Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
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PhilHealthOfficial teamphilhealth

PHILHEALTH CIRCULAR
No. 2023-0028

TO : **ALL PHILHEALTH ACCREDITED HEALTH FACILITIES, PHILHEALTH OFFICES (HEAD OFFICE AND REGIONAL OFFICES) AND ALL OTHERS CONCERNED**

SUBJECT : **Periodic Reconciliation and Enhanced Recording of Benefit Claims Transactions Between PhilHealth and Health Facilities (HFs)**

I. RATIONALE

As PhilHealth's commitment to ensure customer's delight and continual improvement of its processes by providing fast and reliable services, the Corporation adopted the PhilHealth Financial Management and Reporting Enhancement Program or "PhilHealth FinMaREP". Part of the Program is the institutionalization of periodic reconciliation of benefit claims account aligned with Section 16.b. of Republic Act (RA) No. 7875 as amended by RA Nos. 9241 and 10606 (National Health Insurance Act of 2013), and RA No. 11223 (Universal Health Care Act) the formulation and promulgation of policies for the sound administration of the Program.

This initiative is also in compliance with the Philippine Accounting Standards (PAS) and the recommendation by the Commission on Audit (COA), which is an initial effort towards the realization of the automated accounting system on benefit claims and compliance with RA No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

II. OBJECTIVES

This PhilHealth Circular (PC) aims to:

A. Institutionalize periodic reconciliation and enhanced recording of benefit claims records between PhilHealth and Health Facilities (HFs);

B. Foster a more open line of communication with HFs to immediately address concerns relative to benefit claims transactions; and

C. Ensure compliance with RA No. 11032 otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

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III. SCOPE

This PhilHealth Circular covers account on benefit claims either electronically or manually submitted to PhilHealth, except for the Konsulta[1] benefit package (primary care benefit).

IV. DEFINITION OF TERMS

A. Accounts Payable - Benefit Payment - the amount of unpaid benefit claims of HFs.

B. Benefit Accounts Management and Reconciliation Team (BAMR Team) - a team composed of employees from the Fund Management Section and Benefits Administration Section (BAS) of the PhilHealth Regional Office (PRO) or Branch handling benefit claims reconciliation.

C. Benefit Claims - benefit expenses for Direct and Indirect PhilHealth contributors.

D. Health Facility (HF)[2] - may be public or private facility, 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.

E. Incurred But Not Yet Reported (IBNR)[3] - claims estimated to be in the possession of the Health Facilities recorded as such as of the end of the reporting period and have yet to be submitted to PhilHealth within the allowable 60-day period after the date of discharge.

F. PhilHealth Financial Management and Reporting Enhancement Program (PFinMaREP) - a program to implement the digital financial management and reporting system focusing on reengineering/streamlining of financial processes. This enable the generation of a more reliable, accurate, and fairly presented financial statements which will be used by Management in making relevant decisions in the achievement of the Corporation's mission and vision.

G. PhilHealth Regional Offices (PRO) – offices in the region established by the Corporation.

H. Philippine Accounting Standard 1 (PAS 1) - the standard that describes the basis for presentation of general-purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out the overall requirements for the presentation of financial statements, guidelines for their structure, and minimum requirements for their content.

[1] PhilHealth Konsultasyong Sulit at Tama benefit package (Konsulta): www.philhealth.gov.ph/konsulta
[2] Section 4.15.a. of the IRR of RA 11223
[3] Section IV.G. of Corporate Order No, 2022-0032: Actuarial Valuation Assumptions and the Methods of Computing or the Incurred But Not Paid (IBNP) Benefit Claims Liabilities of the Corporation

I. **Received Claims** - claims received by PhilHealth from HFs through electronic or manual submission.

J. **Subsidiary Ledger per HF** - a ledger that shows how much is the outstanding payable of PhilHealth to an HF as of a given date.

K. **Unpaid Claims** - claims not yet settled either through a generated check or bank crediting.

V. POLICY STATEMENTS

A. Reconciliation of Benefit Claims

1. The Corporation shall ensure that benefit claims are recorded and reconciled in the books of PhilHealth and the Health Facilities (HFs) at any given period.

2. All benefit claims received by PhilHealth at any level of the process shall be properly recorded and accounted for in the PhilHealth book of accounts and subsidiary ledgers pertinent to the HFs respective accounts.

3. The reconciliation of benefit claims records between PhilHealth and HFs shall be conducted to ensure that Accounts Payable of PhilHealth is reconciled with the Accounts Receivable of HFs.

4. The representatives of the HFs shall preferably be composed of the personnel from the Records Section, Billing (In-charge of PhilHealth Claims), and Accounting/Finance.

5. The BAMR Team and HFs representatives shall conduct the actual reconciliation and discussion meetings at the office of the PRO or at the HF.

6. The HFs shall allow the BAMR Team witnessed by the HF Representative to inspect HF books and validate records of Accounts Receivable including ledgers, and other documents deemed important by the former to be able to undertake thorough reconciliation.

7. The balances mutually agreed upon by both parties as a result of the reconciliation shall be duly signed by the BAMR Team. The said amount shall be recorded in the respective books of PhilHealth and HFs accordingly, taking into consideration the guidelines per PhilHealth Circular No. 2019-001 (Proper Recording of Return to Hospital and Denied Benefit Claims for Reconciliation of Accounting Records) and its amendment, if any, on Proper Recording of Return to Hospital and Denied Benefit Claims for Reconciliation of Accounting Records and the Philippine Financial Reporting Standard (PFRS).

8. The HF representative and BAMR Team shall raise to the level of the HF Director or Finance Head or Authorized Representative and the PhilHealth Regional Vice President (RVP) respectively, any unresolved issues or

concerns for appropriate resolution. In the event the issue is not yet resolved, the matter shall be elevated to the Fund Management Sector (FMS).

9. A quarterly benefit claims reconciliation report (Annex A: PhilHealth Claims Reconciliation Report) shall be submitted by the PRO to the Fund Management Sector-Comptrollership Department.

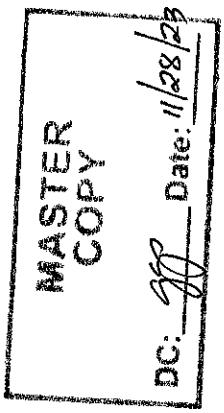
B. Reporting of Incurred But Not Reported (IBNR) Claims

1. All compensable and valid benefit claims of patients confined in the HFs from the date of admission to the date of submission of claims to PhilHealth shall be accounted subject to the existing guidelines set forth by the Corporation.

2. In order to project the benefit claims still in the possession of the HF, a report needs to be submitted by the HF to PhilHealth using (Annex B: Report of Unsubmitted Claims-IBNR) every quarter.

3. Effective November 30, 2023, the duly-signed Report of Unsubmitted Claims-IBNR shall be submitted by the HF on or before the 7th day after every quarter to the PRO-FMSection.

4. The PRO-FMSection shall provide the official email address where the HFs can submit their IBNR reports.



C. This policy on reconciliation and recording of benefit claims transactions shall be monitored and evaluated regularly. Enhancement shall be made as needed to ensure that the provisions are updated and remain applicable and effective.

D. PhilHealth shall develop an automated IBNR Claims submission module to support this initiative including the automation of the benefit claims accounting reconciliation module.

VI. PENALTY CLAUSE

Any violation of this PhilHealth Circular shall be penalized in accordance with the provisions stated in Republic Act No. 7875 as amended by RA Nos. 9241 and 10606 (National Health Insurance Act of 2013), RA No. 11223 (Universal Health Care Act), other applicable laws, rules, and their regulations.

VII. TRANSITORY CLAUSE

A. The PRO, through its Fund Management Section-Comptrollership Unit shall coordinate and conduct orientation to all HFs on the implementation of this Circular on reconciliation and submission of the certified list of IBNR.

B. The reconciliation shall commerce with the HFs' submission of the detailed unpaid benefit claims using Annex C: Summary Report of Unpaid Claims - Accounts Receivable as of August 31, 2023.

C. The BAMR Team shall compare the Subsidiary Ledger per HF with the Summary Report of Unpaid Claims-Accounts Receivable submitted by the HF.

D. Discrepancy/ies between the HF Report and SL per HF shall be noted. The BAMR Team shall coordinate with the HF representative to schedule a detailed reconciliation and actual visit to the HF, if needed.

E. Once the discrepancy/ies are thoroughly checked and deliberated, the report of agreement and adjustment shall be signed off by the BAMR Team.

F. The initial reconciliation shall commence on the 4th Quarter of CY 2023.

VIII. SEPARABILITY CLAUSE

In the event that any part or provisions in this PhilHealth Circular is declared unauthorized or
rendered invalid by any Court of Law or competent authority, those provisions not affected by such declaration shall remain valid and in full force and effect.

IX. REPEALING CLAUSE

Any related issuances that are inconsistent with the provision of this PhilHealth Circular are hereby amended, modified and/or repealed accordingly.

X. DATE OF EFFECTIVITY

This PhilHealth Circular shall take effect fifteen (15) days after its publication in the Official Gazette or any newspaper of general circulation. A copy shall thereafter be deposited to 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

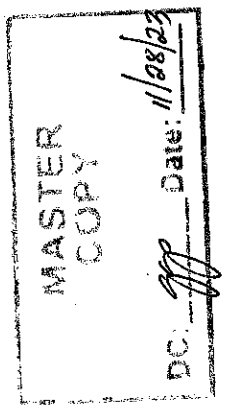
Date signed: 11/24/2023

MASTER COPY
Date: 11/28/23
DC:

PhilHealth Claims Reconciliation Report
For the period mm/dd/yyyy

Particulars	Reference	Health Facilities	PhilHealth
Unadjusted Balances		**XXX**	**XXX**
Add/Deduct Reconciling Items:			
RTH Claims		(XXX)	
Denied Claims		(XXX)	
Adjustments		XXX	XXX
Claims in Transit			XXX
Adjusted Balances		**XXX**	**XXX**

Prepared by:



Approved by:

Annex B: Report of Unsubmitted Claims - IBNR

HOSPITAL NAME
HOSPITAL CODE
Address
REPORT OF UNSUBMITTED CLAIMS - IBNR
As of _____

Item No.	Claims Code/Reference Number	Patient Name			Member Name			Member's PIN	Date of Admission (MM/DD/YYYY)	Date of Discharged (MM/DD/YYYY)	Case Rate /Claim Amount	ICD-10 Code/RVS	Claim Status
		Surname	First Name	Middle Name	Surname	First Name	Middle Name						
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
	TOTAL												

Prepared by:

_____
Chief Accountant

Certified Complete and Accurate by:

_____
Chief Accountant

Approved by:

_____
Medical Director / Chief of Hospital

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Annex C: Summary Report of Unpaid Claims - Account Receivable

HOSPITAL NAME
HOSPITAL CODE
Address
SUMMARY REPORT OF UNPAID CLAIMS - ACCOUNT RECEIVABLE
As of _____

Item No.	Year (Start from current)	Claims Series Number	Patient Name			Member Name			Member's PIN	Date of Admission (MM/DD/YYYY)	Date of Discharged (MM/DD/YYYY)	Date of Filed (For New) (MM/DD/YYYY)	Date of Refiled (For RTH) (MM/DD/YYYY)	ICD-10 Code / RVS	Case Rate/ Claim Amount	*Claim Status
			Surname	First Name	Middle Name	Surname	First Name	Middle Name								
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
	TOTAL															

** Claim Status: In process, Return to Hospital (RTH), Denied, under MR or under Appeal*

Prepared by:

_____

Certified Complete and Accurate by:

_____
Chief Accountant

Approved by:

_____
Medical Director / Chief of Hospital

MASTER COPY
DC: _____ Date: 11/28/23