
OFFICIAL STATEMENT

Updated 12:00 NN of May 27, 2020.

PhilHealth's Interim Reimbursement Mechanism (IRM)

The **Interim Reimbursement Mechanism** or **IRM** is an emergency cash advance measure applied by PhilHealth to provide hospitals with an emergency fund to respond to unanticipated events like natural disaster and calamities.

When the Covid-19 global pandemic was declared in February 2020, and drawing from the modeling forecast available at the time, PhilHealth prepared an IRM response equivalent to 90 days of annual historical benefit claims to be made available to all health care institutions nationwide including dialysis centers and lying in clinics. This requirement was estimated to be P30 Billion.

Since the emergence of the first locally transmitted Covid-19 cases in February, the following pattern has emerged that will require PhilHealth to recalibrate its IRM response:

- **The disease is concentrated only in high population density** areas like the NCR and Regions 3, 4, 7 and 11. Many areas exhibit low or Covid-19-free incidence. PhilHealth's strategy is to provide IRM to all referral hospitals and laboratories in all provinces. This has already been achieved.

- Government's anti-Covid 19 strategy will entail **expanded targeted testing** and subsequent **quarantine** of confirmed individuals. This will require funding which will fall on PhilHealth.
- **Financial sustainability** of the anti-Covid-19 response. With still no vaccine in sight PhilHealth will take the prudent path to ensure that sufficient funds continue to be available to protect all citizens from the severe impact of the pandemic.

To date PhilHealth has released a total of P13.8 Billion to 599 health care institutions nationwide, P7.3 Billion or 53% of which was released to private institutions. Of this, almost P4 Billion or 29.7% was released to NCR, the ground zero of Covid-19.

PhilHealth will now scale down its IRM release and preserve its funds for the anticipated expanded targeted testing required by the national anti-Covid 19 strategy. Further releases will be selective and following above mentioned considerations.

Mabuhay ang PhilHealth! Mabuhay ang Pilipinas!


BGEN. RICARDO C. MORALES, AFP (RET) FICD
President and Chief Executive Officer