

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Eighteenth Congress
Second Regular Session

HOUSE RESOLUTION No. 1770



Introduced by Representative STELLA LUZ A. QUIMBO

RESOLUTION

DIRECTING THE COMMITTEE ON GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATUS OF SOCIAL HEALTH INSURANCE PROGRAMS ADMINISTERED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)

1 WHEREAS, in 2020, the House Committee on Public Accounts and the House
2 Committee on Good Government and Public Accountability jointly considered House
3 Resolutions No. 1066, 1068, 1069, 1073, 1074, 1113 and 1114 that called for an inquiry on
4 the allegations of graft and corruption in the Philippine Health Insurance Corporation
5 (PhilHealth);

6 WHEREAS, the inquiry unearthed several anomalies and inefficiencies on the part of
7 the Corporation in its implementation of the National Health Insurance Program,
8 specifically in its response to the COVID-19 pandemic;

9 WHEREAS, the committees found that PhilHealth's benefit payments have been
10 recorded as 22 percent overpayment and 78 percent underpayment due to inaccurate
11 case rates, where overpayment results in excessive payments to health care institutions,
12 while underpayment forces patients to cover costs out-of-pocket;

13 WHEREAS, the Committees have discovered abuses in the implementation of the
14 Interim Reimbursement Mechanism (IRM) as a pandemic response, such as fund
15 allocations being based on historical claims of health care institutions; as a result,
16 allocations were not targeted towards areas with high COVID-19 cases, and institutions
17 were able to claim IRM funds even without recording a single COVID-19 case. Further,
18 giving higher allocations to institutions with higher claims potentially favors
19 institutions with historical fraud and "upcasing" cases;

1 WHEREAS, IRM funds being used on non-COVID-19 cases crowds out emergency
2 funds that are necessary to immediately provide hospital care to COVID-19 patients in
3 this time of pandemic;

4 WHEREAS, given the data from the Department of Health and World Health
5 Organization on COVID-19 hospitalization and PhilHealth's own case rates, it appeared
6 that PhilHealth conducted a substantial overestimation of the total cost of benefit
7 payments for COVID-19 in 2020, where the authorized IRM allocation was P26.8 billion
8 as against the committees' estimated cost of P3.3 billion;

9 WHEREAS, since PhilHealth allowed mere suspicion or likelihood of having COVID-19
10 to become a basis of claiming benefits under their existing case rates, upcasing is
11 essentially legitimized;

12 WHEREAS, it was revealed that PhilHealth settled cases to the disadvantage of the
13 public and its members, such as when it willfully modified the decision of the Court of
14 Appeals regarding the violations of Republic Act No. 7875 by the Perpetual Succor
15 Hospital of Cebu Inc. by not suspending the accreditation of the said health care
16 institution as initially ordered;

17 WHEREAS, the Commission on Audit has issued adverse audit reports to PhilHealth
18 from 2013 to 2018 because of several issues such as overpayment, deficiencies in the
19 reimbursement of certain claims under the case rate payment scheme, lack of adequate
20 documentation in processing and payment of claims, and discrepancies in the
21 Corporation's financial records;

22 WHEREAS, according to a special provision in the 2021 General Appropriations Act
23 (GAA), PhilHealth is required to submit a Management Audit Report, a Fund Viability
24 Plan, and an undertaking to undergo a third-party audit of its actuarial projections and
25 benefit packages, in order to help ensure the effective utilization of PhilHealth's funds;

26 NOW, THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED, the House
27 Committee on Good Government and Public Accountability conduct an inquiry in aid
28 of legislation on the status of the National Health Insurance Program administered by
29 PhilHealth, the steps that the Corporation has undertaken to improve fund
30 management and utilization in light of the inefficiencies and anomalies revealed during
31 the Congressional hearings in 2020, and its fulfillment of the requirements set forth by
32 the abovementioned special provision in the 2021 GAA.

33 Adopted,



STELLA LUZ A. QUIMBO