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## AGENCY BRIEFING

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
<p><b>Public Accounts jt. w/ Good Government and Public Accountability</b></p>	<p>Report by the Department of Justice (DOJ)-led Task Force on Philippine Health Insurance Corporation (PhilHealth)</p>	<p>The Joint Committee, co-presided by Rep. Michael Defensor (Party-List, ANAKALUSUGAN), Chair of the Committee on Public Accounts, and Rep. Jesus Crispin Remulla (7<sup>th</sup> District, Cavite), Senior Vice Chair of the Committee on Good Government and Public Accountability, discussed with the DOJ the status of its investigation regarding the alleged anomalies and corruption in PhilHealth.</p> <p>DOJ Undersecretary Adrian Ferdinand Sugay informed the Joint Committee that the DOJ-led Task Force on PhilHealth has already submitted its report to President Rodrigo Duterte on September 14. Right now, what remains for the DOJ to do is to pursue criminal complaints against erring PhilHealth officials. Sugay said that his office is in the process of finishing the complaints to be filed against erring officials of PhilHealth regarding the implementation of the Interim Reimbursement Mechanism (IRM). He added that DOJ Secretary Menardo Guevarra has given him until this week to submit the complaints.</p> <p>Based on PhilHealth Circular No. 2020-0007, the IRM is a “special privilege for the provision of substantial aid to an eligible Health Care Institution (HCI) 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.”</p> <p>According to Sugay, the previous implementation of the IRM has clear parameters and fixed period. However, the DOJ Task Force observed that in PhilHealth’s implementation of the IRM during the COVID-19 pandemic, the IRM’s parameters were stretched and the guidelines were not followed. Sugay explained that there were some HCIs that received a significant amount from the IRM funds which were not entitled to it in the first place had the IRM parameters were strictly followed. He also mentioned that dialysis centers should not have been included among the HCIs that received funds from the IRM as these centers do not cater to COVID-19 patients and were not directly affected by the pandemic.</p> <p>With regard to the alleged anomalies in the procurement of PhilHealth’s IT system, Sugay said that the DOJ Task Force will finish its investigation into the matter as soon as it has filed the complaints pertaining to the IRM issue. Likewise, Sugay said that there are teams in DOJ that will continue to look into other legal issues such as denied PhilHealth claims due to irregularities but were not pursued and cases were not filed.</p> <p>On the query of Rep. Robert Ace Barbers (2<sup>nd</sup> District, Surigao del Norte), Sugay admitted that the report of the Task Force considered the findings of the Senate regarding the latter’s investigation of corruption in PhilHealth. Nevertheless, Sugay said that the Joint Committee may furnish the DOJ with its own findings so that cases may be filed against those found to be liable of wrongdoing.</p> <p>Rep. Stella Luz Quimbo (2<sup>nd</sup> District, Marikina City) suggested that the DOJ should also look into the legality of the case rate payment system. She claimed that there is collusion between the HCIs and the central and regional offices of PhilHealth to fix the rate for</p>

<p>Continuation... Public Accounts jt. w/ Good Government and Public Accountability</p>		<p>specific illnesses as basis for payment by the insurance corporation, which is violative of RA 10667 or the Philippine Competition Act.</p> <p>Sugay said that PhilHealth's violations of RA 10667 is already being looked into. He promised to submit to the Joint Committee a report on the matter.</p> <p>Under the case rate payment system, PhilHealth reimburses HCIs for the cost of a specific illness/case based on a fixed rate, even if the actual cost of medical care is lower than the fixed rate.</p> <p>Meanwhile, Reps. Quimbo, Remulla, and Barbers suggested to the DOJ to determine the liability of Health Secretary Francisco Duque III for the anomalies in PhilHealth, being the agency's Chairman of the Board.</p> <p>Rep. Barbers expressed dismay at Duque's statements that he has no knowledge of the anomalies and that he has not signed any document pertaining to the matter. This, according to Rep. Barbers, clearly indicates Duque's intention to escape liability.</p> <p>Sugay said that the DOJ will study how PhilHealth was managed over the years and will determine who among the PhilHealth officials have done something wrong and what their liabilities are.</p> <p>In reply to the query of Rep. Elpidio Barzaga Jr. (4<sup>th</sup> District, Cavite), Sugay said that there is no need to abolish PhilHealth but a reorganization should be considered. Sugay stressed that since PhilHealth is a health insurance firm, it should be headed by individuals who are knowledgeable in the field so as to be managed efficiently.</p> <p>Rep. Defensor asked PhilHealth President and CEO Dante Gierran on his stand with regard to President Duterte's proposal to privatize PhilHealth. Gierran opined that privatizing PhilHealth may not work to the advantage of PhilHealth members.</p> <p>Rep. Quimbo countered that privatizing PhilHealth does not preclude the government from subsidizing the premiums of Filipinos, especially the indigent ones. She added that the National Health Insurance Program (NHIP) may still be undertaken even if the PhilHealth is privatized.</p> <p>Under RA 7875 or the National Health Insurance Act of 1995, the NHIP is the compulsory health insurance program of the government, which shall provide universal health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines.</p> <p>The Joint Committee also discussed the actuarial financial condition report of PhilHealth. Both Reps. Quimbo and Remulla sought a third party audit of PhilHealth's actuarial projections to validate its claim that the state-run health insurance corporation will have a deficit of P86 billion next year because of the pandemic.</p> <p>The Joint Committee requested the resource persons to submit documents required by the Members.</p>
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