

TERMS OF REFERENCE

PhilHealth Share Ratio Study

BACKGROUND

Since the establishment of the National Health Insurance Program (NHIP) in 1995, the Philippine Health Insurance Corporation, as the mandated agency to administer the said program was institutionalized and signaled the movement towards a single-payer in the country's health care system. However, up until now the current system still maintains a dual financing system (National Objectives for Health, DOH).¹ In order to gain more foresight on this initiative, the Corporation thought of looking at the ratio of PhilHealth claims payment to hospitals' total revenue/fees to fully realize how much influence PhilHealth holds in health facilities. Over the last three years, PhilHealth benefit payouts have ostensibly increased. In the year 2016, benefit payouts have reached 101 billion pesos which almost double the payout in 2013 amounting to 55 billion pesos.

For the purpose of this study, it shall focus on government health facilities. Under the Local Government Code of 1991, the provision, management and maintenance of health services is devolved within different levels of LGUs. The LGU operationalized these health facilities through LGU's internal revenue allotment (IRA), PhilHealth benefit claims payment, private health insurance, and user fees. From the PhilHealth database, benefit payouts for all government hospitals in 2016 have reached to almost 41 billion pesos. Moreover, there is no established purchasing agreement for these health facilities, and each LGU is given the autonomy how to manage them. Thus, this study aims to look into the extent and influence of PhilHealth benefit payments to government health facilities and its sustainability.

OBJECTIVES

Major Objectives

1. To measure the ratio of PhilHealth claims payment to total revenue/fees of government hospitals.

Specific Objectives

1. To determine the ratio of PhilHealth claims payment to total revenue/fees of government hospitals in the following:
 - a. 2011-2013 (pre-implementation of all-case rates)
 - i. Per facility classification (e.g. LGU, DOH, RHUs, Specialty hospitals)
 - ii. Per facility level (e.g. Level I, Level II, Level III)

¹ Department of Health. (July, 2012). *National Objectives for Health Philippines, 2011-2016*. Retrieved from <http://www.doh.gov.ph/sites/default/files/publications/noh2016.pdf>

- b. 2014-2016 (implementation of all-case rates)
 - i. Per facility classification (e.g LGU, DOH, RHUs, Specialty hospitals)
 - ii. Per facility level (e.g Level I, Level II, Level III)
2. To analyze and characterize the effects of PhilHealth claims payment in the operationalization of government hospitals e.g. increase in assets, purchase of additional, laboratory equipment, increase in stock of supplies and medicines.

Scope of the study: The study shall only include components influenced by PhilHealth claims payment.

3. Develop a tool (methodology) for PhilHealth to determine ratio of PhilHealth claims payments to total revenue/ fees of hospitals.

SUGGESTED METHODOLOGY

1. Review of related literature

Review of related literature on the share of National Health's Insurance to hospitals income must be conducted. Specifically, review on on the Local Government Code of the Philippines on this area.

2. Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs)

Representatives from hospitals and PhilHealth shall be interviewed to get an in-depth information with regard to PhilHealth's share in the hospitals' revenue. The information gathered shall be use to supplement the quantitative data in the study.

3. Analysis of Financial Statements

Financial statements of government of hospitals for the last 5 years shall be gathered to determine PhilHealth's share in the hospitals total revenue. Likewise, benefit expense data per hospital from Comptrollership Department shall be used for the study.

SCOPE OF WORK

1. Submit a full proposal;
2. Review of local and international publications, related literature and other documents pertinent to the study;
3. Conduct data gathering activities, which may include key informant interviews, collection and review of secondary data, and focus group discussions in hospitals and others;
4. Provide regular updates to PhilHealth and Philippine Council for Health Research Development (PCHRD) on the status of the study;
5. Present project findings in meetings and other fora upon the request of PhilHealth;
6. Submit a detailed technical report with the corresponding disaggregation relative to hospital ownership, sector, level; and
7. Submit all required reports and deliverables.

DELIVERABLES / EXPECTED OUTPUT

1. **Research Proposal.** The Principal Investigator shall prepare a detailed research proposal, inclusive of conceptual framework which will serve as **project inception report**.
2. **Progress Report - Description of progress (technical) including problems encountered; planned activities for the ensuing 4 months. Two (2) reports shall be submitted:**
 - i. One month after the startup;
 - ii. One month after completion of data gathering.
3. **Draft Manuscript.** The Principal Investigator shall prepare and submit a Draft manuscript of the study covering research objectives, methodology, preliminary result of collected and validated data
4. **Final Report.** The Final Report shall be submitted within thirty (30) business days of the acceptance of the draft manuscript. The Final Report must be camera- and print-ready, fully designed, technically edited documents (printed and digital copies) in English with charts, pictures and diagrams all in high-resolution, if applicable.

Note that the specifications of deliverables and deadlines shall be provided by PCHRD.

ESTIMATED DURATION OF ENGAGEMENT

All deliverables shall be submitted within twelve months from the date of the Memorandum of Agreement was signed.

IMPLEMENTATION ARRANGEMENT

A. Contact

LEMUEL T. UNTALAN
Senior Manager
Corporate Planning Department
Philippine Health Insurance Corporation
Tel no. 6332429

B. Project Management

The Principal Investigator shall lead the management of this research project in consultation with Philippine Council for Health Research and Development.

C. Reporting Obligation, Notices, and Approval Process

1. The Principal Investigator (PI) shall coordinate closely with PCHRD throughout the duration of the engagement.
2. The PI shall periodically update PCHRD on the progress of work.
3. PCHRD and PhilHealth shall have the prerogative to call for a meeting anytime as warranted. The PI shall likewise make same request as deemed necessary.
4. PhilHealth shall have the primary responsibility for the acceptance of the project deliverables and processing of payment.

D. Responsibilities of the Principal Investigator (PI)

1. Abide by all the terms and conditions stipulated in this engagement.
2. Be responsible for the timely provision of all outputs and conduct of activities that are necessary within the time schedule/ implementation schedule agreed upon.
3. Coordinate all activities with PCHRD.
4. **Ensure that a PhilHealth employee shall be part of the research team.**

E. Responsibilities of PCHRD

1. Exercise supervision of the project.
2. Assume primary responsibility for the acceptance of the project deliverables
3. Facilitate coordination between the research team and Corporate Planning Department - PhilHealth / Program Manager.
4. Make prompt reviews and recommendations for revisions of the work produced and presented by the consultant in the different phases of the work/services.
5. Seek feedback, inputs and recommendation from Corporate Planning Department - PhilHealth / Program Managers on the work produced and presented by the PI when deemed necessary.
6. Require the proponent to accomplish Non Disclosure Agreement (NDA).

PROPRIETY RIGHTS / OWNERSHIP

All intellectual properties resulting from the PROJECT shall be governed by Republic Act 10055 or the Technology Transfer Act of 2009 and its Implementing Rules and Regulations. Final results of the study may be published provided that:

- a. The required report has already been approved by PhilHealth
- b. Due recognition will be given to **PHILHEALTH** and **PCHRD** for the role and participation in carrying out the research (e.g publications, oral presentations)
- c. PhilHealth shall be given copies of the Published Reports.

DESIRED QUALIFICATION OF PROPONENT

Type: Individual/Institution

The proponent or team is required to have the following qualifications:

- **Post-graduate education and/or training on any of the following:** Degree in Public Health, Health Service Management, Health Economics, Epidemiology, Biostatistics, Health Financing, Public Administration, Public Policy, Public Management and/ or other related fields;
- At least 5 years of experience leading similar or related projects.
- Familiarity with public health principles and standards for building regulation and code development

Additional key staff may include, but not be limited, to researchers, technical editors, etc. Experience on the following is desirable:

1. PhilHealth, DOH and LGU financing mechanisms
2. Conduct and analysis of qualitative and quantitative study designs

SHORTLISTING CRITERIA

Criteria	Weight (%)
Expertise	40
Experience	40
Current capacity	20
Total	100

TECHNICAL EVALUATION CRITERIA

Criteria	Weight (%)
Consistency with objectives	35
Methodology	30
Timeline	10
Qualification	20
References	5
Total	100

Approved by:

LEMUEL T. UNTALAN
Senior Manager
Corporate Planning Department
Philippine Health Insurance Corporation

Noted by:

MERLITA C. OPEÑA
Chief Science Research Specialist
Research Information, Communication & Utilization Division
Philippine Council for Health Research and Development
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