

## PHILIPPINE HEALTH INSURANCE CORPORATION

|                   | Component | Objective/Measure                         | Formula  | Weight    | Rating Scale   | Baseline |         |         | Target  |      |
|-------------------|-----------|---|--|-----------|--|----------|---------|---------|---|------|
|                   |           |   |  |           |  | 2013     | 2014    | 2015    | 2016  | 2017 |
| SOCIAL IMPACT     | SO 1      | Improved Health Financial Risk Protection |  |           |  |          |         |         |   |      |
|                   | SM1       | Support Value <sup>1</sup>                | Average PhilHealth benefit payment / Average actual hospitalization expenses | 5%        | Above 33.75%= Actual / Target x Weight<br><br>Below 33.75%= 0% | No data  | No data | No data | Average of Ward Accommodation: Baseline+ [(60% - Baseline) / 5 years]               | 35%  |
|                   |           | <b>Sub-total</b>                          |  | <b>5%</b> |  |          |         |         |   |      |
|                   |           |   |  |           |  |          |         |         |   |      |
| DELIGHTED CLIENTS | SO 2      | Total Client Experience                   |  |           |  |          |         |         |   |      |
|                   | SM 2      | Client Satisfaction Rating                | Net Satisfaction Rating  | 7%        | All or Nothing   | +78      | +74     | +80     | Excellent (If 2015 < "+80", target is "≥+80" If 2015 is "≥+80", target is 2015 + 2) | 80%  |
|                   | SM 3      | Coverage Rate                             | Total number of PhilHealth Eligible Beneficiaries / Total Population         | 10%       | Actual / Target x Weight                                       | 67%      | 86.6%   | 92%     | ≥ 95%   | 100% |

<sup>1</sup> The survey will be conducted by a third-party

| Component   |   |   |            |   | Baseline |         |         | Target                                      |                    |
|-------------|---|---|------------|---|----------|---------|---------|---|--------------------|
|             | Objective/Measure   | Formula   | Weight     | Rating Scale  | 2013     | 2014    | 2015    | 2016  | 2017               |
| SM 4        | Availment Rate <sup>2</sup>   | Actual accomplishment based on the result of the Third-Party Survey   | 0%         | N/A   | No data  | No data | No data | No data                                     | Establish Baseline |
| <b>SO 3</b> | <b>Responsive Benefits</b>  |   |            |   |          |         |         |   |                    |
| SM 5        | Percentage of NHTS-PR <sup>3</sup> Beneficiaries Profiled by a PCB provider | Number of NHTS-PR beneficiaries profiled / Total number of beneficiaries under NHTS-PR list                 | 5%         | Above 40%:<br>5%<br>30% to 40%:<br>3%<br>Below 30%:<br>0% | No data  | No data | No data | 90%<br>(Based on NHTS list as of July 2011) | Above 40%          |
| SM 6        | Percentage of Indigent with ZERO Out-of-Pocket (OOP) expense <sup>4</sup>   | Number of indigent members with zero OOP / Total number of indigent members who availed PhilHealth benefits | 5%         | All or nothing  | No data  | No data | No data | No data                                     | Establish baseline |
|             | <b>Sub-total</b>  |   | <b>27%</b> |   |          |         |         |   |                    |

<sup>2</sup> Disaggregated Third Party Survey between Segments with special focus on the poor

<sup>3</sup> Based on DSWD NHTS-PR list as of 31 December 2016

<sup>4</sup> The survey will be conducted by a third-party

|                            | Component         |   |  |              | Baseline  |         |         | Target  |               |   |
|----------------------------|-------------------|---|--|--------------|---|---------|---------|---------|---------------|---|
|                            | Objective/Measure | Formula   | Weight   | Rating Scale | 2013  | 2014    | 2015    | 2016    | 2017          |   |
| <b>SUSTAINABLE FUND</b>    | <b>SO 4</b>       | <b>Revenue Generated</b>  |  |              |   |         |         |         |               |   |
|                            | SM 7              | Benefit Expense to Premium Income Ratio   | Benefit Expense / Premium Income   | 5%           | [100%-(Actual-Target)/Target] x Weight                            | No data | No data | No data | No data       | 1.04:1.00 (104%)  |
|                            | SM 8              | Collection Efficiency Rate <sup>5</sup>   | Actual collection / Potential collection <sup>6</sup>                                  | 5%           | Actual/Target x Weight  | 66%     | 65%     | 68%     | ≥ 80%         | ≥ 95%   |
|                            | <b>SO 5</b>       | <b>Assets Optimized</b>   |  |              |   |         |         |         |               |   |
|                            | SM 9              | Investment Yield  | Average Philippine Dealing System Treasury Reference Rate for all maturities (PDST R2) | 5%           | Equal to PDST R2 rate or higher: 5%<br><br>Below PDST R2 rate: 0% | 5.493%  | 4.871%  | 5.050%  | PDST R2 + 0.5 | Equal to the 1-year PDST R2 or higher   |
|                            | <b>Sub-total</b>  |   | <b>15%</b>   |              |   |         |         |         |               |   |
| <b>EXCELLENT PROCESSES</b> | <b>SO 6</b>       | <b>Boost innovation in Research, Policy and Process</b>                                   |  |              |   |         |         |         |               |   |
|                            | SM 10             | Costing Framework developed and policy for case rates for priority conditions implemented | Actual Accomplishment  | 10%          | All or Nothing  | No data | No data | No data | No data       | Board-approved revised case rates policy and costing framework for the 48 priority conditions |

<sup>5</sup> All member categories, except those subsidized by the national government, indigent, lifetime and senior citizens

<sup>6</sup> Based on the latest Actuarial Valuation Study of PhilHealth

| Component |  |   |        |                | Baseline  |                              |  | Target   |  |
|-----------|--|---|--------|----------------|-----------|------------------------------|--|--|--|
|           | Objective/Measure                                      | Formula   | Weight | Rating Scale   | 2013      | 2014                         | 2015   | 2016   | 2017   |
| SM 11     | ISO Certification                                      | Actual Accomplishment   | 6%     | All or Nothing | N/A       | Core Process, 1 PRO & 1 LHIO | Conduct of Management Review for Regional Offices (Post-IQA) | ISO Certification of all PROs with 1 LHIO also certified per PRO | Certificate of readiness for transition to ISO 9001:2015 from Third Party <sup>7</sup> |
| SO 7      | <b>Ensure Operational Effectiveness and Efficiency</b> |   |        |                |           |                              |  |  |  |
| SM 12     | Turn-around time of claims processing <sup>8</sup>     | Total number of days to process claims paid / Total number of claims paid | 5%     | All or Nothing | 39.5 days | 39 days                      | 31 days  | ≤ 30 days  | 60 working days <sup>9</sup>   |
| SM 13     | Potential Fraud Incidence Rate <sup>10</sup>           | Actual Accomplishment   | 10%    | All or nothing | No data   | No data                      | No data  | No data  | Establish Baseline   |

<sup>7</sup> For all processes, PhilHealth Regional Offices and Local Health Insurance Offices

<sup>8</sup> From receipt of claims to payroll/certificate generation for ACPS

<sup>9</sup> As stipulated in Republic Act No. 10606 Sec. 35 "Reimbursement and Period to File Claims"

<sup>10</sup> The survey will be conducted by a third-party

|       |   | Component  |            |                        |         | Baseline |  |               | Target  |  |
|-------|---|--|------------|------------------------|---------|----------|--|---------------|---|--|
|       | Objective/Measure   | Formula  | Weight     | Rating Scale           | 2013    | 2014     | 2015                                       | 2016          | 2017  |  |
| SM 14 | Turn-around time on the filing of cases against erring providers <sup>11</sup>      | Total number of days to file all cases / Total number of cases filed       | 5%         | Actual/Target x Weight | No data | No data  | No data                                    | No data       | 120 working days                              |  |
| SM 15 | Turn-around time for the resolution of cases against erring providers <sup>12</sup> | Total number of days to resolve all cases / Total number of cases received | 5%         | Actual/Target x Weight | No data | No data  | No data                                    | No data       | 90 working days                               |  |
| SO 8  | <b>Strengthen Stakeholder Relations</b>   |  |            |                        |         |          |  |               |   |  |
| SM 16 | Awareness Level Rating (Classes D and E)  | Actual Accomplishment  | 7%         | All or Nothing         | No data | No data  | Establish Baseline (At Least Satisfactory) | Baseline + 5% | Greater than or Equal to 90% in Class D and E |  |
|       | <b>Sub-total</b>  |  | <b>48%</b> |                        |         |          |  |               |   |  |

<sup>11</sup> From receipt of Fact Finding Investigation Report (FFIR) by FFIED and receipt of the last pleading to filing of complaint by Prosecution Department to Arbitration Office

<sup>12</sup> From receipt of last pleading by Arbitration Office to its case resolution

|                          | Component         |   |   |              | Baseline                 |         |         | Target  |                                     |  |
|--------------------------|-------------------|---|---|--------------|--------------------------|---------|---------|---------|-------------------------------------|--|
|                          | Objective/Measure | Formula   | Weight  | Rating Scale | 2013                     | 2014    | 2015    | 2016    | 2017                                |  |
| <b>STRONG FOUNDATION</b> | <b>SO 9</b>       | <b>Ensure Organizational Alignment and Workforce Engagement</b> |   |              |                          |         |         |         |                                     |  |
|                          | SM 17             | Improve Competency Level of the Organization                    | Number of employees with at least intermediate proficiency for all core and cross business process competencies / Total number of employees with novice proficiency for at least 1 core and cross business process competencies | 5%           | Actual / Target x Weight | No data | No data | No data | Establish baseline competency level | 60% of employees with novice proficiency for at least 1 core and cross business process competencies should improve to at least intermediate proficiency <sup>13</sup> |
|                          |                   | <b>Sub-total</b>  |   | <b>5%</b>    |                          |         |         |         |                                     |  |
|                          |                   | <b>TOTAL</b>  |   | <b>100%</b>  |                          |         |         |         |                                     |  |

<sup>13</sup> In a letter dated 20 October 2017, PhilHealth requested for the revision of the target of the success measure on Competency Index from "baseline +2" to "60% of employees scored at least Intermediate (core and cross business process area)".