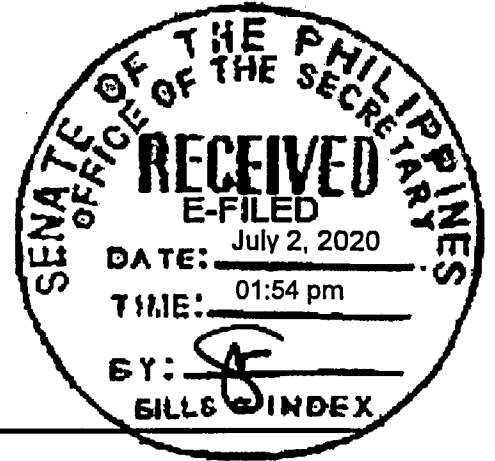


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE

P.S. Res. No. 461

Introduced by SENATOR LEILA M. DE LIMA

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED FAILURE OF THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) TO RELEASE INSURANCE CLAIMS TO ITS ACCREDITED HOSPITALS WHICH MAY RESULT INTO THE CLOSURE OF THE SAID INSTITUTIONS THAT CAN SERIOUSLY AFFECT OUR PUBLIC HEALTH SERVICE DELIVERY AND RESPONSE TO THE COVID-19 PANDEMIC

1 WHEREAS, Article 13, Section 11 of the 1987 Constitution mandates that
2 “[t]he State shall adopt an integrated and comprehensive approach to health
3 development which shall endeavor to make essential goods, health and other social
4 services available to all people at affordable cost. There shall be priority for the needs
5 of the underprivileged sick, elderly, disabled, women, and children. The State shall
6 endeavor to provide free medical care to paupers”;

7 WHEREAS, Article 2, Section 27 of the same provides that “[t]he State shall
8 maintain honesty and integrity in the public service and take positive and effective
9 measures against graft and corruption”;

10 WHEREAS, Republic Act 7875, or the National Health Insurance Act of 1995,
11 Section 14 thereof, created the Philippine Health Insurance Corporation (PhilHealth).
12 Section 16 outlines its powers and functions, one of which it to “*administer the*
13 *National Health Insurance Program*” and “*to formulate and promulgate policies for*
14 *the sound administration of the Program*”;

15 WHEREAS, Section 16 (j) of the same states that one of the powers of the
16 Corporation is to “negotiate and enter into contracts with health care institutions,

1 professionals and other persons, juridical or natural, regarding the pricing, payment
2 mechanisms, design and implementation of administrative and operating systems
3 and procedures, financing, and delivery of health services”;

4 WHEREAS, as early as October 24, 2019, the Private Hospitals Association of
5 the Philippines, Inc. (PHAP) revealed PhilHealth’s failure to settle its financial
6 obligations to its members and notified the government that these hospitals may cut
7 off their PhilHealth accreditation due to unpaid financial obligations of the state’s
8 firm. After the said disclosure, PhilHealth committed to work together with the said
9 group of hospital owners to address this issue;¹

10 WHEREAS, with the recent turn of events, the said organization warned the
11 government that around 300 small private hospitals are “on the verge of closure”
12 citing the reason of continued fear of patients of visiting hospitals, even the non-
13 COVID facilities, coupled with the much delayed payment of reimbursements under
14 the Interim Reimbursement Mechanism (IRM) assistance to healthcare facilities of
15 PhilHealth among other factors;²

16 WHEREAS, news reports revealed that the PhilHealth lost around ₱154 billion
17 due to alleged overpayments and other fraudulent schemes since 2013. PhilHealth
18 President and CEO Ricardo Morales admitted last 19 June 2020 that the said
19 amount has yet to be substantiated and accounted for;³

20 WHEREAS, in June 2019, an investigative report unravelled irregularities in
21 the state’s health insurance firm on alleged “ghost dialysis” scheme in one of
22 PhilHealth’s accredited health facilities, the WellMed Dialysis Center. The NBI said
23 WellMed collected about ₱1.8 million in false claims from PhilHealth in 2019 alone.
24 Despite this unresolved fraud, recent news reports found out that four officials

¹ CNN Philippines (22 October 2019) PhilHealth says unpaid claims 'manageable' Retrieved from:
<https://cnnphilippines.com/news/2019/10/22/philhealth-admits-unpaid-claims.html> Accessed last: 22 June 2020

² Mateo, J. (29 May 2020) Over 300 hospitals on verge of closure. Retrieved from:
<https://www.philstar.com/headlines/2020/05/29/2017323/over-300-hospitals-verge-closure> Accessed last 23
June 2020

³ Aguilar, K. (19 June 2020) PhilHealth’ s P154 billion loss still not found, remains ‘unsubstantiated’ –Morales.
Retrieved from: <https://newsinfo.inquirer.net/1294187/philhealths-p154-billion-loss-still-not-found-remains-unsubstantiated-morales> Accessed lat 23 June 2020

1 tagged in the alleged PhilHealth-WellMed scam were even promoted last 14 May
2 2020;⁴

3 WHEREAS, the capacity of the PhilHealth, as the primary health insurer of
4 the government and as the lead implementer of Republic Act No. 11223, otherwise
5 known as the Universal Health Care Act, to settle health care expenditures and assist
6 public and private hospitals in our health care service delivery is in question,
7 considering the serious issues being raised as to the management of the funds being
8 allocated by the government and contributed by its members;

9 WHEREAS, the financial solvency of PhilHealth is paramount for the
10 meaningful implementation of the National Health Insurance Program and the
11 Government's objective of progressively providing a universal health care for all
12 Filipinos;

13 WHEREAS, the serious allegations of mismanagement and fraud hounding
14 PhilHealth pose serious threats not only to the financial performance and
15 sustainability of the corporation but to its capacity to provide essential health
16 services to the public and to address the health problems posed by the COVID-19
17 pandemic;

18 WHEREAS, it is imperative to determine where and how the funds were spent,
19 as well as address the numerous corruption issues at PhilHealth and exact
20 accountability from its leadership;

21 WHEREAS, it is critical to likewise determine and let the public know, most
22 especially its contributors, the accurate status and financial standing of PhilHealth
23 and its capability to insure and cover basic primary care to health care packages and
24 implement the needed corrective actions to ensure its crucial role and responsibility
25 to provide health insurance coverage and help the country's health care system's
26 response to this pandemic;

27 WHEREAS, due regard must also be given to the plight of hospitals and
28 healthcare professionals who depend on the payment of Philhealth for their

⁴ Yee, J. (20 June 2020) 4 officials tagged in alleged PhilHealth scam get promotion. Retrieved from:
<https://newsinfo.inquirer.net/1294554/4-officials-tagged-in-alleged-philhealth-scam-get-promotion> Accessed
last 23 June 2020

1 livelihood, especially the institutions relied upon by our country to help us through
2 this pandemic;

3 WHEREAS, now, more than ever, we need our hospitals open and operating
4 as we continue to fight COVID-19 as a country;

5 **NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY**
6 **RESOLVED**, to direct the appropriate Senate Committee to conduct an inquiry, in
7 aid of legislation, into the alleged failure of the Philippine Health Insurance
8 Corporation (PhilHealth) to release insurance claims to its accredited hospitals
9 which may result into the closure of the said institutions that can seriously affect our
10 public health service delivery and response to the COVID-19 pandemic.

Adopted,


WEILA M. DE LIMA