HOUSE RESOLUTION NO. 1114

Introduced by CIBAC Party-List Representatives
EDUARDO “BRO. EDDIE” C. VILLANUEVA and DOMINGO C. RIVERA

RESOLUTION
DIRECTING THE APPROPRIATE HOUSE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED CORRUPTION AND FUNDS MANAGEMENT CONTROVERSIES THAT HOUND THE PHILIPPINE HEALTH INSURANCE (PHILHEALTH) CORPORATION WITH THE END VIEW OF INSTITUTING NECESSARY REFORMS FOR THE EFFECTIVE AND TRANSPARENT ADMINISTRATION OF THE NATIONAL HEALTH INSURANCE PROGRAM

WHEREAS, the Philippine Health Insurance Corporation (PhilHealth) is a government corporation – created under Republic Act No. 7875 otherwise known as the National Health Insurance Act of 1995 and subsequently amended and/or modified accordingly by Republic Act No. 9241, Republic Act 10606, Republic Act 11223, and Republic Act 11228 – that is mandated to administer the National Health Insurance Program (NHIP) aimed to provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines;¹

¹ Section 5, Republic Act 7875
WHEREAS, RA No. 7875 stipulates that NHIP “shall serve as the means for the healthy to help pay for the care of the sick and for those who can afford medical care to subsidize those who cannot”;

WHEREAS, PhilHealth, as the state health insurer which operation is imbued with the paramount public interest, must be held publicly accountable since the funds it manages are sourced from the premium contributions of its members, appropriations and subsidy from the National Government (NG), mandated earmarks in the collection of sin taxes particularly under Republic Act 10351 and the mandated contributions of Philippine Amusement Gaming Corporation (PAGCOR) and Philippine Charity Sweepstakes Office (PCOS);

WHEREAS, PhilHealth was given appropriations in the amounts of Php 67.3 billion and Php 71.3 billion for the fiscal years 2019 and 2020, respectively, as proof of the government’s policy direction to support the health insurance of all Filipino people;

WHEREAS, however, in June 2019, PhilHealth was rocked by a major controversy when whistleblowers revealed that PhilHealth was draining millions of state fund through a modus operandi of Quezon City-based WellMed Dialysis and Laboratory Center, an accredited service provider of PhilHealth, which got payments from PhilHealth using fictitious and fraudulent claims of deceased or “ghost” patients as beneficiaries;

WHEREAS, following the PhilHealth-WellMed scam, the Philippine Daily Inquirer published an investigative report which echoed an audit observation by the Commission on Audit saying that PhilHealth lost a whopping Php 102.5 billion due to overpayments from 2013 to 2018 as a result of turning a blind eye to the practice by accredited hospitals “upgrading” ailments of patients, admitting patients beyond the hospital’s capacity to accommodate and treating already “dead” patients in order to get payments from PhilHealth;

2 Ibid.
3 Section 37, Republic Act 11223
4 www.dbm.gov.ph
5 https://newsinfo.inquirer.net/1127693/philhealth-lost-p154b-to-overpayments-fraud
WHEREAS, in May 2020, as part of its COVID-19 battle plan, PhilHealth reportedly allotted an amount of Php 30 billion to the so-called Interim Reimbursement Mechanism (IRM), an emergency cash advance measure to provide hospitals and other health care institutions with standby and emergency fund and cash reserve to enable these hospitals to continue operating and accommodating patients even during calamities and state of emergencies when people might have no money to pay for hospital services;\(^6\)

WHEREAS, on the May 11, 2020 7th Bayanihan Report of President Rodrigo Roa Duterte to Congress on the implementation of Republic Act 11469 otherwise known as “Bayanihan to Heal as One Act,” it was reported that PhilHealth had already released an amount of Php 12.3 billion to around 480 hospitals around the country with each hospital receiving a cash advance ranging from as low as Php 29,987.50 to as high as Php 178,751,448.09;\(^7\)

WHEREAS, doubts on the integrity of IRM measure were cast as reports floated that some five hospitals in the Bicol Region and Eastern Visayas received a total of more than Php 400 million cash advances in record time even when these hospitals were either unaccredited by PhilHealth or having only one (1) recorded COVID patient;\(^8\)

WHEREAS, on July 24, 2020, a resignation letter of a certain Atty. Thorsson Montes-Keith, who was identified as the anti-fraud legal officer of PhilHealth, surfaced on media after a reportedly heated discussion on an online PhilHealth Zoom meeting, supposedly revealing the deep and widespread corruption in the agency;\(^9\)

WHEREAS, there is a need to seriously look into the alleged widespread corruption in PhilHealth, as evidenced by the foregoing controversies that have rocked it just within a year, to come up with needed remedial measures to ensure that funds funneled through PhilHealth will be managed efficiently to render

\(^7\) 7th Weekly Report of President Rodrigo Roa Duterte to the Joint Congressional Oversight Committee pursuant to Section 5 of Republic Act 11469.
\(^9\) https://newsinfo.inquirer.net/1311174/source-says-deep-corruption-in-philhealth-forced-3-fed-up-execs-to-quit
maximum health services to the Filipino people – especially that PhilHealth has already admitted that it is expecting to have a “grim and dangerous” financial position starting next year due to the COVID-19 pandemic;\textsuperscript{11}

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, that the House of Representatives direct the appropriate House committee/s to conduct an inquiry, in aid of legislation, into the alleged corruption scandals and funds management controversies that hound the Philippine Health Insurance Corporation (PhilHealth) with the end view of instituting necessary reforms for the effective and transparent administration of the National Health Insurance Program.

Adopted,

\textit{HON. EDUARDO “BRO. EDDIE” C. VILLANUEVA}

\textit{HON. DOMINGO C. RIVERA}