

FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

SENATE

S. B. No. 2714



Senate  
Office of the Secretary

'11 FEB 23 P4:09

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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#### EXPLANATORY NOTE

The right to medical care is one of the fundamental rights of every human being. It is the policy of the State to "adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all people at affordable costs." Consequently, Republic Act No. 7875, otherwise known as National Health Insurance Act of 1995 was enacted to "provide health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines". Unfortunately, fifteen years after the passage of RA No. 7875, access to health care remains to be a problem particularly for the poor and underprivileged.

This bill amends specific provisions of RA 7875 in order to provide a definite targeting strategy in identifying the poorest forty percent (40%) of the Filipino population through the use of a means test set by the national government. This targeting strategy will allow the national government to effectively use funds to provide said indigent beneficiaries with health insurance coverage. Thus, contributions for the poorest twenty percent (20%) of the population shall be subsidized entirely by the national government. The contributions for the next poorest twenty percent (20%) of the population shall be subsidized entirely by the local government units or by cost sharing mechanism between the LGU and the private sector.

This comprehensive approach to health and human development deviates from the practice of treating public health as just another area of political patronage. Instead, it recognizes the advancement and protection of public health particularly of the poorest of the poor as a key measure of governance. Lastly, by strengthening the powers and functions of the Philippine Health Insurance Corporation, we shall be better equipped at achieving our goal of universal health care coverage.

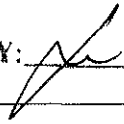
Foregoing considered, the approval of this bill is hereby requested.

  
RALPH G. RECTO

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AN ACT  
PROVIDING A DEFINITE TARGETING STRATEGY IN IDENTIFYING THE POOR,  
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7875, OTHERWISE KNOWN  
AS "THE NATIONAL HEALTH INSURANCE ACT OF 1995", AS AMENDED, AND  
FOR OTHER PURPOSES

*Be it enacted by the Senate and the House of Representative of the Philippines in  
Congress assembled:*

1           **SECTION 1.** Sec. 4, Article II of Republic Act No. 7875, is hereby further amended by  
2 inserting a new paragraph after paragraph 11), to read as follows:

3                   "SEC. 4. *Definition of Terms.* – For the Purpose of this Act, the following terms  
4 shall be defined as follows:

5                   " x x x

6                   "11) x x x

7                   **MM) INFORMAL SECTOR – REFERS TO THAT SECTOR**  
8 **CONSISTING OF ECONOMIC UNITS ENGAGED IN THE PRODUCTION OF**  
9 **GOODS AND SERVICES WITH THE PRIMARY OBJECTIVE OF**  
10 **GENERATING EMPLOYMENT AND INCOMES TO THE PERSONS**  
11 **CONCERNED, INCLUDING HOUSEHOLD UNINCORPORATED**  
12 **ENTERPRISES THAT ARE MARKET AND NON-MARKET PRODUCERS OF**  
13 **GOODS AS WELL AS MARKET PRODUCERS OF SERVICES. TO THIS**  
14 **SECTOR BELONG, AMONG OTHERS, STREET HAWKERS, MARKET**  
15 **VENDORS, PEDICAB AND TRICYCLE DRIVERS, SMALL CONSTRUCTION**  
16 **WORKERS AND HOME-BASED INDUSTRIES AND SERVICES."**

17 **SEC. 2.** Section 16 of the same Act is hereby further amended to read as follows:

18                   "Sec. 16. *Powers and Functions.* – The Corporation shall have the following  
19 powers and functions:

20                   " x x x

21                   "p) to keep records of the operations of the Corporation and investments of the  
22 National Health Insurance Fund; [and]

23                   "Q) TO VISIT, ENTER AND INSPECT FACILITIES OF HEALTH CARE  
24 PROVIDERS AND EMPLOYERS AND TO SECURE COPIES OF THEIR

1 MEDICAL AND FINANCIAL RECORDS AS WELL AS THAT OF THEIR  
2 PATIENTS OR EMPLOYEES, WHERE APPLICABLE, WHO ARE  
3 BENEFICIARIES OR MEMBERS OF THE PROGRAM;

4 "R) TO ENTER INTO AGREEMENTS WITH NATIONAL AGENCIES  
5 AND LOCAL GOVERNMENTS TO REQUIRE PROOF OF PHILHEALTH  
6 MEMBERSHIP BEFORE TRANSACTING WITH PRIVATE INDIVIDUALS OR  
7 GROUPS; AND

8 [q] S) to perform such other acts as it may deem appropriate for the attainment  
9 of the objectives of the Corporation and for the proper enforcement of the provisions of  
10 this Act."

11 SEC. 3. Section 18 of the same Act, is hereby amended to read as follows:

12 "Sec. 18. The Board of Directors. – (a) Composition – The Corporation shall be  
13 governed by a Board of Directors hereinafter referred to as the Board, composed of the  
14 following members:

15 The Secretary of Health;

16 The Secretary of Labor and Employment or his representative;

17 [The Secretary of the Interior and Local Government or his Representative]

18 The Secretary of Social Welfare and Development or his representative;

19 The President of the Corporation;

20 A representative of the labor sector;

21 A representative of employers;

22 The SSS Administrator or his representative;

23 The GSIS General Manager or his representative;

24 The Vice chairperson for the basic sector of the National Anti-Poverty Commission or his  
25 representative;

26 A representative of Filipino overseas workers;

27 A representative of the self-employed sector; [and]

28 A representative of health care providers to be endorsed by the national associations of  
29 health care institutions and medical health professionals[.];

30 A REPRESENTATIVE OF THE LEAGUE OF PROVINCES OF THE  
31 PHILIPPINES; AND

32 A REPRESENTATIVE OF THE UNION OF LOCAL AUTHORITIES OF THE  
33 PHILIPPINES.

34 "The Secretary of Health shall be the ex officio Chairperson while the President  
35 of the Corporation shall be the Vice Chairperson of the Board."

36 SEC. 4. Section 28 of the same Act, is hereby amended as follows:

37 "Sec. 28 Contributions. – [All members of the Program shall contribute to the  
38 Fund, in accordance with a reasonable, equitable and progressive contribution schedule to  
39 be determined by the Corporation on the basis of applicable actuarial studies and in

1 accordance with the following guidelines.] **ALL ENROLLED MEMBERS WHO CAN**  
2 **AFFORD TO PAY SHALL CONTRIBUTE TO THE FUND, IN ACCORDANCE**  
3 **WITH A REASONABLE, EQUITABLE AND PROGRESSIVE CONTRIBUTION**  
4 **SCHEDULE.**

5 “a) x x x

6 “b) x x x

7 **“C) CONTRIBUTIONS FROM THE INFORMAL SECTOR SHALL BE BASED**  
8 **PRIMARILY ON HOUSEHOLD EARNINGS AND ASSETS.**

9 “[c)] D) x x x”

10 **SEC. 5.** Section 29 of the same Act is hereby amended to read as follows:

11 “SEC. 29. *Payment for Indigent Contributions.* – [Contributions for indigent members  
12 shall be subsidized partially by the local government unit where the member resides. The  
13 Corporation shall provide counterpart financing equal to the LGU’s subsidy for indigents:  
14 Provided, That in the case of fourth, fifth or sixth class LGU’s, the National Government shall  
15 provide up to ninety percent (90%) of subsidy for indigents for a period not exceeding five (5)  
16 years. The share of the LGU’s shall be progressively increased until such time that its share  
17 becomes equal to that of the National Government.] **CONTRIBUTIONS FOR THE**  
18 **POOREST 20% OF THE POPULATION AS IDENTIFIED BY A MEANS TEST**  
19 **DETERMINED BY THE DEPARTMENT OF HEALTH (DOH) SHALL BE SUBSIDIZED**  
20 **ENTIRELY BY THE NATIONAL GOVERNMENT. ALLOCATION FOR THE**  
21 **ENROLLMENT OF THESE INDIGENTS SHALL BE APPROPRIATED IN THE**  
22 **GENERAL APPROPRIATIONS ACT AS A SEPARATE LINE ITEM IN THE DOH**  
23 **BUDGET AND ADJUSTED ANNUALLY TO COVER FOR PROPORTIONATE**  
24 **CHANGE IN THE NUMBER OF THE POOR BASED ON THE NATIONAL**  
25 **STATISTICS OFFICE POVERTY STATISTICS. THE NEXT POOREST 20% OF THE**  
26 **POPULATION OR THE POOR AS IDENTIFIED BY THE SAME MEANS TEST SHALL**  
27 **BE SUBSIDIZED ENTIRELY BY THE LOCAL GOVERNMENT UNITS OR BY COST**  
28 **SHARING MECHANISMS BETWEEN THE LOCAL GOVERNMENT AND THE**  
29 **PRIVATE SECTOR.**

30 **SEC. 6. *Implementing Rules and Regulations*** – The DOH and the Philippine Health Insurance  
31 Corporation (PhilHealth) shall issue the necessary rules and regulations to implement the provisions of  
32 this Act.

33 **SEC. 7. *Repealing Clause*** – All laws, issuances or any part thereof inconsistent with this Act are  
34 hereby repealed or modified accordingly.

35 **SEC. 8. *Effectivity*** – This Act shall take effect fifteen (15) days after its complete publication in  
36 the Official Gazette or in at least two (2) national newspapers of general circulation.

*Approved,*