

CALL FOR PROPOSALS

Technical Assistance to strengthen the actuarial processes and capacity of the Philippine Health Insurance Corporation (PhilHealth)



World Health Organization

Representative Office
for the Philippines

1. Summary

The World Health Organization (WHO) Philippines is searching for an institutional or individual partner to provide technical assistance to strengthen the actuarial processes and capacity of the Philippine Health Insurance Corporation (PhilHealth).

The objectives of this technical assistance are:

1. To review, validate and improve on the processes, methodologies and assumptions used in actuarial valuation reports (AVR)
2. To develop/refine the processes, methodologies and models to come up with the actuarial studies in support of the assumptions being used by the Office of the Actuary for the AVR, for product development, that are in compliance to Philippine Financial Reporting Standards: expense analysis, asset-liability matching, mortality study, morbidity study, persistency study, salary increase study, and inflation study.
3. To formulate and implement a training programme for PhilHealth actuarial staff to strengthen their capacity to undertake actuarial analysis that is anchored on applying social health insurance principles and functions such as adequate revenue collection, risk pooling and fund management purchasing
4. To develop and conduct a course for PhilHealth offices and selected staff that aims to ensure that they develop an appreciation/understanding of social health insurance principles and functions including the role of actuarial analysis and methodologies
5. To develop a manual for conducting PhilHealth's actuarial analyses and AVRs
6. To identify and implement solutions to improve the current methodology on actuarial valuation to ensure compliance with the Philippine Financial Reporting Standards (PFRS) 4 and working towards future compliance with PFRS 17.

The proposals are due by 10 October 2021.

2. Background

The National Health Insurance Programme (NHIP) was established to provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all Filipinos. To ensure effective administration of the NHIP, RA 7875 (as amended by RAs 9241, 10606 and 11223 (Universal Health Care Law)) has mandated that the Philippine Health Insurance Corporation (PhilHealth) to provide effective stewardship and management of the National Health Insurance Fund in order to obtain the objectives of the NHIP and this includes its sustainability and effective fund management to better serve its members.

The governance of PhilHealth is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness. As the Office of the Actuary plays an important role in ensuring the sustainability of the NHIP by providing recommendations that are evidence-based, timely and relevant as well as compliance with

local and international standards. The current capacity of the Office of the Actuary is very limited, although there is intention to expand capacity; however, at the current time there is an overall need to provide additional capacity to assist the PhilHealth Actuary to not only review current actuarial processes and identify possible improvements but also to assist in carrying out updated actuarial analysis to inform key policy and budget decisions of PhilHealth, as well as a number of specific projects, including such matters as projections, actuarial studies, and preparatory measures to ensure compliance with the new Philippine Financial Reporting Standards (PFRS 17).

3. Timeline

The implementation timeline for the work is from **20 October 2021 to no later than 15 October 2022**, divided into two phases (described under outputs and deliverables).

4. Place of Assignment

Manila, Philippines; aspects of this work may be carried out remotely (and the proposal should clearly indicate what the applicant is proposes in this regard).

5. Scope of Work

Under the supervision of the WHO Country Office in the Philippines, the contractual partner shall undertake the following work in close collaboration with the PhilHealth Office of the Actuary and Senior Vice President for the Actuarial Services and Risk Management Sector:

Outputs and deliverables:

The work will be divided into two phases:

Phase 1: 20 October to 30 December 2021, and

Phase 2: 1 January 2022 to 15 October 2022.

As a minimum, under Phase 1 it is expected that the following deliverables will be achieved:

1.1 and 2.1, and as relevant 1.2 and 1.3.

Output 1: Management deliverables

Deliverable 1.1: Develop an inception report that includes a work plan with a Gantt chart of activities, and a budget (broken down by main deliverables 2.1, 2.2, 2.3, 3.1, 3.2)

Deliverable 1.2: Provide monthly progress reports, summarising progress to date and highlighting any challenges to the deliverables and timelines required by this TOR or as proposed in the inception report. The final monthly report will summarise overall achievements and progress for the duration of the contract and identify any recommendations for the future.

Deliverable 1.3: Submit any required documentation to support processing of payments according to deliverables in the contract and provide a final financial report together with any final technical reports and other required documentation at the end of the contract.

Output 2: Support PhilHealth to strengthen its actuarial processes and methodologies and to undertake Actuarial Valuation Reports (AVR) and related analyses

Deliverable 2.1: Provide a report that assesses the validity of the current processes, methodologies/models and assumptions being used by PhilHealth to produce their Actuarial Valuation Reports (AVRs) and, where relevant, identify improvements/options for improvements that may be considered for these processes, methodologies/models and assumptions including ensuring compliance with Philippine Financial Reporting Standards (PFRS) 4 and working towards future compliance with PFRS 17.

Deliverable 2.2: Develop/refine the processes, methodology and models and produce the following actuarial studies in support of the Office of the Actuary for the AVR, for product development, and in compliance with Philippine Financial Reporting Standards:

- (a) Expense analysis
- (b) Asset-liability monitoring
- (c) Mortality study
- (d) Morbidity study
- (e) Persistency study
- (f) Salary increase study, and
- (g) Inflation study.

Deliverable 2.3: Develop manual(s) for conducting PhilHealth's actuarial analyses and AVRs.

Output 3: Capacity-building programmes for PhilHealth staff

Deliverable 3.1: Formulate and implement a training and mentoring programme for the PhilHealth actuarial staff/team to strengthen their capacity to undertake actuarial analysis, anchored on applying social health insurance principles and functions such as adequate revenue collection, risk pooling and fund management purchasing. Where specific training is carried out, an after-training report should be completed.

Deliverable 3.2: Develop and conduct a course for PhilHealth offices and selected staff that aims to ensure that they develop an appreciation/understanding of social health insurance principles and functions including the role of actuarial analysis and methodologies

Method(s) to carry out the activities:

- For an institutional contractor, form a team of qualified and competent individuals with defined roles and tasks as appropriate to fulfil the objectives and deliverables
- Perform a review of current processes methodologies/models and processes through review of relevant documents and discussions with current PhilHealth staff
- Work with and coach PhilHealth staff to build their capacity and undertake the relevant analyses
- Schedule/attend meetings as may be necessary in order to have regular discussions on the progress of the project and submit periodic reports
- Write up the relevant reports, providing drafts for review before finalising
- Present final deliverables to WHO and PhilHealth management.

6. Qualifications and experience

The team lead for an institutional contractor or the individual contractor must fulfil the following qualifications and experience:

Education and Certifications

- Master's degree in Actuarial science or a certified actuarial fellow.

Work Experience

- At least ten years of relevant work experience gained in a national social security institution, or a national actuary office or a large health insurance company, gained in at least three developing countries including at least five years outside the Philippines.
- At least 3 years working in a senior position as an actuary at the national level or providing technical assistance to a national actuary's office
- Leadership and coaching experience
- Experience of having worked in this field in Asia would be an advantage, as would familiarity/knowledge with Philippine Financial Reporting Standards 4 and 17.

Team qualifications and experience for institutional contractor

- The team proposed possess relevant qualifications and have demonstrable experience for this work.

Language

- The individual contractor or team leader and all team members for an institutional contractor must have excellent English communication skills (writing and speaking).

7. Contract Time

The work to be done under this contract shall be to provide Technical Assistance to strengthen the actuarial processes and capacity of the Philippine Health Insurance Corporation (PhilHealth) as set out in the Terms of Reference. The contract will be completed in not more than 12 months from the commencement of the Work, or otherwise as agreed in writing among the Owner and the Contractor. The work shall be done in strict compliance with the Contract, Specifications, Schedules, and all other Contract documents and all Instructions. Failure to do so shall be at the Contractor's risk and account.

Submission of Bid by the Contractor shall constitute acknowledgement by the Contractor that it is aware of and concurs with all of the requirements or conditions incorporated in the Call for Proposal and the other documents.

As time is an essential element of this Contract, for failure to complete all work within the stipulated as set out in the Terms of Reference, the Owner shall charge the Contractor liquidated damages. This shall be in the amount the sum of 0.5% of the total contract amount per day (Saturdays, Sundays and holidays are included) but not to exceed on total 10% (ten percent) of the contract amount. These liquidated damages shall be for the added cost incurred by the Owner for such delay and also for the inconvenience caused to the users of the Work. It is understood that this is not a penalty but a fixed sum representing the liquidated damages for each calendar day of the delay. Delay shall be counted from the agreed completion date, considering further time extensions approved by the Owner, to the date of completion of work.

8. Other Requirements

The contractor (in the case of an institutional contractor this includes both the institution and any individuals engaged on this work) shall have no direct or indirect involvement or interest, in any form, in arms dealing, drugs, alcohol industry, tobacco industry or human trafficking. The contractor and personnel involved in this work shall have no conflicts of interest in relation to the work being undertaken.

Two contracts will be issued relating to the two phases of work. Issuance of the second contract for the second phase will depend on satisfactory performance of the phase 1 contract and is subject to the availability of funding.

9. Submission Requirements

Interested institutions and/or individuals should submit electronic copies of the following:

- Cover letter
- Proposal with financial details, broken down by the two phases and deliverables and proposed timeline
- Company profile and qualifications/CVs of team members or CV of individual contractor

Address all cover letters and proposals to:

Dr Rabindra Abeyasinghe

WHO Representative to the Philippines

Ground Floor, Building 3, Department of Health San Lazaro Compound

Rizal Avenue, Sta Cruz, Manila

Please submit the electronic copy of the proposals with the title “**Technical Assistance to strengthen the actuarial processes and capacity of the Philippine Health Insurance Corporation (PhilHealth)**” to Mrs Ying Chen (cheny@who.int) and to wpphlwr@who.int. Only shortlisted applicants will be contacted by WHO Philippines.

Deadline of submission of proposals is on **10 October 2021**.