



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CIRCULAR LETTER

No. 2018 – 3
January 16, 2018

TO : All Heads of Departments, Agencies, Bureaus and Offices of the National Government, including State Universities and Colleges (SUCs), Constitutional Offices, Government-Owned or -Controlled Corporations (GOCCs), Local Government Units (LGUs); and All Others Concerned

SUBJECT : Adjustment in the Employer (Government) Share in the Health Insurance Premium (HIP) Contributions to the Philippine Health Insurance Corporation (PhilHealth)

1.0 Purpose

This Circular is issued to:

- 1.1 Prescribe the guidelines on the adjustment in the employer (government) share in the HIP contributions to the PhilHealth effective January 2018 and onwards; and
- 1.2 Provide information on the PhilHealth's Primary Care Benefits.

2.0 Adjustment in the Employer (Government) Share in the HIP Contributions

- 2.1 The employer (government) share in the HIP contributions to the PhilHealth of all National Government Agencies (NGAs), including SUCs, Constitutional Offices, GOCCs, and LGUs, effective January 2018 and onwards shall be based on *Item IV of PhilHealth Circular No. 2017-0024*¹ dated September 11, 2017.

As indicated in said PhilHealth Circular, the monthly premium contributions shall be at the rate of **2.75%** computed straight based on the monthly basic salary of individual employees, with a salary floor of ₱10,000 and a ceiling of ₱40,000, to be equally shared by the employees and their employer.

¹ Adjustment in the Premium Contribution of the Employed Sector to Sustain the National Health Insurance Program (NHIP)

The computation of the premium contributions shall be based on the following table:

Monthly Basic Salary (MBS)	Adjusted Monthly Premium per Item IV of PhilHealth Circular No. 2017-0024		
	2.75% of MBS ²	Employee Share	Employer Share
₱10,000.00 and below	₱275.00	₱137.50	₱137.50
₱10,001 to ₱39,999.99	₱275.02 to ₱1,099.99	₱137.51 to ₱549.99	₱137.51 to ₱549.99
₱40,000.00 and above	₱1,100.00	₱550.00	₱550.00

- 2.2 Under Republic Act (RA) No. 10964 or the FY 2018 General Appropriations Act (GAA), the funding requirements for the employer (government) share in the HIP contributions of government employees of NGAs concerned are provided through the following:

2.2.1 **Agency Specific Budgets** – The requirements based on existing rates of government contributions to PhilHealth are provided under the agency-specific budgets and included in the comprehensive release of allotments through the GAA as Allotment Order.

2.2.2 **Miscellaneous Personnel Benefits Fund (MPBF)** – The amounts required to adjust the employer (government) share in the HIP contributions *effective January 2018*, which is based on the rates indicated under Section 2.1 of this Circular, are included in the MPBF.

- 2.3 For GOCCs, the amounts required for the adjustment in the employer (government) share in the HIP contributions of government employees shall be charged against their respective approved Corporate Operating Budgets under the Personnel Services expense. GOCCs are prohibited to source the payment for the purpose from the following:

2.3.1 Loans; and

2.3.2 Subsidy from the National Government for the GOCC's operations, except for subsidy income or subsidy given by the Department of Budget and Management for the adjustment of HIP contributions.

- 2.4 For LGUs, they are enjoined to implement the adjusted employer (government) share in the HIP contributions of government employees to the PhilHealth as provided under Section 2.1 of this Circular.

In this regard, all LGUs are likewise enjoined to adopt the appropriate measures in their respective FY 2018 annual budgets and onwards, subject to the provisions of RA No. 7160 or the Local Government Code of 1991, and other existing budgeting rules and regulations.

² If an excess of a centavo will occur when equally sharing the computed monthly premium contributions, the excess centavo shall be deducted from the employee's share.

3.0 Primary Care Benefits

The primary care benefits under the National Health Insurance Program, which are being provided to and availed by certain member-groups, shall be extended to government employees who are PhilHealth members under the Formal Employed Sector. The details of the primary care benefit are described in *Annex A* of this Circular.

4.0 This Circular shall take effect immediately.


BENJAMIN E. DIOKNO
Secretary







Annex A

Primary Care Benefit 1 (PCB1)

The Primary Care Benefit (PCB) 1 program is currently provided to NHTS and Sponsored members, DepEd teaching and non-teaching personnel, Organized Groups and land based OFWs. In 2018, the said benefit is expanded to the Formal Employed sector and Senior Citizens.

The program aims to:

1. Increase the utilization of services included in the Primary Health Care benefits;
3. Encourage PCB providers to promote healthy behavior, prevent diseases and/or associated complications, and facilitate appropriated referral; and
4. Ensure complete and timely reporting of health data for monitoring and performance assessment and evaluation purposes.

The benefit design involves assignment, enlistment and profiling (using Package of Essential Non-communicable (PEN) guidelines) of members and their dependents at Php500.00 per family per year (capitation). Profiling includes provision of basic services laboratory services for Urinary Tract Infection (UTI), Acute Gastroenteritis (AGE), lower and upper respiratory tract infection, and asthma. Drugs/medicines for these conditions are also included in the package.

Capitation payments (or Per Family Payment Rate or PFPR) are paid to the providers on a quarterly basis upon submission of reports with aggregate morbidity data and number of members and non-PHIC members served.

Currently, the providers are accredited Rural Health units/centers and some selected government hospitals. With the expansion of the implementation of PCB1 to the formal employed sector and senior citizens beginning 2018, additional hospitals will be accredited as providers to ensure access. Additional guidelines will be issued by PhilHealth for the expansion of PCB1 to the formal sector (both government and private) and senior citizens.