PhilHealth
Your Partner in Health

BAGONG PILIPINAS

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PHILHEALTH CIRCULAR
No. 2024 - 0009

TO : **ALL ACCREDITED HEALTH FACILITIES AND HEALTHCARE PROFESSIONALS, PHILHEALTH REGIONAL OFFICES AND ALL OTHERS CONCERNED**

SUBJECT : **Implementing Guidelines on the Case Rates for Bronchial Asthma in Acute Exacerbation**

I. RATIONALE

Global efforts to improve asthma management have resulted in significant progress. However, despite medical advancements in treating this chronic condition, data indicates that asthma remains a high-burden ailment in the Philippines. The majority of Filipinos with asthma do not have adequate control over their condition, which often results in exacerbations.[1]

As part of PhilHealth's financing reforms under Republic Act (RA) No. 11223, otherwise known as the Universal Health Care Act, and as an interim to the shift to a new provider payment mechanism, i.e., from All Case Rates (ACR) to diagnosis-related groups (DRG), PhilHealth identified priority conditions under the All Case Rates (ACR) for improving financial coverage and protection against catastrophic healthcare expenditure during illness. Thus, the PhilHealth Board of Directors, through Board Resolution No. 2890, S. 2024, approved the increase in the reimbursement rate for the inpatient case rates for bronchial asthma in acute exacerbation as part of the ACR rationalization.

II. OBJECTIVES

This PhilHealth Circular provides the guidelines for implementing the adjusted rates for the inpatient management of bronchial asthma in acute exacerbation to ensure quality healthcare delivery by accredited health facilities (HFs).

III. SCOPE

This PhilHealth Circular shall apply to all accredited HFs that provide services for inpatient management of bronchial asthma, PhilHealth Regional Offices (PROs), and all others involved in implementing the case rates for bronchial asthma in acute exacerbation needing hospitalization.

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[1] The Lancet Respiratory Medicine, June 2023, Vol. 11

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IV. DEFINITION OF TERMS

A. **All Case Rates (ACR)** - refer to PhilHealth's payment mechanism for inpatient care through a case-based provider payment system.

B. **ACR Rationalization**[2] – refers to PhilHealth's interim strategy to improve financial coverage for selected/priority conditions based on the volume of claims, disease burden, and support value until PhilHealth fully implements DRG as a provider payment mechanism for inpatient services.

C. **Asthma**[3] - is a chronic inflammation of the airways that contributes to airway hyperresponsiveness, which leads to recurrent episodes of wheezing, shortness of breath/breathlessness, chest tightness, and coughing, particularly at night or in the early morning. These episodes are usually associated with airflow obstruction within the lung, which is often reversible either spontaneously or with treatment.

D. **Asthma exacerbation (flare-up) or asthma attack**[4] - refers to the episode of or change in the patient's usual status such as progressive increase in asthma symptoms or a decrease in lung function.

E. **Balance Billing**[5] - refers to the additional payments by insured patients on top of the amount paid by insurance when the provider's charges exceed the amount covered by health insurance. Due to financial and service coverage decisions, balance billing may result in increased financial burdens and limited access to health services by households.

F. **Bottom-Up Costing (Activity-Based or Micro-Costing)**[6] - refers to a cost calculation method that considers the individual components and activities of delivering a healthcare service and analyzes its various elements separately, such as personnel, medical supplies, equipment, overhead expenses, and administrative costs, to determine the cost incurred for that specific component.

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G. **Case-Based Provider Payment Mechanism** – refers to a provider payment system in which a hospital is reimbursed for each discharged patient at pre-determined rates based on the type of case or for groups of cases with similar clinical profiles and resource requirements.

H. **Co-Payment**[7] - refers to a predetermined amount agreed upon by the accredited health facility (HF) and PhilHealth that is chargeable to

[2] PhilHealth Circular No. 2023-0025. Guiding Principles of the Rationalized Inpatient Case Rates
[3] PC No. 2022-0025. Quality Policy on the Diagnosis and Management of Asthma in Adults as Reference of the Corporation *(Rev. 1)*
[4] Ibid
[5] Viriyathorn, S., Witthayapipopsakul, W., Kulthanmanusorn, A., Rittimanomai, S., Khuntha, S., Patcharanarumol, W., & Tangcharoensathien, V. (2023, May 11). Definition, Practice, Regulations, and Effects of Balance Billing: A Scoping Review. *Health Services Insights, 16*, 1-14. 10.1177/11786329231178766
[6] PC No. 2023-0025. Guiding Principles of the Rationalized Inpatient Case Rates
[7] PC No. 2024-0001. Rules for Adjusting Case Rates

patients to cover the share for amenities, choice of physician, or any additional or upgraded services[8] during the episode of inpatient care before service access to manage moral hazards and adverse incentives. Co-payment is an example of an out-of-pocket payment or cost-sharing mechanism intended to share the cost of healthcare between the insured and the insurer.

I. **Diagnosis-Related Groups (DRG)**[9] - refer to a patient classification and provider payment system that groups patient cases, including services received, into standardized case groups according to diagnosis and treatment or procedure received. It combines clinical logic with economic logic that classifies hospital cases into groups that are clinically similar and are expected to have similar hospital resource use.

J. **Fixed Co-Payment**[10] - refers to a flat-rate co-payment as a cost-sharing arrangement, that is, a predetermined, fixed out-of-pocket amount that remains the same regardless of the total cost of the service.

K. **Health Technology Assessment (HTA)**[11] - refers to the systematic evaluation of properties, effects, or impact of health-related technologies, devices, medicines, vaccines, procedures, and all other health-related systems developed to solve a health problem and improve the quality of lives and health outcomes, utilizing a multidisciplinary process to evaluate the social, economic, organizational, and ethical issues of a health intervention or health technology.

L. **Health Technology Assessment Council (HTAC)**[12] - is an independent advisory body created under Republic Act 11223, otherwise known as the Universal Health Care Act. Its overall role is to provide guidance to the Department of Health (DOH) and the Philippine Health Insurance Corporation (PhilHealth) on the coverage of health interventions and technologies to be funded by the government.

M. **Minimum Standards of Care**[13] - refers to essential or mandatory services that HFs are obliged to provide based on clinical practice guidelines (CPG) and/or expert consensus as approved by the Corporation.

N. **Non-Basic Accommodation**[14] - refers to the provision of the minimum standards of care for patients, and includes fringe and additional amenities provided by the facility at the option of the patient.

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[8] C No. 2021-0022. The Guiding Principles of the Z Benefits (*Revision 1*)
[9] PC No. 2020-0016. Governing Policies on the Transitioning the Provider Payment Mechanism (PPM) from All Case Rates (ACR) to Diagnosis-Related Groups (DRG)
[10] PC No. 2023-0025. Guiding Principles of the Rationalized Inpatient Case Rates
[11] Health Technology Assessment (HTA) –https://attyv.com/h/health-technology-assessment/
[12] https://hta.doh.gov.ph/health-technology-assessment-council-htac
[13] PC No. 2021-0022. The Guiding Principles of Z Benefits (*Revision 1*)
[14] DOH AO No. 2021-0015. Standards on Basic and Non-basic Accommodation in All Hospitals

O. **Out-of-Pocket Payment (OOP)**[15] - refers to the balance of healthcare provider charges paid directly by the patients from their own resources or cash reserves or health spending made directly from households to providers.

P. **Published Case Rate**[16] - refers to the fixed, predetermined rate or amount that PhilHealth will reimburse for the condition, which shall cover the fees of healthcare professionals and all facility charges, including but not limited to room and board, diagnostic imaging procedures, laboratory/chemistry tests, drugs, medicines, devices, supplies, operating room fees, infection control, healthcare worker salary, and other service fees.

Q. **Top-Down Costing**[17] - refers to a cost accounting method adopted by PhilHealth that involves estimating the overall budget for the HF or healthcare organization and then breaking it down into various cost centers, such as different departments, clinics, or service lines. The allocation of costs to these individual cost centers can be based on revenue, patient volume, or historical cost patterns. This method allows PhilHealth to determine areas of high or low cost or high- or low-intensity use of resources in the HF.

R. **Statement of Account**[18]– refers to the document generated by the HF that reflects the summary of all service charges, including professional and reader's fees, for the episode of care. The SOA does not reflect charges for services before or after patient confinement.

V. POLICY STATEMENTS

A. PhilHealth identified bronchial asthma in acute exacerbation as one of the priority conditions in rationalizing the ACR to improve financial coverage while transitioning its provider payment mechanism to DRG.

B. PhilHealth utilizes a case-based provider payment mechanism to reimburse HFs for the minimum standards in delivering services for managing bronchial asthma in acute exacerbations that require hospitalization in a basic or ward accommodation.

C. PhilHealth's case-based reimbursement system for the ACR intends to promote efficiency, cost containment, and quality of care by providing a fixed payment for a specific case or episode of care where HFs deliver services in a more coordinated and streamlined manner to manage resources efficiently and focus on achieving positive patient outcomes rather than simply providing more services. Overall, PhilHealth's case-

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[15] PC No. 2023-0026. Electronic Data Submission of the Statement of Account (SOA) for All Case Rates (ACR) Claims and Identified PhilHealth Benefits *(Revision 1)*
[16] PC No. 2023-0025. Guiding Principles of the Rationalized Inpatient Case Rates
[17] Ibid
[18] PC No. 2023-0026

based provider payment system aims to align financial incentives with the efficient and effective delivery of services.

D. PhilHealth shall engage key stakeholders to promote a deeper understanding of the ACR as a case-based provider payment system, which has critical implications for claims processing, medical evaluation, and audit.

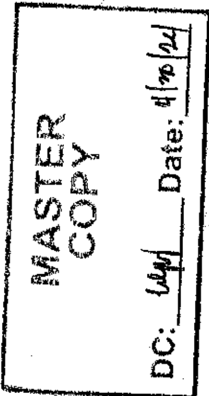
E. The inpatient case rate for bronchial asthma in acute exacerbation is not a cap but reflects the average cost of treating an episode of care. It may differ from the actual hospitalization charges indicated in the statement of account (SOA). The actual cost of care per patient can be higher or lower than the case rate. Therefore, PhilHealth retains the flexibility to adjust payment rates based on the services covered and the efficiency of healthcare providers in delivering quality care.

F. The minimum standards of care recommendations from clinical practice guidelines (CPG) disseminated by the World Health Organization (WHO), global experts, the Department of Health (DOH), local medical societies, and other guideline sources, which are critically appraised and validated by current best practices in the local setting, are PhilHealth's basis for service coverage and costing analyses.

G. PhilHealth utilized a bottom-up costing methodology to update the package rate for bronchial asthma in acute exacerbation using hospital data submitted by accredited HFs. In general, PhilHealth uses a combination of bottom-up and top-down costing methodologies to determine the cost of health services.

H. Any proposal for PhilHealth coverage to include new technologies, such as drugs/medicines and biologicals not listed in the latest Philippine National Formulary (PNF), diagnostic procedures, surgical interventions, and other treatment interventions, shall consider the Health Technology Assessment Council (HTAC) recommendation.

I. PhilHealth highly encourages continuous quality improvement initiatives to promote improved asthma management in the Philippines, focused on the control of asthma in the primary care setting and improving access to quality services delivered by accredited HFs.



J. With the adjustment of rates for bronchial asthma in acute exacerbation and the resultant increase in PhilHealth payments, all PhilHealth beneficiaries shall be entitled to no co-payment for basic or ward accommodation in public and private HFs.

K. All HFs shall declare the total number of beds and the number of basic accommodation beds they have assigned per facility. The proportion of basic accommodation beds per facility shall comply with the prescribed proportions defined in Chapter VII, Section 29 (c) of RA No. 11223, "Universal Health Care Act" and DOH Administrative Order No. 2021-0015, "Standards on Basic and Non-Basic Accommodation in All

Hospitals." The guidelines shall be disseminated in a separate issuance subject to the applicable PhilHealth accreditation rules and standards.

L. PhilHealth reiterates Chapter III, Sec. 9, of RA 11223, that PhilHealth members shall not be charged co-payment for services rendered in basic or ward accommodation. Further, accredited public and private HFs shall not balance bill patients admitted in basic or ward accommodations. As indicated in the SOA, PhilHealth shall deny claims of HFs indicating co-payment or OOP payment incurred by patients in basic or ward accommodations.

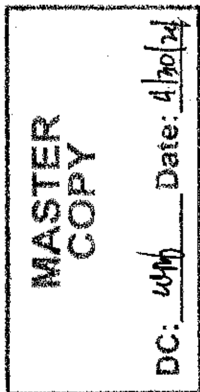
M. Services beyond the minimum standards of care in non-basic accommodation of accredited private HFs, such as amenities, choice of physician, upgrade of services, or additional services unrelated to the episode of care, shall be subject to out-of-pocket or co-payment, which shall be thoroughly discussed with the patient as part of full informed consent by the attending physician/s who should properly inform patients of the essential services for the management of bronchial asthma as part of informed consent.

N. Services in non-basic accommodation of accredited public HFs shall be subject to a fixed co-payment arrangement. Accredited public HFs shall not balance bill or charge patients admitted in non-basic accommodation in excess of the published case rate.

O. All accredited HFs should maintain minimum stock levels of essential and life-saving medicines and supplies at all times to ensure the timely delivery of quality healthcare services and discourage unwarranted OOP from outside purchases and services.

P. As stipulated in the UHC Act, Chapter IV, Sec. 18(b), there will be no differentiation between facility and professional fees. PhilHealth shall credit all payments to the accounts of accredited private and public HFs. In the case of government HFs, it is the sole responsibility of the HF to distribute the professional fees (PF) to the attending physicians or health workers based on their internal agreements and processes.

Q. Costs in excess of payments made through case rates for bronchial asthma in acute exacerbation shall be subject to cross-subsidization, using either other fund sources or efficiency gains, as may be applicable, or out-of-pocket spending, following PhilHealth rules and guidelines.



R. The benefit package for bronchial asthma in acute exacerbation shall be exempted from the single period of confinement rule.

S. PhilHealth shall closely monitor re-admissions for bronchial asthma in acute exacerbation, conduct regular utilization reviews, and strongly urge its accredited HFs to audit their re-admissions.

T. Accredited HFs should follow CPGs to manage asthma patients and ensure adherence by medical professionals who are appropriately

credentialed and privileged to practice in the HFs and all hospital staff in charge of patients.

U. Accredited HFs that lack the service capability for managing bronchial asthma in acute exacerbation, except HFs in geographically isolated and disadvantaged areas (GIDA), shall properly coordinate and facilitate the timely referral of patients after providing standard emergency and life-saving measures to higher-level HFs.

V. Accredited public and private HFs shall participate in the shadow billing for diagnosis-related groups (DRGs) following PhilHealth Circular No. 2024-0006, "Implementation of Shadow Billing for the Transition to Diagnosis-Related Groups (DRG) (Revision 1)" or its succeeding revisions, as applicable.

W. Inpatient Benefits for Bronchial Asthma in Acute Exacerbation

1. As Chapter II, Sec. 5 of RA No. 11223 stipulates, "Every Filipino citizen shall be automatically included in the NHIP." Thus, they are eligible to avail of the inpatient case rates for bronchial asthma in acute exacerbation. PhilHealth reiterates that claims submission does not require a printed copy of the Member Data Record (MDR). All accredited HFs should deduct PhilHealth benefits any day of the week upon patient discharge.

2. Accredited HFs shall ensure delivery of the minimum standards of care for the inpatient management of bronchial asthma in acute exacerbation according to CPG recommendations applicable in local practice. This includes the availability of life-saving drugs and medicines, oxygen support, functioning radiologic and laboratory equipment, timely laboratory chemistry services, and appropriate human resources.

3. Table 1 shows the adjusted inpatient case rates for bronchial asthma in acute exacerbation, along with the corresponding ICD 10 codes and descriptions.

ICD-10 Code	Description	Package Rate
J45.00	Predominantly Allergic Asthma; Allergic Bronchitis Nos; Allergic Rhinitis with Asthma; Atopic Asthma; Extrinsic Allergic Asthma; Hay Fever with Asthma; In Acute Exacerbation	PHP 22,488
J45.10	Nonallergic Asthma; Idiosyncratic Asthma; Intrinsic Nonallergic Asthma, In Acute Exacerbation	
J45.80	Mixed Asthma, In Acute Exacerbation	
J45.90	Bronchial Asthma, in Acute Exacerbation	
J46	Status Asthmaticus; Acute Severe Asthma	

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Table 1. ICD-10 Code, Description, and Package Rate for Bronchial Asthma in Acute Exacerbation

PhilHealth reminds its accredited HFs to report and code patients' diagnoses accurately according to the rules on ICD coding and that they should not choose from a list of ICD codes to claim a higher reimbursement for the case rates.

4. The adjusted rate for the inpatient case rates for bronchial asthma in acute exacerbation shall apply to case rate claims of Levels 1 to 3 accredited public and private HFs, considering their service capability.

5. The adjusted rate for the inpatient management of bronchial asthma in acute exacerbation shall not apply to lower-level facilities, such as primary care facilities (PCF), infirmaries, and dispensaries. PhilHealth shall reimburse the claims of these accredited HFs using the original case rate of PHP 9,000, subject to pre-payment audit.

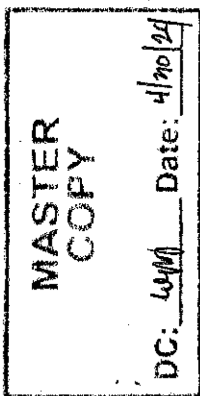
6. PhilHealth encourages primary care facilities to become Konsulta-accredited to provide access to drugs and medicines for the control of asthma symptoms and avoid hospital admissions due to exacerbations.

X. Claims Filing

1. Accredited HFs shall strictly follow current PhilHealth policies on claims submission, including correct ICD coding of the primary diagnosis and/or procedure coding, submission of properly accomplished PhilHealth claims forms (CF), SOA, and other data and documentary requirements stipulated in existing policies.

2. Accredited HFs filing claims for bronchial asthma in acute exacerbation shall attach Claim Form 4 (CF4).

3. Accredited HFs shall follow all relevant laws, such as RA No. 9994 or the Expanded Senior Citizens Act of 2010 and RA No. 10754 or the Benefits and Privileges of Persons with Disability (PWD), including prospective laws providing mandatory discounts, guidelines of the Bureau of Internal Revenue (BIR), and the order of charging based on Joint Administrative Order No. 2020-0001, entitled: Operational Guidelines for the Implementation of the Medical and Financial Assistance to Indigent and Financially-Incapacitated Patients Pursuant to Republic Act No. 11463 also known as "Malasakit Centers Act."



With this, PhilHealth benefits and all mandatory discounts provided by law, such as senior citizen and PWD discounts, shall be deducted first from the patient's total hospital bill. Benefits from private health insurance (PHI), health maintenance organizations (HMO), or

employee benefits shall be applied after PhilHealth deductions and complement the PhilHealth benefits packages.

4. The inpatient case rate for bronchial asthma in acute exacerbation shall not be claimed as a "second" case rate.

5. Accredited HFs shall properly indicate the member/patient's OOP and/or co-payment and other funding sources in PhilHealth Claim Form 2 (CF2) Part III, "Consumption of Benefits," and in the SOA.

6. Accredited HFs shall file all claims to PhilHealth within the prescribed filing period of sixty (60) calendar days. Direct filing by members/beneficiaries is discouraged and not allowed.

7. Rules on late filing shall apply, except when the delay in filing claims is due to natural calamities or other fortuitous events, in which case PhilHealth's existing guidelines on providing special privileges to those affected by fortuitous events shall apply.

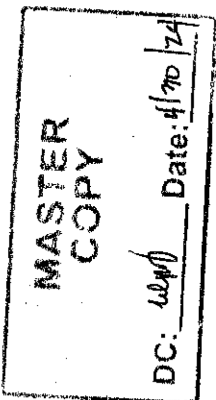
8. Accredited HFs may file a motion for reconsideration (MR) and appeal for claims denied by PhilHealth following existing policies.

9. PhilHealth shall process and pay claims for confinement abroad based on the remaining balance not covered by any additional insurance or incurred as out-of-pocket expenses but not exceeding the published case rates provided within the policy.

Y. Claims Evaluation and Payment

1. PhilHealth shall reimburse its accredited HFs the published inpatient case rates for bronchial asthma in acute exacerbation using a case-based provider payment mechanism based on the minimum standards of care in a basic or ward accommodation. Any amount declared in the SOA that is below or above the published case rates shall not be interpreted as over or underpayment.

2. PhilHealth reserves the right to subject any or all claims to medical review before and/or after payment or reimbursement of its accredited HFs, following existing guidelines.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3. PhilHealth shall apply the "return to hospital (RTH)" policy for claims documents with incomplete requirements, discrepancies in the supporting documents or attachments, or incompletely filled-out claims forms for compliance within the prescribed period.

4. PhilHealth shall pay accredited HFs that manage patients with asthma in acute exacerbation but subsequently refer and transfer patients for further management to higher-level HFs at a package rate of five thousand two hundred pesos (PHP 5,200) following the guidelines for the Referral Package in "Annex B" of PhilHealth Circular (PC) No. 2024-0001 or its subsequent revisions. As such,

PhilHealth strongly encourages HFs to facilitate the timely referral and transfer of patients within 24 hours.

5. Accredited HFs in GIDA and primary care facilities (PCF) shall have a reimbursement rate of PHP 9,000, subject to pre-payment audit. These HFs shall ensure that the CF4 details the complete history and physical examination, including peak expiratory flow (PEF) measurements when available and course in the ward.

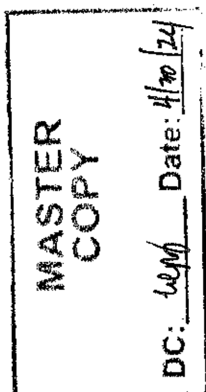
6. Claims for bronchial asthma in acute exacerbation with a length of stay (LOS) of less than 24 hours that resulted from a patient's death will be paid by PhilHealth at a package rate of five thousand two hundred pesos (PHP 5,200) using the Resuscitation Package code P0000.

7. PhilHealth shall reimburse inpatient confinements of at least 24 hours with a patient disposition of "improved" indicated in CF 2 upon hospital discharge. Inpatient confinement for bronchial asthma in acute exacerbation includes the patient's stay in the emergency room while receiving urgent care to control asthma symptoms before transferring to the inpatient accommodation.

Z. Monitoring

PhilHealth shall enforce current policies and guidelines on monitoring the performance of accredited HFs in implementing the adjusted inpatient case rate for bronchial asthma in acute exacerbation and establish strict control mechanisms to prevent adverse provider behaviors and non-compliance with existing rules.

AA. Policy Review



PhilHealth shall conduct a policy review of the inpatient case rates for bronchial asthma in parallel with the development of a comprehensive outpatient benefits package, benefits for urgent care, and the transition to the DRG provider payment mechanism in collaboration and consultation with key stakeholders.

BB. Marketing and Promotion

PhilHealth shall conduct communication and social marketing activities to educate healthcare providers and the public in increasing their awareness of the inpatient case rates for bronchial asthma following the current Social Marketing and Communication Plan (SMCP).

VI. PENALTY CLAUSE

Any violation of this PhilHealth Circular shall be dealt with and penalized following the pertinent provisions of Republic Act (RA) No. 7875, as amended by RA Nos. 9241 and 10606 (National Health Insurance Act of 2013), RA No.

11223 (Universal Health Care Act), and their respective Implementing Rules and Regulations and pertinent Laws and Rules.

VII. TRANSITORY CLAUSE

While PhilHealth is developing the policy on co-payment in non-basic accommodation, accredited public HFs shall set the co-payments of patients admitted in non-basic accommodation that shall not exceed the published case rates and fully inform patients of this cost-sharing arrangement. In cases of co-payment or OOP payment beyond the published case rates incurred by patients in non-basic accommodations as indicated in the SOA, these claims shall be processed and subjected to a post-payment audit following existing monitoring guidelines.

VIII. SEPARABILITY CLAUSE

In the event that a part or provision of this PhilHealth Circular is declared unconstitutional or rendered invalid by any Court of Law or competent authority, those provisions not affected by such declaration shall remain valid and effective.

IX. REPEALING CLAUSE

All PhilHealth 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 immediately for all admissions upon publication in the Official Gazette or in any newspaper of general circulation. Three (3) certified copies shall thereafter be filed with 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: 04/30/24

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