Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE RESOLUTION No. 1074

Introduced by
BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT

RESOLUTION
DIRECTING THE COMMITTEE ON GOVERNMENT ENTERPRISES AND
PRIVATIZATION TO INVESTIGATE, IN AID OF LEGISLATION, THE ANOMALIES
ON THE RELEASE OF INTERIM REIMBURSEMENT MECHANISM FUNDS OF
AND OTHER RELATED CORRUPTION CASES IN THE PHILIPPINE HEALTH
INSURANCE CORPORATION

WHEREAS, on March 18, 2020 the Philippine Health Insurance Corporation (PhilHealth) released
P30 billion to accredited hospitals to help them respond to the COVID-19 pandemic through the
Interim Reimbursement Mechanism (IRM);¹

WHEREAS, PhilHealth Circular No. 2020-0007 signed last March 20, 2020, contains the guidelines
on the provision of Interim Reimbursement Mechanism (IRM) to the health care institutions (HCIs).
Contrary to what was stated in the press release dated March 18, the Circular covered not only the
PhilHealth-accredited HCIs but also the privately-owned and government-owned non-PhilHealth
accredited HCIs, as long as it is DOH-licensed or it is certified by a certifying body recognized by the
PhilHealth;

WHEREAS, the IRM, as defined by the Circular, is a special privilege for the provision of substantial
aid to an eligible HCIs directly hit by fortuitous event with clear and apparent intent to continuously
operate and/or rebuild the HCI in order to provide continuous health care services to adversely
affected Filipinos;

WHEREAS, based on the guidelines, the HCIs will be given 90 days of advance payments based on
its average reimbursement per day (APRD) paid by PhilHealth in 2019 upon the assessment of a
regional validation team that the HCI has been affected by the fortuitous event;

WHEREAS, on March 30, 2020, the PhilHealth already approved P1.6 billion to “various health care
institutions” who applied for funds. According to the press release, the recipients of the financial aid
include birthing homes, infirmaries and dialysis centers;²

¹ https://www.philhealth.gov.ph/news/2020/flight_covid.php#gsc.tab=0
WHEREAS, before the release of P30 billion for the IRM, PhilHealth issued Advisory No. 2020-016 posted on March 5, 2020, PhilHealth deferred the implementation of PhilHealth Circular No. 2020-003, which provides the guidelines on the denial and withdrawal of accreditation of health care providers (HCPs);

WHEREAS, on April 15, 2020, the unaccredited hospitals Catarman Doctor’s Hospital in Northern Samar and St. Benedict Hospital in Davao del Sur are also supposedly recipients of P9,617,412.00 released on April 15 and P11,728,961.00 on May 5, respectively;

WHEREAS, on April 15, 2020, when PhilHealth issued Circular No. 2020-0013 to provide a provisional accreditation to HCPs subjected to certain conditions and guidelines. In the Circular, the HClS may apply for provisional accreditation during a local or national distress when there is an urgent need for health care services;

WHEREAS, it is only on April 22, 2020 when PhilHealth released a Standard Operating Procedure (SOP) for the processing of the IRM. In the SOP, PhilHealth will cover only the accredited HCIs, either privately-owned or government-owned, with approved contract or memorandum of agreement. The non-accredited HCIs as stated in the Circular No. 2020-0007 can no longer be granted the advance payment from the IRM;

WHEREAS, on May 27, 2020, PhilHealth released its official statement regarding its IRM. According to the statement, the PhilHealth has released a total of P13.8 Billion to 599 health care institutions nationwide, P7.3 Billion or 53% of which was released to private institutions. Furthermore, the PhilHealth stated that it “will now scale down its IRM release and preserve its funds for the anticipated expanded targeted testing required by the national anti-Covid-19 strategy. Further releases will be selective and following above mentioned considerations;”

WHEREAS, on June 2020, the released of IRM shall allegedly only for COVID referral centers, testing facilities and in COVID-affected areas. Additionally, PhilHealth is yet to release guidelines for a reconciliation program, system or mechanism to recover the millions advanced to HCIs;

WHEREAS, in the light that the Philippines is combatting the pandemic and the executive repeatedly claims that the Philippines are short of funds, it is utterly unacceptable to the Filipino people to hear from PhilHealth that it has limited available funds to combat the pandemic when through its Advisory No. 2020-0016 and Circular No. 2020-0007, it provided millions of pesos to unaccredited HCPs. If unwarranted, the anomalies amounting to millions of pesos can result to wastage of people’s funds due to corruption and inefficiency;

NOW THEREFORE BE IT RESOLVED, that the House of Representatives, through its Committee on Government Enterprises and Privatization, to investigate, in aid of legislation, the anomalies on the released of Interim Reimbursement Mechanism Fund of and other related corruption cases in the Philippine Health Insurance Corporation.

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Adopted,

REP. CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist

REP. FERDINAND R. GAITE
Bayan Muna Partylist

REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist