Performance Audit of the National Health Insurance Program

WGEPPP Forum

September 26, 2022
Bern, Switzerland

Background

NHIP – aims to provide health insurance coverage and ensure access to cost effective and quality health care for all Filipinos

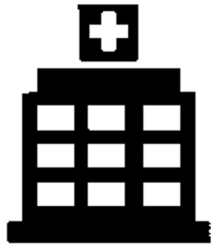
- Contributions direct from workers in the government and private entities
- Indirect contributions from the government for poor families, elders and PWDs

All Case Rate Payment Scheme

Philhealth

Benefit Schedule - List of covered Illnesses and the corresponding fixed coverage.

- Fixed amount of reimbursement per illness regardless of actual cost of treatment
- To improve the efficiency of the delivery of medical services provided by the HCIs



Patient visits accredited Hospitals for treatment.

Philhealth-accredited doctor identifies the illness and treats the patient.

Hospital computes the bill. If the illness is covered, the Case Rate is deducted from the bill.

Patient pays the bill. If the Case Rate is greater than the actual cost, then its free. If not, then there will be an out of pocket expense.

Patient is discharged from the hospital.

Hospital files its claims to Philhealth for reimbursement

Philhealth verifies the claim then pays the Hospital.

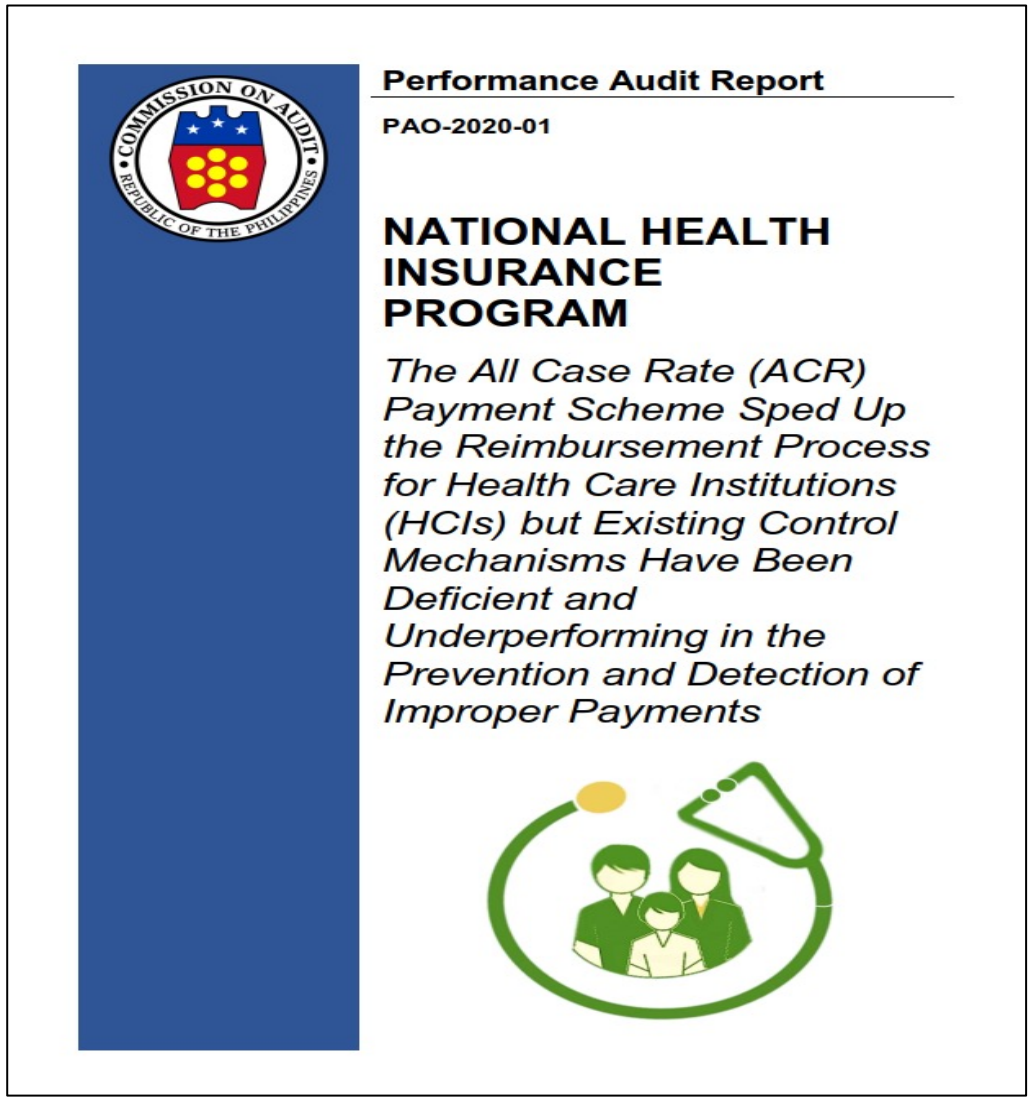
Efficiency Gain

If the Case Rate is <u>greater than</u> the actual costs then the Hospital gets to keep the difference as its efficiency gain

Efficiency Loss

If the Case Rate is <u>lesser than</u> the actual costs then the Hospital incurs an efficiency loss

Results of the Audit



Copy of the full report at COA website:
www.coa.gov.ph

The turn-around time for Hospital Reimbursements was reduced from

55 days to **19** days

Code	Description	Case Rates
C. Inpatient Management/Care		
C19IP1	Mild pneumonia in the elderly or with comorbidities	43,997.00
C19IP2	Moderate pneumonia	143,267.00
C19IP3	Severe pneumonia	333,519.00
C19IP4	Critical pneumonia	786,384.00

Scenario: critical pneumonia

₱786,384.00

Case Rate for Critical Pneumonia

₱600,000

Actual Costs

₱186,384

Since the case rate is higher than the actual costs, the hospital gets to keep the difference as efficiency gains

From 2014 -2020

Total Claims:	**61.25** Million
Total Amount Involved:	**₱665.28** Billion
Efficiency Gains:	**₱41.91** Billion
Excluded claims due to Data integrity issues:	**29.04** Million

Existing control mechanisms:

- Medical Pre-payment Review (MPR), Medical Post-Audit Review (MPAR) and Payment Benefit Notice (PBN)

- Insufficient manpower and lack of strategies to mitigate effects of deficiencies in the design and performance of controls

- Only 29% (252K/879K) review of target claims for MPR
- Only 19 % (3.2M/16.48M) post audit of target claims for MPAR
- Low awareness on PBN

Main recommendations:

- conduct the mandated annual review of the case rates to ensure that the amount of efficiency gains is within reasonable level.

- Revisit and revise policy by taking into consideration the option of adopting the reimbursement of claims to HCIs based on whichever is lower between the case rate and the actual cost of health intervention

- Address deficiencies in the control design and ensure controls are working effectively in the existing controls

- Formulate sampling plan for the efficient review and post audit of claims

Methods Used in the Audit

- Use of big data analysis and information technology resources
- Administration of online survey questionnaires
- Online interview and meeting
- Desk review

Use of big data analysis and information technology resources

- Enabled the audit team to synthesize large amounts of data (more than 61 million claims in the database) and with fragmented information systems and data bases

- Creation of multi-disciplinary performance audit team to include Information Technology (IT) Auditors

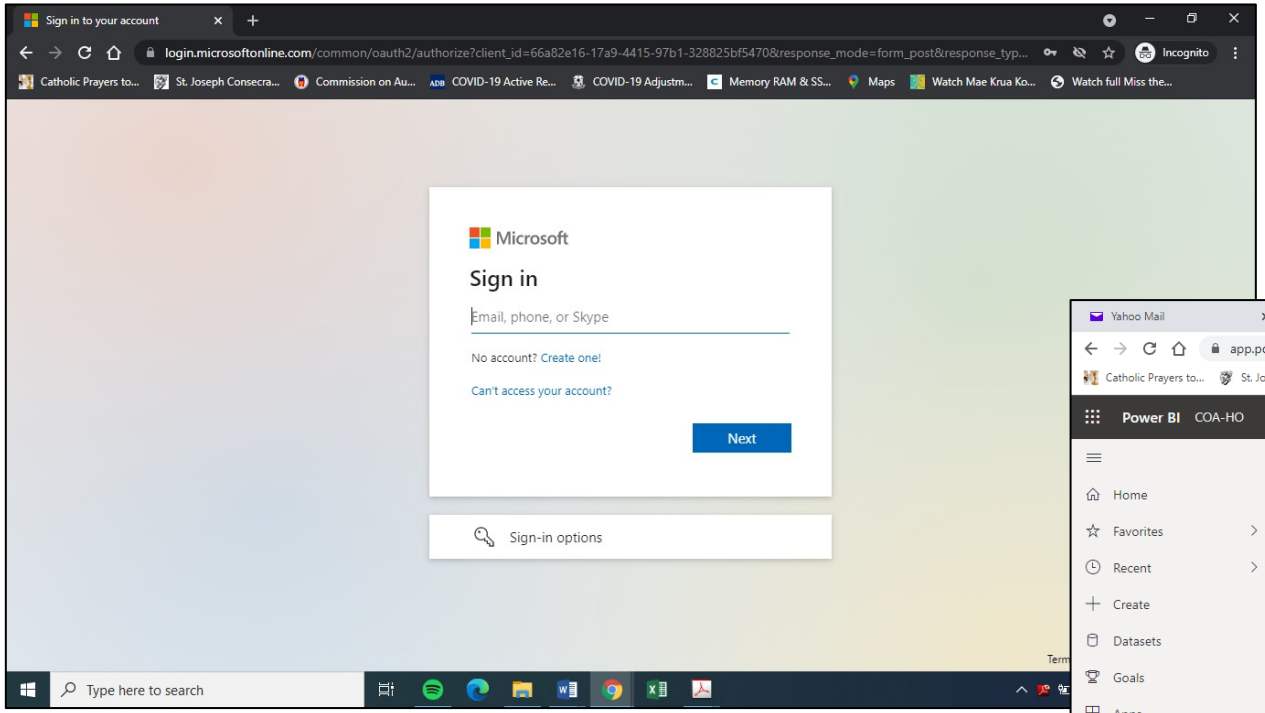
- Remote access to the information system and database during work from home because of lockdown due to COVID-19

Use of big data analysis and information technology resources

- IT auditors performed system evaluation and used SQL for data extraction and analysis from different databases

- IT auditors were able to train/coach the performance auditors on how to extract data using the Microsoft Power BI

    - Longer time to extract data due numerous parameters, large volume of data and slow internet as auditors were working from home
    - Auditors had to limit or modify some parameters to extract data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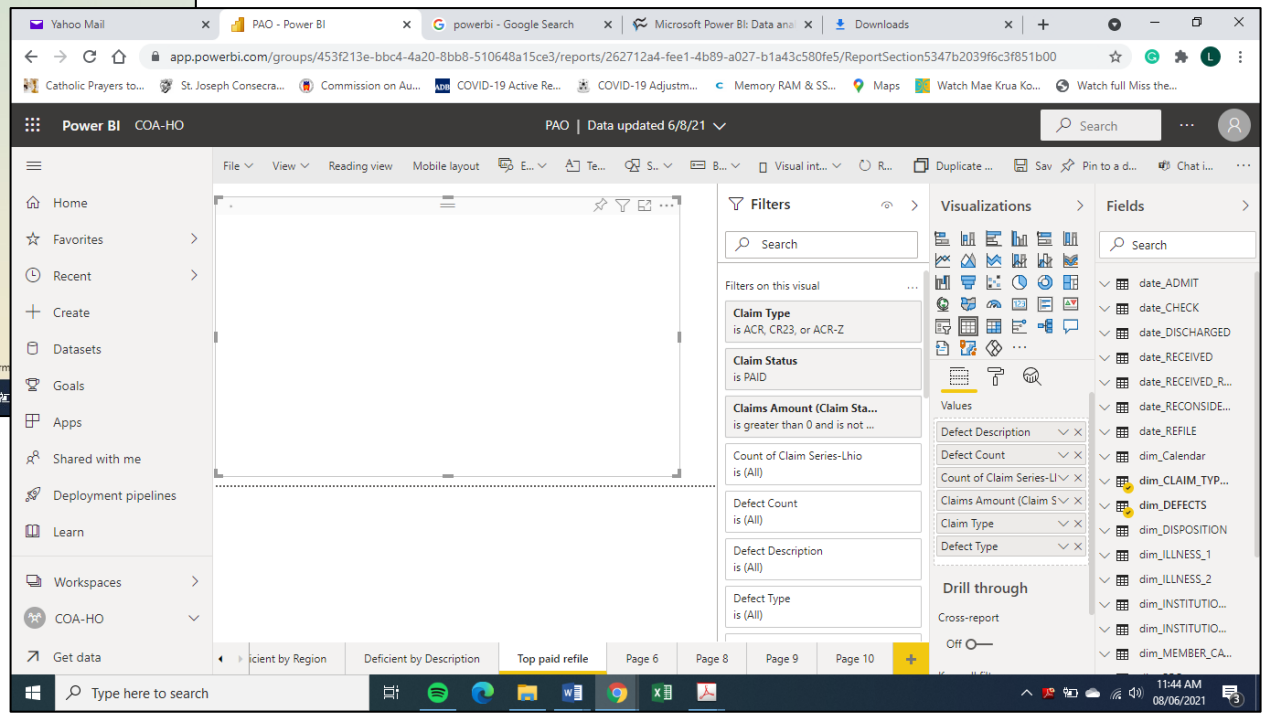
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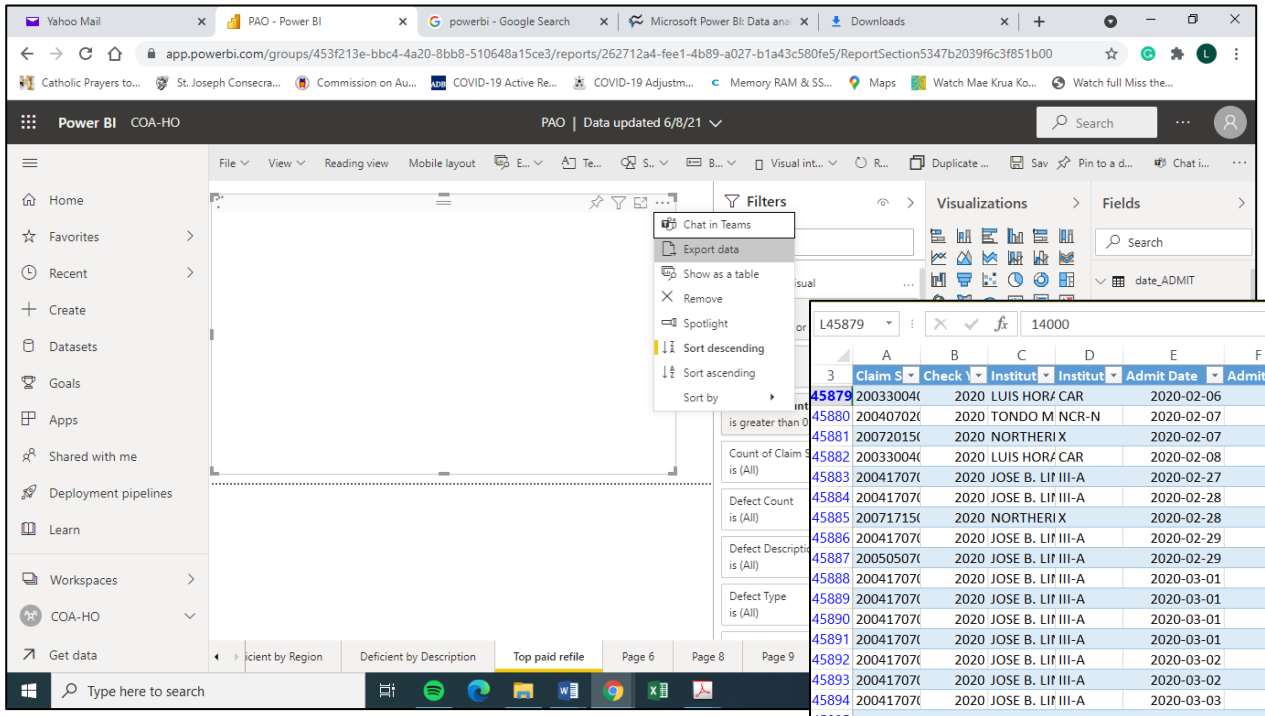

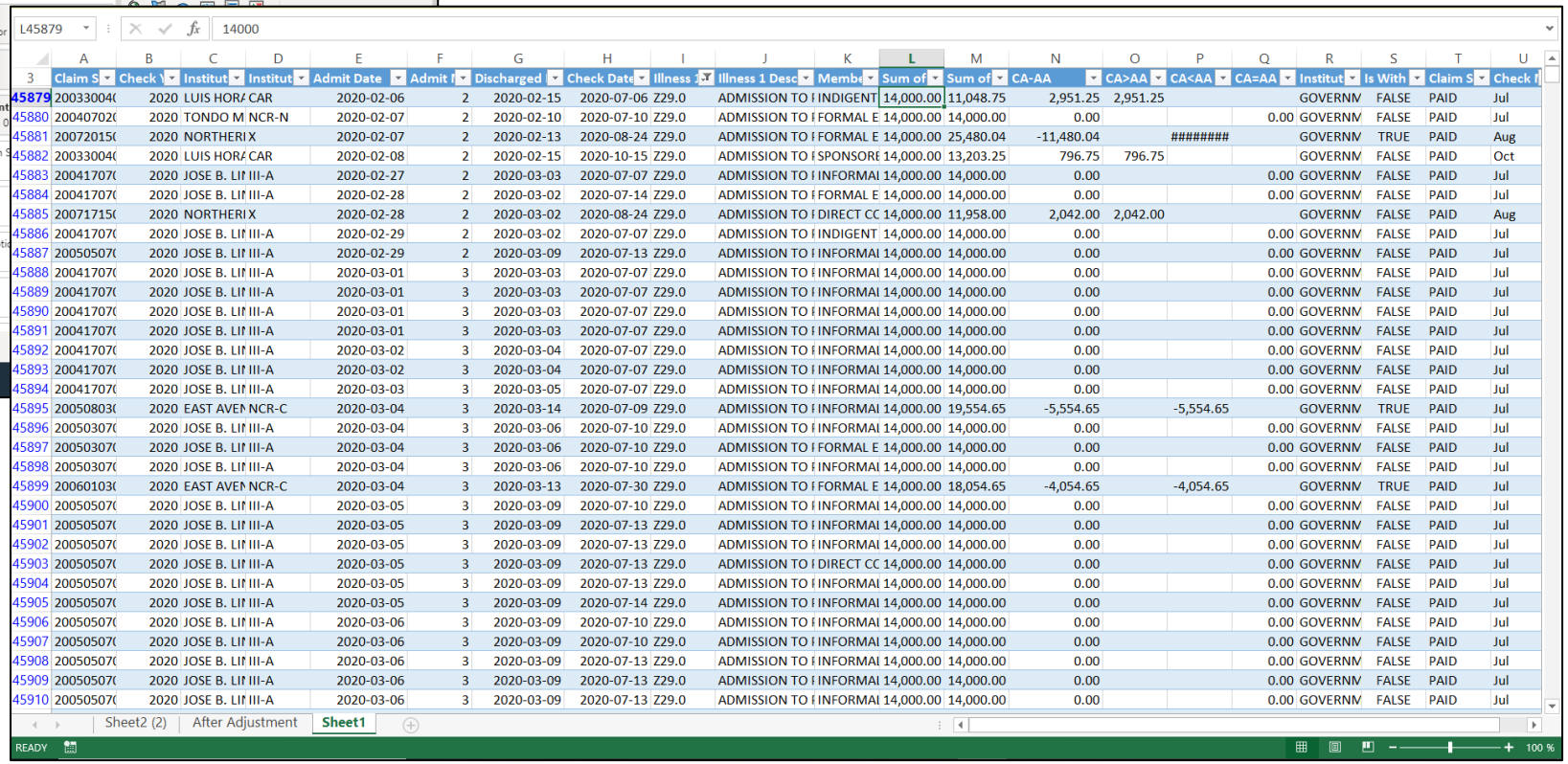

	Claim S	Check	Institut	Institut	Admit Date	Admit	Discharged	Check Date	Illness	Illness 1 Desc	Membe	Sum of	Sum of	CA-AA	CA>AA	CA<AA	CA=AA	Institut	Is With	Claim S	Check
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45881	20072015(	2020	NORTHERI	X	2020-02-07	2	2020-02-13	2020-08-24	Z29.0	ADMISSION TO I	FORMAL E	14,000.00	25,480.04	-11,480.04		########		GOVERNM	TRUE	PAID	Aug
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Use of big data analysis and information technology resources

- The ability to extract specific data sets helped the performance auditors in their analysis and development of audit findings

- Employing big data in public sector auditing in line with 2019 Moscow Declaration to make better use of technological advancement and data analytics in audits

Administer online survey questionnaires

- Survey to gauge the level of awareness HCIs and beneficiaries on the Case Rate Payment Scheme; readiness of HCIs to implement the Scheme; issues encountered in the implementation of Scheme

- To avoid face-to-face interactions due to COVID-19 pandemic

Administer online survey questionnaires

- Low response rates from sample respondents; email addresses and mobile numbers not updated/valid
- Replacement of sample respondents and assistance of audited agency in following up the responses of respondents
- Survey results cannot be used to project the extent of the condition to the whole population

Administer online survey questionnaires

- Administering survey questionnaires in person to obtain responses based on sample size

Thank you!