



A step closer to DRG: PhilHealth secures needed assistance from World Bank and Thailand Experts

Pasig City, Philippines – THE Philippine Health Insurance Corporation (PhilHealth) drew the support of the World Bank (WB) and Thai Casemix Center during its four-day RVS and ICD9-CM crosswalk and workshop relevant to the policy reforms the Agency is pursuing in its provider payment shift from All Case Rates to diagnosis-related group (DRG).

Diagnosis-related group or DRG is a patient classification scheme that provides a means of

relating the type of patients a hospital treats (case mix) to the costs incurred by the hospital. The DRG provides the first operational means of defining and measuring a hospital's case mix complexity, or the resource intensity demands patients place on an institution as well as associated costs experienced by the hospital. With this, PhilHealth will be able to harness DRG's framework for monitoring the quality of care and the utilization of services to promote quality of care for patients while ensuring the sustainability of the Agency's fund.



The DRG uses a grouper system or “grouper” to calculate payments for inpatient hospital stays by gathering information on medical diagnoses (ICD-10), procedures (ICD9-CM), sex, the weight of neonates, discharge status, and the presence of complications or comorbidities. Because healthcare providers in the Philippines code procedures using the relative value scale or RVS, it is vital to map the RVS to ICD9-CM for PhilHealth to adopt the Thai DRG grouper software.

With technical expertise from specialty medical societies, PhilHealth completed validation for around 70 percent of the 6,000 RVS codes. PhilHealth commits to validating the remaining mapped RVS codes to ICD9-CM codes, still with the help of specialty medical societies, for use in the DRG grouper software adopted from Thailand Casemix Center.

The participation of the Information Management Sector will facilitate understanding of the DRG grouper logic to allow them to develop the internal PhilHealth system that will convert the mapped RVS codes to ICD9-CM codes. PhilHealth will use this system “mapper” for the DRG pilot or shadow billing of live inpatient hospital data in CY 2023.

The workshop culminated with WB and Thai Casemix Center DRG experts meeting with PhilHealth officials on September 23, 2022 to report the output of the 4-day workshop and the result of analysis of PhilHealth’s 2021 data for its correlation with the Thai DRG grouper. The result of the data analysis conducted by the DRG

experts provided strong evidence that the Thai DRG grouper is robust enough to accommodate PhilHealth claims data with continuing IT refinements for the future Philippine DRG grouper.

Atty. Eli Dino D. Santos, PhilHealth Officer-in-charge, thanked the group for their efforts and praised their endeavors. *“This is a huge step as we shift our payment mechanism from All Case Rates to DRG, which is one of the mandates of the Universal Health Care Act. PhilHealth officers, staff, and representatives from identified specialty societies who will provide technical assistance to PhilHealth with the necessary resources were able to embrace the learnings from this activity as we make headway for UHC.”* he said.

For his part, Dr. Ronald Mutasa, WB Practice Leader for Human Development, emphasized the need to develop a roadmap, identify areas where PhilHealth needs technical assistance, and engage medical societies and concerned government agencies to successfully transition to DRG. *“You will run into problems; you will run into exciting times,”* he forewarned assuring PhilHealth of the WB’s support in knowledge-sharing and collaboration with countries within the region.

At the meeting’s end, the PhilHealth Chief expected that *“PhilHealth officers, staff, and representatives from identified specialty societies who will provide technical assistance to PhilHealth with the necessary resources were able to embrace the learnings from this activity as we make headway for UHC.”* ###