



TERMS OF REFERENCE (TOR)

<p>I. Proponent Office</p>	<p>Fact-Finding Investigation and Enforcement Department (FFIED)</p>
<p>II. Title of the Study</p>	<p>Potential Fraud Index on Claims for years 2019-2020</p>
<p>III. Background & Rationale</p>	<p>Health care fraud is rampant worldwide – and the Philippines is no exception. This type of fraud threatens to undermine the financial viability and financial risk protection enshrined in the NHIP and the Universal Health Care Law by increasing the cost of delivering health care benefits to PhilHealth members. Healthcare fraud reduces the allocation of medically necessary benefits that should be enjoyed by patients and exposes them to unnecessary risk with unwarranted medical admissions and procedures.</p> <p>Efforts to curb health care fraud are being undertaken by PhilHealth, in 2018 alone PhilHealth filed about 5,000 cases with its Prosecution Department against health care institutions and professionals.¹ These cases were investigated and prosecuted accordingly. PhilHealth castigated 71 hospitals across the nation due to breach in accreditation, misconduct, and other grounds that warrant such punishment.</p> <p>A 2007 study by Hsiao and Shaw² documented the suspicion that “between 10 and 20 percent of claims are fraudulent.” A separate study by the University of Portsmouth’s Centre for Counter Fraud Studies pegged the global average health care fraud rate at 6.19%.³ Applying this data, it can be estimated that of the Php 121 billion that PhilHealth has made in benefits payments for 2018,⁴ Php 12.1 billion may have been made to fraudulent claims following the most conservative estimate of 10%.</p> <p>In order to strengthen the current fraud control program, approximating the prevalence of fraud is a vital step, as this will allow an evidence-based and targeted approach in deploying programs to ensure that the Corporation’s limited resources are utilized effectively and efficiently in combating health care fraud. Furthermore, establishing the baseline prevalence of fraud will enable empirical evaluations on the impact of existing and prospective fraud reduction programs. Finally, this exercise will reinforce the credibility of the PhilHealth with legislators and consumers, as it sends the message that it is addressing this issue and may be the first step in solidifying the foundation for stronger health care fraud detection and prosecution legislation in PhilHealth.</p>

¹ PhilHealth hunts down fraud; secures UHC's future, March 14, 2019, retrieved from https://www.philhealth.gov.ph/news/2019/hunts_fraud_php#gsc.tab=0

² Hsiao, William C and R Paul Shaw. *Social Health Insurance for Developing Nations*. (2007)

³ Gee, J and M Button. *The financial cost of healthcare fraud 2015: what data around the world shows*. University of Portsmouth Centre for Counter Fraud Studies and PKF Littlejohn LLP. (2015)

⁴ Philippine Health Insurance Corporation 2018. 2018 Stats & Charts. Retrieved from https://www.philhealth.gov.ph/about_us/statscharts/snc2018.pdf





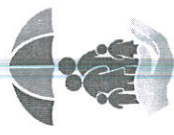
	<p>For the purposes of this study, the researchers shall focus on fraudulent claims by health care institutions, professionals and by beneficiaries.</p>
<p>VI. Objectives</p>	<p>Major Objectives:</p> <ul style="list-style-type: none"> • To determine the extent of fraud in payments made by PhilHealth for benefit claims. • To track and analyze the state of fraudulent claims for the year 2019 – 2020. <p>Specific Objectives:</p> <ul style="list-style-type: none"> • To develop the Fraud index of PhilHealth for 2019-2020 • To provide an estimate of financial losses incurred by PhilHealth based on claims identified to be potentially fraudulent • To identify the indicators of healthcare fraud. • To identify a subset/type of Healthcare Institutions and Providers that are more likely to have committed fraud. • To identify the strengths and weakness of PhilHealths Anti-Fraud Policy • To recommend process improvements and policy changes to effectively scale up the project.
<p>V. Scope of Work</p>	<p>The principal researcher shall be responsible for the following:</p> <ol style="list-style-type: none"> 1. Submit a full proposal including budget requirement for research, not exceeding P5 million; 2. Conduct a review of related literature on health care fraud. Including international publications, PhilHealth and Department of Health issuances from 2015 to 2020, the Universal Health Care Act, the Revised Implementing Rules and Regulations of 2013 and 2016, civil law materials governing fraud, and other documents pertinent to health care fraud; 3. Assess the factors contributory to the commission of health care fraud from select benefits claims that have been identified by PhilHealth to be fraudulent or potentially fraudulent, based on best industry practices and review of related literature; 4. Conduct data gathering activities, which may include domiciliary visits, interviews with health care personnel and patients and review of medical records, as needed to provide a detailed picture of the circumstances surrounding the fraudulent claims; 5. Provide regular updates to PhilHealth and Philippine Council for Health Research Development (PCHRD) on the status of the study; 6. Present project findings, excluding individually identifiable health information





	<p>for patients and for hospitals, in meetings and other fora upon the request of PCHRD and PhilHealth;</p> <p>7. Submit all required reports and deliverables.</p>
<p>VI. Methodology</p>	<p>1. Literature review, including analysis of PhilHealth operational processes</p> <p>Evaluate the current system through thorough review of related literature, including the existing legal framework and potential legislation. This will also aid in the identification of the best practices to identify fraud and/or potential fraud. Such anti-fraud practices shall be utilized to evaluate the benefit claims in question for this study. Other methods to reveal effective and feasible strategies of fraud detection may include focus group discussions (FGDs) and key informant interviews.</p> <p>The benefit availment process shall be plotted and examined for areas where fraud is highly possible to be committed. Recommendations shall be made on how to improve PhilHealth's fraud resilience. Methods of health care fund recovery shall be explored, taking into account international experience and literature and a legal framework based on current laws and rules.</p> <p>2. Comparative Study of Anti-Fraud mechanisms in other countries with Universal Health Care System such as Canada, Italy and US</p> <p>The researchers shall evaluate health care systems abroad to compare how different universal health care systems operate with respect to its Fraud resiliency and possibly replicate their best practices in our Anti-Fraud policies.</p> <p>3. Descriptive Study - Case reports of select claims identified by PhilHealth to be fraudulent</p> <p>The researchers shall evaluate at least three benefits claims that have been identified by PhilHealth to be fraudulent or potentially fraudulent. The suggested period for inclusion is from January 2019 through December 2020. A review of preliminary documents and other findings supporting the suspicion of fraud, to be furnished by the Legal Sector or the Audit Sector, shall be conducted. This approach will include review of medical records obtained from a health care facility or provider, and key informant interviews with the patient, his/her representative, or health care professionals involved in the patient's care. This approach shall identify the extenuating or</p>





	<p>inciting factors unique to each case and is projected to complement with hard evidence the above mapping of processes susceptible to fraud.</p> <p>4. Data Collection and Analysis</p> <p>Relevant data should be collected from criminal, civil and administrative cases filed by PhilHealth against fraudulent Health Care Providers and Institutions. Pending and decided cases by the Arbitration Department involving fraudulent claims for the period of January 2019 to December 2020 should also be included. Based on these data, the factors involve in the success and failure of pursuing adverse fraudulent claims, the extent of actual financial losses incurred by PhilHealth should be determined based on real, consequential and incidental costs. Using this information, a fraud index for PhilHealth shall be formulated.</p>
<p>VII. Expected Outputs/ Deliverables</p>	<p>The principal researcher shall submit the following deliverables:</p> <ol style="list-style-type: none"> Research Proposal. The Principal Researcher shall prepare a detailed research proposal, inclusive of conceptual framework which will serve as project inception report. Progress Report - Description of progress (technical) including problems encountered; planned activities for the ensuing 4 months. Two (2) reports shall be submitted: <ol style="list-style-type: none"> One month after the startup; One month after completion of data gathering. Draft Manuscript. The Principal Researcher shall prepare and submit a Draft manuscript of the study covering research objectives, methodology, and preliminary result of collected and validated data. 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. Format of final report: <ol style="list-style-type: none"> Background/Rationale Objectives Research Questions/Focus Policy Questions Limitations Significance Literature Review Research/operational Framework





	<p>i. Methodology j. Results and findings k. Conclusion l. Recommendations</p> <p>5. Fraud assessment documents. At least electronic or paper copy of fraud assessment documents of individual claims including, but not limited to, consent forms, data obtained, and analysis should also be submitted.</p> <p>6. Policy Notes. Recommend appropriate policy and program action/improvements based on the findings of the study.</p> <p>Note that the specifications of deliverables and deadlines shall be provided by PCHRD.</p>
<p>VIII. Duration of the Contract</p>	<p>All deliverables shall be submitted within three (3) months from the date of the Memorandum of Agreement was signed.</p>
<p>IX. Project Management</p>	<p>The Principal Researcher shall lead the management of this research project in consultation with Philippine Council for Health Research and Development.</p> <p>A. Reporting Obligation, Notices, and Approval Process</p> <ol style="list-style-type: none"> 1. The Principal Researcher (PR) shall coordinate closely with PCHRD throughout the duration of the engagement. 2. The PR 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 PR 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. <p>B. Responsibilities of the Principal Researcher (PR)</p> <ol style="list-style-type: none"> 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. <p>C. Responsibilities of PCHRD</p> <ol style="list-style-type: none"> 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





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	<p>Department - PhilHealth / Program Manager.</p> <ol style="list-style-type: none"> 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 PR when deemed necessary. 								
<p>X. Propriety Rights/Ownership</p>	<p>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. Results of the study may be published provided that:</p> <ol style="list-style-type: none"> 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. 								
<p>XI. Desired Qualification of Proponent</p>	<p>Type: Individual/Institution</p> <p>The Principal Researcher of the team is required to have the following qualifications:</p> <ul style="list-style-type: none"> • Post-graduate education and training on any of the following: Principal researcher/research team: Degree in Business, Accountancy, Health Economics, Economics, Public Administration, Sociology, Communication Research, and/or Public Health; Certification in Fraud Examination or Auditing desirable; • At least 5 years of experience leading similar or related projects. • Familiarity with public health principles and standards for building regulation and code development <p>Additional key staff may include, but not be limited, to researchers, technical editors, etc. Experience on the following is desirable:</p> <ol style="list-style-type: none"> 1. Health financing 2. Utilization and/or compliance review 3. Conduct and analysis of qualitative and quantitative study design <p>SHORTLISTING CRITERIA</p> <table border="1" data-bbox="1892 87 2049 1173"> <thead> <tr> <th>Criteria</th> <th>Weight (%)</th> </tr> </thead> <tbody> <tr> <td>Expertise</td> <td>50</td> </tr> <tr> <td>Experience</td> <td>25</td> </tr> <tr> <td>Current capacity</td> <td>25</td> </tr> </tbody> </table>	Criteria	Weight (%)	Expertise	50	Experience	25	Current capacity	25
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Expertise	50								
Experience	25								
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Total	100
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TECHNICAL EVALUATION CRITERIA

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

Approved by:

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