.

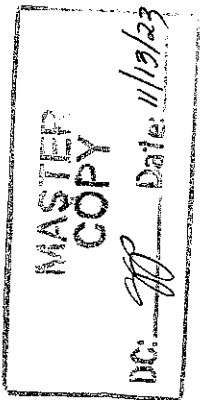
**Article X
MISCELLANEOUS PROVISIONS**

1. Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given when (i) personally delivered, (ii) sent by private courier service, (iii) sent by registered mail, postage prepaid to the parties in their respective addresses appearing in this Agreement, or (iv) sent by email. The date of any notice shall be deemed to be (i) the date of receipt if delivered personally or by private courier service, (ii) the date ten (10) days after posting if sent by registered mail, or (iii) the date the email was sent by the party giving notice.
2. Parties shall not be liable for non-performance or delay in the performance of its obligations under this Agreement in the event of force majeure, defined as extraordinary disasters, fortuitous events, and/or acts of God, including natural calamities, epidemics, riots, war, rebellion, civil disturbances, enactment of onerous laws, and other similar events which are beyond the reasonable control of the parties, the consequences of which could not have been reasonably foreseen at the time of the execution of this Agreement, or which, though foreseen, were inevitable. In the event of force majeure, the

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time of performance or completion of the delayed work or obligation shall be extended for a period equal to the time lost by reason of said force majeure. If the extended period exceeds fifteen (15) days, the parties shall consult each other as to the manner in which their original intention can be fulfilled, and the appropriate amendments to this Agreement shall be made.

3. All provisions of this Agreement which by their nature contemplate performance after the expiration or termination hereof shall survive such expiration or termination.
4. If one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable, in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, which shall continue in full force and effect. In such event, the parties shall consult each other as to the manner in which their original intention can be fulfilled, and the appropriate amendments to this Agreement shall be made.
5. The failure of one party to insist upon the strict performance of any of the terms, conditions, covenants hereof shall not be deemed a relinquishment or waiver of subsequent breach or default of the terms and conditions and covenants hereof, and which terms, conditions and covenants shall continue to be in full force and effect. No waiver by any party of any of its rights under this agreement shall be deemed to have been made unless expressed in writing and signed by said party.



Signed by the parties on _____ at _____

PHILIPPINE HEALTH
INSURANCE CORPORATION

By:

By:

President and Chief Executive Officer

(Name and designation of authorized signatory)

Signed in the presence of:

Signature over printed name
(from PHIC)

Signature over printed name
(from TPA organization)

