

FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



11 MAY 30 P 6:08

SENATE

COMMITTEE REPORT NO. 40

RECEIVED BY

Submitted jointly by the Committees on Health and Demography; Finance; Local Government; Labor, Employment & Human Resources Development; Youth, Women & Family Relations; and Banks, Financial Institutions and Currencies **MAY 30 2011**

Re: Senate Bill No. 2849

Recommending its approval in substitution of Senate Bill Nos. 4, 18, 55, 58, 143, 189, 549, 726, 1012, 1222, 1340, 1971, 2126, 2130, 2140, 2653 and 2714

Sponsors : Senators (P.) Cayetano, Drilon, Marcos, Jr., Estrada and Osmena III

MR. PRESIDENT:

The Committees on Health and Demography; Finance; Local Government; Labor, Employment & Human Resources Development; Youth, Women & Family Relations; and Banks, Financial Institutions and Currencies, to which were referred, Senate Bill No. 4, introduced by Sen. Legarda, entitled:

**AN ACT
TO ENSURE THAT INDIGENT FILIPINOS ARE GRANTED WITH BASIC
HEALTHCARE SERVICES, PROVIDING FOR A UNIVERSAL HEALTHCARE
COVERAGE AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 7875
OTHERWISE KNOWN AS THE NATIONAL HEALTH INSURANCE ACT OF 1995 AS
AMENDED AND FOR OTHER PURPOSES**

Senate Bill No. 18, introduced by Sen. Trillanes IV, Sen. Marcos, Jr. and Sen. (P.) Cayetano, entitled:

**AN ACT
PROVIDING THAT ALL CITIZENS OF THE PHILIPPINES SHALL
AUTOMATICALLY BE ENROLLED IN THE NATIONAL HEALTH INSURANCE
PROGRAM AMENDING FOR THE PURPOSE THE NATIONAL HEALTH
INSURANCE ACT OF 1995**

Senate Bill No. 55, introduced by Sen. Angara and Sen. Recto entitled:

**AN ACT
INSTITUTING MECHANISMS FOR THE ESTABLISHMENT OF A CHILDREN'S
HEALTH INSURANCE PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 7875, OTHERWISE KNOWN AS THE NATIONAL HEALTH INSURANCE
ACT OF 1995**

Senate Bill No. 58, introduced by Sen. Zubiri, entitled:

**AN ACT
TO ENSURE THAT EVERY FILIPINO IS GRANTED WITH BASIC HEALTHCARE
SERVICES, PROVIDING FOR THE PURPOSE A MANDATORY UNIVERSAL
HEALTHCARE COVERAGE, AND FOR OTHER PURPOSES**

Senate Bill No. 143, introduced by Sen. (P.) Cayetano, entitled:

**AN ACT
GRANTING COMPULSORY COVERAGE TO ACCREDITED BARANGAY HEALTH
WORKERS IN THE NATIONAL HEALTH INSURANCE PROGRAM AND THE
GOVERNMENT SERVICE INSURANCE SYSTEM, AMENDING FOR THIS PURPOSE
REPUBLIC ACT NO. 7883 AND FOR OTHER PURPOSES**

Senate Bill No. 189, introduced by Sen. Trillanes IV, entitled:

**AN ACT
REQUIRING THE PHILIPPINE HEALTH INSURANCE CORPORATION TO
PROVIDE COVERAGE FOR THE DIAGNOSTIC SERVICES FOR BREAST AND
CERVICAL CANCER, PROVIDING FUNDS THEREFOR, AND FOR OTHER
PURPOSES**

Senate Bill No. 549, introduced by Sen. Estrada, entitled:

**AN ACT
TO ENSURE THAT EVERY FILIPINO IS GRANTED WITH BASIC HEALTHCARE
SERVICES, PROVIDING FOR THE PURPOSE A MANDATORY UNIVERSAL
HEALTHCARE COVERAGE, AND FOR OTHER PURPOSES**

Senate Bill No. 726, introduced by Sen. Estrada, entitled:

**AN ACT
TO ENSURE THAT EVERY FILIPINO IS GRANTED WITH BASIC HEALTHCARE
SERVICES, PROVIDING FOR THE PURPOSE A MANDATORY UNIVERSAL
HEALTHCARE COVERAGE, AND FOR OTHER PURPOSES**

Senate Bill No. 1012, introduced by Sen. Lapid, entitled:

**AN ACT
REQUIRING THE MANDATORY COVERAGE OF ALL PUBLIC UTILITY DRIVERS
IN THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP) UNDER THE
PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)**

Senate Bill No. 1222, introduced by Sen. Villar and Sen. Escudero, entitled:

**AN ACT
REQUIRING THE MANDATORY COVERAGE OF ALL HOUSEHELPERS IN THE
NATIONAL HEALTH INSURANCE PROGRAM (NHIP) UNDER THE PHILIPPINE
HEALTH INSURANCE CORPORATION (PHILHEALTH)**

Senate Bill No. 1340, introduced by Sen. Legarda, entitled:

**AN ACT
GRANTING COMPULSORY COVERAGE TO ACCREDITED BARANGAY HEALTH
WORKERS IN THE NATIONAL HEALTH INSURANCE PROGRAM, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 7883, AND FOR OTHER PURPOSES**

Senate Bill No. 1971, introduced by Sen. Revilla, Jr., entitled:

**AN ACT
UPGRADING THE BENEFITS AND INCENTIVES TO ACCREDITED BARANGAY
HEALTH WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7883
AND FOR OTHER PURPOSES**

Senate Bill No. 2126, introduced by Sen. Legarda, entitled:

**AN ACT
INSTITUTING MECHANISMS FOR THE ESTABLISHMENT OF A CHILDREN'S
HEALTH INSURANCE PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC**

ACT NO. 7875, OTHERWISE KNOWN AS "THE NATIONAL HEALTH INSURANCE ACT OF 1995," AS AMENDED, AND FOR OTHER PURPOSES

Senate Bill No. 2130, introduced by Sen. Recto, entitled:

**AN ACT
PROMOTING THE TREATMENT AND ERADICATION OF TUBERCULOSIS,
AMENDING FOR THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 7875, AS
AMENDED, OTHERWISE KNOWN AS "AN ACT INSTITUTING A NATIONAL
HEALTH INSURANCE PROGRAM FOR ALL FILIPINOS AND ESTABLISHING THE
PHILIPPINE HEALTH INSURANCE CORPORATION FOR THE PURPOSE"**

Senate Bill No. 2140, introduced by Sen. Recto, entitled:

**AN ACT
REMOVING FIFTH AND SUBSEQUENT NORMAL OBSTETRICAL DELIVERIES
AMONG THE EXCLUDED PERSONAL HEALTH SERVICES UNDER THE
NATIONAL HEALTH INSURANCE PROGRAM, AMENDING FOR THE PURPOSE
SECTION 2 OF REPUBLIC ACT NO. 9241**

Senate Bill No. 2653, introduced by Sen. Recto, entitled:

**AN ACT
EARMARKING FIFTY PERCENT (50%) OF PHILHEALTH'S EXCESS RESERVE
FUNDS TO FUND PUBLIC HEALTHCARE INFRASTRUCTURE DEFICIT,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7875, OTHERWISE KNOWN
AS 'AN ACT INSTITUTING A NATIONAL HEALTH INSURANCE PROGRAM FOR
ALL FILIPINOS AND ESTABLISHING THE PHILIPPINE HEALTH INSURANCE
CORPORATION**

and Senate Bill No. 2714, introduced by Sen. Recto, entitled:

**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**

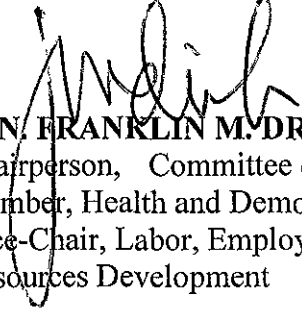
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 2849, prepared by the Committees, entitled:

**AN ACT
AMENDING REPUBLIC ACT NO. 7875, OTHERWISE KNOWN AS THE
NATIONAL HEALTH INSURANCE ACT OF 1995, AS AMENDED, AND FOR OTHER
PURPOSES**

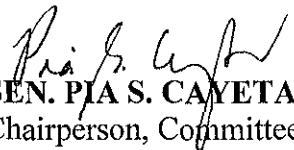
be approved in substitution of Senate Bill Nos. 4, 18, 55, 58, 143, 189, 549, 726, 1012, 1222, 1340, 1971, 2126, 2130, 2140, 2653 and 2714 with Senators Legarda, Trillanes IV, Marcos, Jr., (P). Cayetano, Angara, Recto, Zubiri, Estrada, Lapid, Villar, Escudero, Revilla, Jr., Drilon, and Osmena III as authors thereof.

Respectfully Submitted:

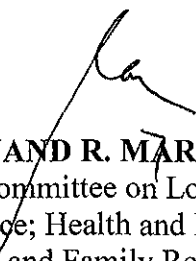
Chairpersons



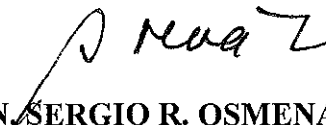
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Vice-Chair, Labor, Employment and Human
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Vice-Chairpersons

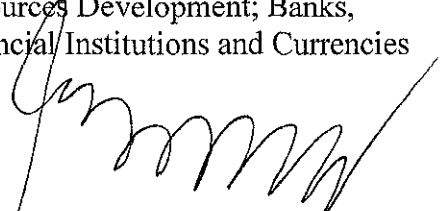


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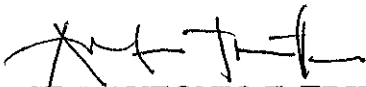
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Members

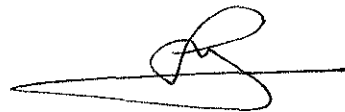


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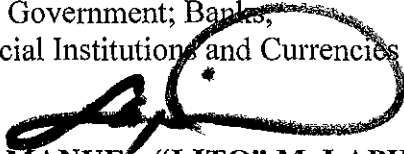
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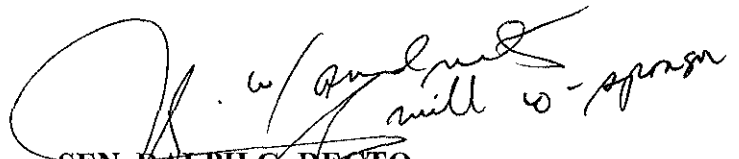
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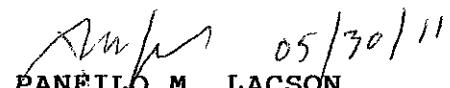
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President Pro-Tempore

HON. JUAN PONCE ENRILE
Senate President

FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



'11 MAY 30 26:09

SENATE
S. B. No. 2849

RECEIVED BY:

(In substitution of Senate Bill Nos. 4, 18, 55, 58, 143, 189, 549, 726, 1012, 1222, 1340, 1971, 2126, 2130, 2140, 2653 and 2714)

Prepared Jointly by the Committees on Health and Demography; Finance; Local Government; Labor, Employment & Human Resources Development; Youth, Women & Family Relations; and Banks, Financial Institutions and Currencies

AN ACT
AMENDING 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 Representatives of the Philippines in Congress assembled:

1 **SECTION 1.** Section 2, Article I of Republic Act No. 7875, is hereby amended to
2 read as follows:

3 "SECTION 2. *Declaration of Principles and Policies.* – Section II, Article
4 XIII of the 1987 Constitution XXX

5 XXX

6 q) *Cost Containment* – The Program shall incorporate features of cost
7 containment in its design and operations and provide a viable means of helping
8 the people pay for health care services **AS WELL AS LESSEN THEIR OUT OF**
9 **POCKET EXPENDITURES TO LESS THAN 20% BY YEAR 2020;** and"

10 XXX

11 **SEC. 2.** Section 4 of the same Act is hereby further amended by adding the
12 following definitions accordingly.

13 "SECTION 4. *Definition of Terms.* – For the purpose of this Act, the
14 following terms shall be defined as follows:

15 XXX

16 l) *Fee-for-service* – [A reasonable and equitable health care payment system
17 under which physicians and other] **A FEE PRE-DETERMINED BY THE**
18 **CORPORATION FOR EACH SERVICE DELIVERED BY A** health care
19 provider[s] **BASED ON** [receive a payment that does not exceed] the[ir] bill[ed
20 charge for each unit of service provided] **SUBMITTED TO THE CORPORATION**
21 **FOR THE COSTS OF DELIVERING THE SERVICE.**

22 XXX

1 q) *Indigent* – A person who has no visible means of income, or whose income is
2 insufficient for the subsistence of his family, as identified by [the Local Health
3 Insurance Office and based on specific criteria set by the Corporation] **A MEANS**
4 **TEST DETERMINED BY THE NATIONAL GOVERNMENT** in accordance with
5 the guiding principles set forth in Article I of this Act.

6 XXX

7 s) [*Member*] **ENROLLEE** – Any person whose premiums have been regularly
8 paid to the National Health Insurance Program. [He may be a paying member,
9 an indigent member, or a pensioner/retiree member.] **HE MAY BELONG TO**
10 **THE FORMAL OR INFORMAL SECTOR, OR IS A PRACTICING**
11 **PROFESSIONAL, SELF-EARNING INDIVIDUAL, INDIGENT, AN**
12 **ABANDONED CHILD, OR PENSIONER / RETIREE.**

13 XXX

14 **MM) ABANDONED CHILDREN – CHILDREN WHO HAVE NO KNOWN**
15 **FAMILY WILLING AND CAPABLE TO TAKE CARE OF THEM AND ARE**
16 **UNDER THE CARE OF THE DEPARTMENT OF SOCIAL WELFARE AND**
17 **DEVELOPMENT (DSWD).**

18 **NN) CASE-BASED PAYMENT – HOSPITAL PAYMENT METHOD THAT**
19 **REIMBURSES TO HOSPITALS A PRE-DETERMINED FIXED RATE FOR**
20 **EACH TREATED CASE OR DISEASE; ALSO CALLED PER CASE PAYMENT.**

21 **OO) ESSENTIAL HEALTH PACKAGES – A VARIETY OF HEALTH CARE**
22 **PACKAGES CONSISTING OF PROMOTIVE, PREVENTIVE, DIAGNOSTIC,**
23 **CURATIVE, AND REHABILITATIVE SERVICES THAT RESPOND TO THE**
24 **NEEDS OF THE COMMUNITY, ESPECIALLY THE POOR AND**
25 **MARGINALIZED.**

26 **PP) HEALTH TECHNOLOGY ASSESSMENT – A FIELD OF SCIENCE THAT**
27 **INVESTIGATES THE VALUE OF A HEALTH TECHNOLOGY SUCH AS**
28 **PROCEDURE, PROCESS, PRODUCTS, OR DEVICES, SPECIFICALLY ON**
29 **THEIR QUALITY, RELATIVE COST-EFFECTIVENESS AND SAFETY. IT**
30 **USUALLY INVOLVES THE SCIENCE OF EPIDEMIOLOGY AND ECONOMICS.**
31 **IT HAS IMPLICATIONS ON POLICY, DECISION TO ADOPT AND INVEST IN**
32 **THESE TECHNOLOGIES, OR IN HEALTH BENEFIT COVERAGE.**

33 **QQ) INFORMAL SECTOR - UNITS ENGAGED IN THE PRODUCTION OF**
34 **GOODS AND SERVICES WITH THE PRIMARY OBJECTIVE OF**
35 **GENERATING EMPLOYMENT AND INCOME FOR THE PERSONS**
36 **CONCERNED. IT CONSISTS OF HOUSEHOLDS, UNINCORPORATED**
37 **ENTERPRISES THAT ARE MARKET AND NON-MARKET PRODUCERS OF**
38 **GOODS, AS WELL AS MARKET PRODUCERS OF SERVICES.**

39 **THESE ENTERPRISES ARE OPERATED BY OWN-ACCOUNT**
40 **WORKERS, WHICH MAY EMPLOY UNPAID FAMILY WORKERS AS WELL**
41 **AS OCCASIONAL, SEASONALLY HIRED WORKERS.**

42 **TO THIS SECTOR BELONG, AMONG OTHERS, STREET HAWKERS,**
43 **MARKET VENDORS, PEDICAB AND TRICYCLE DRIVERS, SMALL**
44 **CONSTRUCTION WORKERS AND HOME-BASED INDUSTRIES AND**
45 **SERVICES.**

1 RR) **OTHER SELF-EARNING INDIVIDUALS** – INDIVIDUALS WHO RENDER
2 SERVICES OR SELL GOODS AS A MEANS OF LIVELIHOOD OUTSIDE OF
3 AN EMPLOYER-EMPLOYEE RELATIONSHIP, OR AS A CAREER, BUT DO
4 NOT BELONG TO THE INFORMAL SECTOR. THESE INCLUDE
5 BUSINESSMEN, ENTREPRENEURS, ACTORS, ACTRESSES AND OTHER
6 PERFORMERS, NEWS CORRESPONDENTS, PROFESSIONAL ATHLETES,
7 COACHES, TRAINERS, AND OTHER INDIVIDUALS THAT THE
8 CORPORATION DEEM PART OF THIS GROUP.

9 SS) **OUT-PATIENT SERVICES** – HEALTH SERVICES SUCH AS DIAGNOSTIC
10 CONSULTATION, EXAMINATION, TREATMENT, SURGERY AND
11 REHABILITATION ON AN OUT-PATIENT BASIS.

12 TT) **PER CAPITA PAYMENT**- A PRE-DETERMINED FIXED RATE PAID TO A
13 HEALTH CARE PROVIDER TO PROVIDE A DEFINED SET OF SERVICES IN
14 THE COMMUNITY FOR A FIXED PERIOD OF TIME FOR EACH INDIVIDUAL
15 ENROLLED IN THE PROGRAM.

16 UU) **PROFESSIONAL PRACTITIONERS** – INCLUDE DOCTORS, LAWYERS,
17 CERTIFIED PUBLIC ACCOUNTANTS, AND OTHER PRACTITIONERS
18 REQUIRED TO PASS GOVERNMENT LICENSURE EXAMINATION IN ORDER
19 TO PRACTICE THEIR PROFESSIONS.”

20 **SEC. 3.** Section 6 of the same Act is hereby further amended to read as follows:

21 “SEC. 6. *Coverage.* – All citizens of the Philippines shall be
22 covered by the National Health Insurance Program. In accordance with
23 the principles of universality and compulsory coverage enunciated in
24 Section 2 (b) and 2 (l) hereof, implementation of the Program shall
25 [;furthermore, be gradual and phased in over a period of not more than
26 fifteen (15) years] **ENSURE SUSTAINABILITY OF COVERAGE AND**
27 **CONTINUOUS ENHANCEMENT OF THE QUALITY OF SERVICE;**
28 *Provided,* That the [Program shall not be made compulsory in certain
29 provinces and cities until the] Corporation, **DEPARTMENT OF HEALTH**
30 **(DOH), LOCAL GOVERNMENT UNITS (LGUs), and OTHER AGENCIES**
31 **INCLUDING NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND**
32 **OTHER NATIONAL GOVERNMENT AGENCIES (NGAs)** shall [be able
33 to] ensure that [members in such localities shall] **THE ENROLLEES** have
34 [reasonable] access to [adequate and acceptable] **QUALITY AND COST-**
35 **EFFECTIVE** health care services.”

36 **SEC. 4.** Section 7 of the same Act is hereby deleted.

37 **SEC. 5.** Section 8 of the same Act is hereby further amended to read as follows:

38 “SEC. 8. *Health Insurance ID Card* - In conjunction with the enrollment
39 provided above, the Corporation through its local office shall issue a health
40 insurance ID which shall be used for purposes of identification, eligibility
41 verification, and utilization recording. The issuance of this ID card shall be
42 accompanied by a clear explanation to the enrollee of his rights, privileges and
43 obligations as [a member] **AN ENROLLEE**. A list of health care providers
44 accredited by the Local Health Insurance Office shall likewise be attached
45 thereto.

46 **THIS HEALTH INSURANCE ID CARD SHALL BE RECOGNIZED AS A**
47 **VALID GOVERNMENT IDENTIFICATION AND SHALL BE PRESENTED AND**

1 HONORED IN TRANSACTIONS REQUIRING THE VERIFICATION OF A
2 PERSON'S IDENTITY."

3 SEC. 6. Section 10 of the same Act is hereby further amended to read as
4 follows:

5 "SEC. 10. *Benefit Package.* – NO FILIPINO CITIZEN SHALL BE DENIED
6 BASIC HEALTH CARE SERVICES BY BOTH THE NATIONAL AND LOCAL
7 GOVERNMENTS, SUCH AS, BUT NOT LIMITED TO:

- 8 1) BASIC IMMUNIZATION FOR INFANTS AND CHILDREN;
- 9 2) PRE-NATAL CARE WHICH INCLUDES PROVISION OF VITAMINS,
10 TETANUS IMMUNIZATION, ORAL CARE, URINALYSIS AND
11 HEMOGLOBIN DETERMINATION;
- 12 3) POST-NATAL CARE;
- 13 4) VITAMIN A SUPPLEMENTATION FOR CHILDREN NINE (9)
14 MONTHS TO FIVE (5) YEARS OLD;
- 15 5) FAMILY PLANNING COUNSELING, INCLUDING PAP SMEARING;
- 16 6) MEDICAL CONSULTATIONS;
- 17 7) INFECTIOUS DISEASE CONTROL AND PREVENTION CONTROL
18 PROGRAM SUCH AS BUT NOT LIMITED TO TUBERCULOSIS,
19 MALARIA, SEXUALLY TRANSMITTED INFECTION, DENGUE;
- 20 8) HEALTH EDUCATION PROGRAM FOR MOTHERS, STUDENTS
21 AND OTHER TARGET GROUPS;
- 22 9) DENTAL SERVICES;
- 23 10)HEALTHY LIFESTYLE COUNSELING;
- 24 11)NUTRITION INCLUDING OPERATION TIMBANG ACTIVITIES,
25 INTERVENTION FOR IDENTIFIED MALNOURISHED CHILDREN,
26 AND MOTHERS' CLASSES; AND
- 27 12)SANITATION PROGRAM SUCH AS WATER ANALYSIS AND
28 TREATMENT.

29 THE CORPORATION SHALL DEVELOP A MECHANISM WHEREBY
30 NON-ENROLLEES ARE TO BE ENROLLED IMMEDIATELY.

31 NO WOMAN WHO IS ABOUT TO GIVE BIRTH SHALL BE DENIED
32 MATERNAL AND NEWBORN BENEFITS ON THE GROUNDS THAT SHE IS
33 NOT ENROLLED OR HAS NOT PAID THE MINIMUM REQUIREMENT OF
34 PREMIUM CONTRIBUTIONS; *PROVIDED*, THAT THEREAFTER, SHE SHALL
35 BE ENROLLED IN THE PROGRAM AND CONTINUE TO PAY HER MONTHLY
36 PREMIUM CONTRIBUTIONS.

37 ENROLLEES AND THEIR DEPENDENTS ARE ENTITLED TO THE
38 FOLLOWING:

1 (1) ESSENTIAL HEALTH PACKAGES AND OTHER OUT-PATIENT SERVICES IN
2 THE COMMUNITY. WITHIN ONE (1) YEAR AFTER THE EFFECTIVITY OF
3 THIS ACT, THE CORPORATION AND THE DOH SHALL IDENTIFY THE
4 VARIOUS ESSENTIAL HEALTH PACKAGES WHICH SHALL BE SUBJECT
5 TO BENCHMARKING AGAINST INTERNATIONAL HEALTH STANDARDS
6 TAKING INTO CONSIDERATION DISEASE EPIDEMIOLOGY AND HEALTH
7 ECONOMICS.

8 (2) HEALTH CARE SERVICES IN A HEALTH CARE FACILITY.

9 ENROLLEES AND THEIR DEPENDENTS ARE ENTITLED TO THE
10 FOLLOWING MINIMUM SERVICES, [S]subject to the limitations specified in this Act
11 and as may be determined by the Corporation [,the following categories of personal
12 health services granted to the member or his dependent as medically necessary or
13 appropriate shall include] **AND THE DOH:**

14 a) Inpatient hospital care:

- 15 1) room and board;
- 16 2) services of health care professionals
- 17 3) diagnostic, laboratory, and other medical examination services;
- 18 4) use of surgical or medical equipment and facilities;
- 19 5) prescription drugs and biologicals, subject to the limitations stated in
20 Section 37 of this Act;
- 21 6) inpatient education packages;

22 b) Outpatient care:

- 23 1) services of health care professionals;
- 24 2) diagnostic, laboratory, and other medical examination services;
- 25 3) personal preventive services; and
- 26 4) prescription drugs and biologicals, subject to the limitations described
27 in Section 37 of this Act;

28 c) Emergency and transfer services; and

29 d) Such other health care services that the Corporation **AND THE DOH** shall
30 determine to be appropriate and cost-effective. [*Provided*, That the
31 Program, during its initial phase of implementation, which shall not be more
32 than five (5) years, shall provide a basic minimum package of benefits which
33 shall be defined according to the following guidelines;

- 34 1) the cost providing said package is such that the available national and
35 local government subsidies for premium payments of indigents are
36 sufficient to extend coverage to the widest possible population.
- 37 2) the initial set of services shall not be less than half of those provided
38 under the current Medicare Program I in terms of overall average cost
39 of claims paid per beneficiary household per year.
- 40 3) the services included are prioritized, first according to its cost
41 effectiveness and, second, according to its potential of providing
42 maximum relief from the financial burden on the beneficiary: *Provided*,
43 That in addition to the basic minimum package , the Program shall
44 provide supplemental health benefit coverage to beneficiaries of
45 contributory funds: *Provided further*, That the Program shall
46 progressively expand the basic minimum benefit package as the

1 proportion of the population covered reaches targeted milestones so
2 that the same benefits are extended to all members of the Program
3 within five (5) years after the implementation of this Act. Such
4 expansion will provide for the gradual incorporations of supplementary
5 health benefits previously extended only to some beneficiaries into the
6 basic minimum package extended to all beneficiaries: and *Provided,*
7 *finally,* that in the phased implementation of this Act, there should be
8 no reduction or interruption in the benefits currently enjoyed by present
9 members of Medicare.]”

10 **THESE SERVICES AND PACKAGES SHALL BE REVIEWED ANNUALLY TO**
11 **DETERMINE ITS FINANCIAL SUSTAINABILITY AND RELEVANCE TO HEALTH**
12 **INNOVATIONS, WITH THE END IN VIEW OF QUALITY ASSURANCE, INCREASED**
13 **BENEFITS AND REDUCED OUT-OF-POCKET EXPENDITURE.**

14 **SEC. 7.** Section 11 of the same Act, is hereby amended to read as follows:

15 “Sec. 11. *Excluded Personal Health Services.* – [The benefits granted
16 under this Act shall not cover expenses for the services enumerated hereunder
17 except when the Corporation, after actuarial studies, recommends their inclusion
18 subject to the approval of the Board:

- 19 a) non-prescription drugs and devices;
20 b) alcohol abuse or dependency treatment;
21 c) cosmetic surgery;
22 d) optometric services;
23 e) fifth and subsequent normal obstetric deliveries; and
24 f) cost-ineffective procedures which shall be defined by the Corporation.

25 *Provided,* That, such actuarial studies must be done within a period of
26 three (3) years, and then periodically reviewed, to determine the financial
27 sustainability of including the foregoing personal health services in the benefit
28 package provided for under Section 10 of this Act.]

29 **THE CORPORATION SHALL NOT COVER EXPENSES FOR HEALTH**
30 **SERVICES WHICH THE CORPORATION AND THE DOH CONSIDER COST-**
31 **INEFFECTIVE THROUGH HEALTH TECHNOLOGY ASSESSMENT.”**

32 **SEC. 8.** Section 12 of the same Act is hereby further amended to read as
33 follows:

34 “SEC. 12. *Entitlement to Benefits.* – [A member] **AN ENROLLEE** whose
35 premium contributions for at least three (3) months have been paid within six (6)
36 months prior to the first day of his or his availment, shall be entitled to the
37 benefits of the Program: *Provided,* That such [member] **ENROLLEE** can show
38 that he contributes thereto with sufficient regularity, as evidenced in his health
39 insurance ID card: and *Provided, further,* That he is not currently subject to legal
40 penalties as provided for in Section 44 of this Act.

41 The following need not pay the monthly contributions to be entitled to the
42 Program’s benefits:

- 43 a) Retirees and pensioners of the SSS and GSIS prior to the effectivity of this
44 Act; **AND**
45 b) **ENROLLEES** [Members] who reach the age of retirement as provided for by
46 law and have paid at least one hundred twenty (120) contributions.[;and]

1 [c) Enrolled indigents.];”

2 **SEC. 9.** Section 16 of the same Act is hereby further amended to read as
3 follows:

4 “SEC. 16. *Powers and Functions.* – The Corporation shall have the
5 following powers and functions:

6 XXX

7 **c) TO SUPERVISE THE PROVISION OF HEALTH BENEFITS AND** to set
8 standards, rules, and regulations necessary to ensure quality of care, appropriate
9 utilization of services, fund viability, [member] **ENROLLEE** satisfaction, and
10 overall accomplishment of Program objectives;

11 XXX

12 j) to negotiate and enter into contracts with health care institutions, professionals,
13 and other persons, juridical or natural, regarding the pricing, payment
14 mechanisms, design and implementation of administrative and operating
15 systems and procedures, financing, and delivery of health services **IN BEHALF**
16 **OF ITS ENROLLEES;**

17 XXX

18 m) [to supervise the provision of health benefits with the power] to **VISIT,**
19 **ENTER AND** inspect **FACILITIES OF HEALTH CARE PROVIDERS AND**
20 **EMPLOYERS DURING OFFICE HOURS, UNLESS THERE IS REASON TO**
21 **BELIEVE THAT INSPECTION HAS TO BE DONE BEYOND OFFICE HOURS,**
22 **AND WHERE APPLICABLE, SECURE COPIES OF THEIR** medical, [and]
23 financial, **AND OTHER** records **AND DATA** [of health care providers and
24 patients] **PERTINENT TO THE CLAIMS, ACCREDITATION, PREMIUM**
25 **CONTRIBUTION, AND THAT OF THEIR PATIENTS OR EMPLOYEES,** who are
26 [participants in or members] **ENROLLEES** of the Program [, and the power to
27 enter and inspect accredited health care institutions, subject to the rules and
28 regulations to be promulgated by the Corporations];

29 XXX

30 p) to keep records of the operations of the Corporation and investments of the
31 National Health Insurance Fund; [and]

32 **Q) TO MAINTAIN AND SECURE AN ELECTRONIC DATABASE OF ALL ITS**
33 **ENROLLEES WITHIN ONE (1) YEAR AFTER THE EFFECTIVITY OF THIS**
34 **ACT;**

35 **R) TO INVEST IN THE ACCELERATION OF THE CORPORATION'S**
36 **INFORMATION TECHNOLOGY SYSTEMS;**

37 **S) TO CONDUCT AN INFORMATION CAMPAIGN ON THE PRINCIPLES OF**
38 **THE NATIONAL HEALTH INSURANCE PROGRAM TO THE PUBLIC AND TO**
39 **ACCREDITED HEALTH CARE PROVIDERS. THIS CAMPAIGN MUST**
40 **INCLUDE THE CURRENT BENEFIT PACKAGES PROVIDED BY THE**
41 **CORPORATION, THE MECHANISMS TO AVAIL OF THE CURRENT BENEFIT**
42 **PACKAGES, THE LIST OF ACCREDITED AND DISACCREDITED HEALTH**
43 **CARE PROVIDERS, AND THE LIST OF OFFICES/BRANCES WHERE**

1 ENROLLEES CAN PAY OR CHECK THE STATUS OF PAID HEALTH
2 PREMIUMS;

3 T) TO CONDUCT POST-AUDIT ON THE QUALITY OF SERVICES RENDERED
4 BY HEALTH CARE PROVIDERS;

5 U) TO ESTABLISH AN OFFICE, OR WHERE IT IS NOT FEASIBLE,
6 DESIGNATE A FOCAL PERSON IN EVERY PHILIPPINE CONSULAR OFFICE
7 IN ALL COUNTRIES WHERE THERE ARE FILIPINO CITIZENS. THE OFFICE
8 OR THE FOCAL PERSON SHALL, AMONG OTHERS, PROCESS, REVIEW
9 AND PAY THE CLAIMS OF THE OVERSEAS FILIPINO WORKERS (OFWs);

10 V) NOTWITHSTANDING THE PROVISIONS OF ANY LAW TO THE
11 CONTRARY, TO IMPOSE INTEREST AND / OR SURCHARGES OF NOT
12 MORE THAN TWELVE PERCENT (12%) PER ANNUM, AS MAY BE FIXED BY
13 THE CORPORATION, IN CASE OF ANY DELAY IN THE REMITTANCE OF
14 CONTRIBUTIONS WHICH ARE DUE WITHIN THE PRESCRIBED PERIOD.
15 NOTWITHSTANDING THE PROVISIONS OF ANY LAW TO THE CONTRARY,
16 THE CORPORATION MAY ALSO COMPROMISE, WAIVE OR RELEASE, IN
17 WHOLE OR IN PART, SUCH INTEREST OR SURCHARGES IMPOSED UPON
18 EMPLOYERS REGARDLESS OF THE AMOUNT INVOLVED UNDER SUCH
19 VALID TERMS AND CONDITIONS IT MAY PRESCRIBE; AND

20 W) TO ENDEAVOR TO SUPPORT THE USE OF TECHNOLOGY IN THE
21 DELIVERY OF HEALTHCARE SERVICES ESPECIALLY IN FAR-FLUNG
22 AREAS, SUCH AS BUT NOT LIMITED TO TELEMEDICINE, ELECTRONIC
23 HEALTH RECORD, AND THE ESTABLISHMENT OF A COMPREHENSIVE
24 HEALTH DATA BASE; AND

25 [q] X) to perform such other acts as it may deem appropriate for the attainment
26 of the objectives of the Corporation and for the proper enforcement of the
27 provisions of this Act.”

28 **SEC. 10.** Section 17 of the same Act, is hereby amended to read as follows:

29 “SEC. 17. *Quasi-Judicial Powers.* – The Corporation, to carry out its tasks
30 more effectively, shall be vested with the following powers:

31 a) **SUBJECT TO THE RESPONDENT’S RIGHT TO DUE PROCESS**, to
32 conduct investigations for the determination of a question, controversy,
33 complaint, or unresolved grievance brought to its attention, and render decisions,
34 orders, or resolutions thereon. It shall proceed to hear and determine the case
35 even in the absence of any party who has been properly served with notice to
36 appear. It shall conduct its proceedings or any part thereof in public or in
37 executive session; adjourn its hearings to any time and place; refer technical
38 matters or accounts to an expert and to accept his reports as evidence; direct
39 parties to be joined in or excluded from the proceedings; and give all such
40 directions as it may deem necessary or expedient in the determination of the
41 dispute before it;

42 XXX

43 c) **SUBJECT TO THE RESPONDENT’S RIGHT TO DUE PROCESS**, to
44 suspend temporarily, revoke permanently, or restore the accreditation of a health
45 care provider or the right to benefits of [a member] **AN ENROLLEE** and/or
46 impose fines [after due notice and hearing]. The decision shall immediately be
47 executory, even pending appeal, when the public interest so requires and as may

1 be provided for in the implementing rules and regulations. Suspension of
2 accreditation shall not exceed [twenty-four (24)] **SIX** months. Suspension of the
3 rights of [members] **ENROLLEES** shall not exceed six (6) months.

4 The revocation of a health care provider's accreditation shall operate to
5 disqualify him from obtaining another accreditation in his own name, under a
6 different name, or through another person, whether natural or juridical.

7 The Corporation shall not be bound by the technical rules of evidence.”

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

9 “Sec. 18. *The Board of Directors.* –

10 a) Composition – The Corporation shall be governed by a Board of
11 Directors hereinafter referred to as the Board, composed of the following
12 members:

13 The Secretary of Health;

14 The Secretary of Labor and Employment or his representative;

15 The Secretary of Interior and Local Government or his Representative;

16 The Secretary of Social Welfare and Development or his Representative;

17 The President of the Corporation;

18 The SSS Administrator or his representative;

19 The GSIS General Manager or his representative;

20 The Vice Chairperson for the basic sector of the National Anti-Poverty
21 Commission or his representative;

22 **THE CHAIRPERSON OF THE CIVIL SERVICE COMMISSION OR HIS**
23 **REPRESENTATIVE;**

24 A representative of [Filipino overseas workers] **THE OVERSEAS**
25 **WORKERS WELFARE ADMINISTRATION (OWWA) OR HIS**
26 **REPRESENTATIVE;**

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

28 A representative of the [labor] **FORMAL** sector;

29 A representative of employers;

30 A representative of health care providers to be endorsed by their national
31 associations of health care institutions and medical health professionals;
32 **AND**

33 **A REPRESENTATIVE OF THE LOCAL CHIEF EXECUTIVES TO BE**
34 **ENDORSED BY THEIR NATIONAL ASSOCIATIONS.**

35 The Secretary of Health shall be the *ex-officio* Chairperson while the
36 President of the Corporation shall be the Vice Chairperson of the Board.

1 AFTER THEIR APPOINTMENT, MEMBERS OF THE BOARD ARE
2 MANDATED TO UNDERGO AN EXHAUSTIVE BACKGROUND COURSE ON
3 INTEGRATION OF PUBLIC HEALTH AND CLINICAL MEDICINE, INCLUDING
4 HEALTH SERVICE DELIVERY; HEALTH GOVERNANCE, INCLUDING
5 UNDERSTANDING CENTRAL AND DEVOLVED HEALTH CARE SYSTEM;
6 HEALTH REGULATION AND TECHNOLOGY ASSESSMENT; HEALTH
7 INFORMATION TECHNOLOGY AND APPLICATIONS; HEALTH SYSTEMS
8 FINANCING; AND HUMAN RESOURCES FOR HEALTH, TO BE GIVEN BY A
9 REPUTABLE INSTITUTION.

10 BOARD MEMBERS ARE ALSO MANDATED TO ATTEND A
11 COMPREHENSIVE COURSE ON TRANSPARENCY AND ACCOUNTABILITY
12 OF A CORPORATE DIRECTOR.

13 THE FAILURE OF THE MEMBERS OF THE BOARD TO UNDERGO
14 THESE COURSES WILL BE A GROUND TO TERMINATE THEIR
15 MEMBERSHIP THEREIN.”

16 XXX

17 **SEC. 12.** Section 20 of the same Act, is hereby further amended to read as
18 follows:

19 “SEC. 20. *Health Finance Policy Research.* – Among the staff XXX

20 XXX

21 f) submission for consideration of program of quality assurance, utilization
22 review, and technology assessment; [and]

23 g) submission of recommendations on policy and operational issues that will help
24 the Corporation meet the objectives of this Act; **AND**

25 **H) CONDUCT OF CLIENT-SATISFACTION SURVEYS AND RESEARCH IN
26 ORDER TO ASSESS OUTCOMES OF SERVICE RENDERED BY HEALTH
27 CARE PROVIDERS.”**

28 **SEC. 13.** Section 24 of the same Act, is hereby further amended to read as
29 follows:

30 “SEC. 24. *Creation of the National Health Insurance Fund* – There is
31 hereby created a National Health Insurance Fund, hereinafter referred to as the
32 Fund, that shall consist of:

33 a) Contribution from Program [members] **ENROLLEES;**

34 [b) Current balances of the Health Insurance Funds of the SSS and GSIS
35 collected under the Philippine Medical Care Act of 1969, as amended, including
36 arrearages of the Government of the Philippines with the GSIS for the said
37 Fund;]

38 [c) **B)** Other appropriations earmarked by the national and local governments
39 purposely for the implementation of the Program;

40
41 [d) **C)** Subsequent appropriations provided for under Sections 46 and 47 of this
42 Act;

1 [e)] D) Donations and grants-in-aid; and

2 [f)] E) All accruals thereof.”

3 **SEC. 14.** Section 26 of the same Act, is hereby further amended to read as
4 follows:

5 “SEC. 26. *Financial Management.* - The use, disposition, investment,
6 disbursement, administration and management of the National Health Insurance
7 Fund, including any subsidy, grant or donation received for program operations
8 shall be governed by **APPLICABLE LAWS AND IN THE ABSENCE THEREOF,**
9 **EXISTING** resolutionS of the Board of Directors of the Corporation, subject to the
10 following limitations:

11 XXX”

12 **SEC. 15.** Section 27 of the same Act, is hereby further amended to read as
13 follows:

14 “SEC. 27. *Reserve Fund.* – The Corporation shall set aside a portion of its
15 accumulated revenues not needed to meet the cost of the current year’s
16 expenditures as reserve funds: *Provided,* That the total amount of reserves shall
17 not exceed a ceiling equivalent to the amount actuarially estimated for [two
18 years’] **ONE YEAR’S** projected Program expenditures[:]; *Provided, further,* That
19 whenever actual reserves exceed the required ceiling at the end of the
20 Corporation’s fiscal year, the [Program’s benefits] **EXCESS RESERVES** shall be
21 **UTILIZED FOR PROGRAMS CONSISTENT WITH THE PRINCIPLES STATED**
22 **IN THIS ACT;** [increased or member-contributions decreased prospectively]
23 **PROVIDED, FINALLY, THAT INVESTMENTS IN HEALTH**
24 **INFRASTRUCTURES IN POPULATED AREAS OR AREAS WITHOUT**
25 **SUFFICIENT HEALTH CARE SHALL BE PRIORITIZED,** in order to adjust
26 expenditures or revenues to meet the *required ceiling for reserve funds.* Such
27 portions of the reserve fund as are not needed to meet the current expenditure
28 obligations shall be invested in short-term investments to earn an average
29 annual income at prevailing rates of interest and shall be known as the
30 “*Investment Reserve Fund*” which shall be invested in any or all of the following:

31 a) In interest-bearing bonds, securities or other evidences of indebtedness of the
32 Government of the Philippines, or in bonds, securities, promissory notes and
33 other evidences of indebtedness to which full faith and credit and unconditional
34 guarantee of the Republic of the Philippines is pledged **OR IN DEBT**
35 **SECURITIES AND CORPORATE BONDS ISSUANCES: PROVIDED, THAT**
36 **SUCH SECURITIES AND BONDS ARE RATED TRIPLE “A” BY AUTHORIZED**
37 **ACCREDITED DOMESTIC RATING AGENCIES; PROVIDED, FURTHER,**
38 **THAT THE ISSUING OR ASSUMING ENTITY OR ITS PREDECESOR SHALL**
39 **NOT HAVE DEFAULTED IN THE PAYMENT OF INTEREST ON ANY OF ITS**
40 **SECURITIES AND THAT DURING EACH OF ANY THREE (3) INCLUDING**
41 **LAST TWO (2) OF THE FIVE (5) FISCAL YEARS NEXT PRECEDING THE**
42 **DATE OF ACQUISITION BY THE CORPORATION OF SUCH BONDS,**
43 **SECURITIES OR OTHER EVIDENCES OF INDEBTEDNESS, THE NET**
44 **EARNINGS OF THE ISSUING OR ASSUMING INSTITUTION AVAILABLE**
45 **FOR ITS RECURRING EXPENSES, SUCH AS AMORTIZATION OF DEBT**
46 **DISCOUNT AND RENTALS FOR LEASED PROPERTIES, INCLUDING**
47 **INTEREST ON FUNDED AND UNFUNDED DEBT, SHALL HAVE BEEN NOT**
48 **LESS THAN ONE (1) AND ONE QUARTER TIMES THE TOTAL OF THE**
49 **RECURRING EXPENSES FOR SUCH YEAR; PROVIDED, FURTHER, THAT**

1 **SUCH INVESTMENT SHALL NOT EXCEED 15% OF THE INVESTMENT**
2 **RESERVE FUND;**

3 b) XXX; [and]

4 c) *In preferred stocks of any solvent corporation or institution created or existing*
5 *under the laws of the Philippines: Provided, That the issuing, assuming, or*
6 *guaranteeing entity or its predecessor has paid regular dividends upon its*
7 *preferred or guaranteed stocks for a period of at least three (3) years*
8 *immediately preceding the date of investment in such preferred guaranteed*
9 *stocks: Provided, further, That if the corporation or institution has not paid*
10 *dividends upon its preferred stocks, the corporation or institution has sufficient*
11 *retained earnings to declare dividends for at least two (2) years on such*
12 *preferred stocks and in common stocks [option or warrants to common stocks] of*
13 *any solvent corporation or institution created or existing under the laws of the*
14 *Philippines in the stock exchange with proven track record of profitability and*
15 *payment of dividends over the last three (3) years [or in common stocks of a*
16 *newly organized corporation about to be listed in the stock exchange: *Provided,**
17 *finally, That such duly organized corporation shall have been rated 'A' double*
18 *'A's or triple 'A's by authorized accredited domestic rating agencies or by the*
19 *Corporation or in mutual funds including allied investments]; **AND***

20 **D) IN BONDS, SECURITIES, PROMISSORY NOTES OR OTHER EVIDENCE**
21 **OF INDEBTEDNESS OF HEALTH FACILITIES TO FINANCE THE**
22 **CONSTRUCTION, IMPROVEMENT AND MAINTENANCE OF HEALTH**
23 **FACILITIES AND THEIR EQUIPMENT; *PROVIDED, THAT SUCH***
24 **INVESTMENTS SHALL NOT EXCEED TEN PERCENT (10%) OF THE**
25 **INVESTMENT RESERVE FUND."**

26 **SEC. 16.** There is hereby added another provision numbered SECTION 27-A to
27 read as follows:

28 **SECTION 27-A. FUND MANAGERS - AS PART OF ITS INVESTMENTS**
29 **OPERATIONS, THE CORPORATION MAY HIRE EXTERNAL LOCAL FUND**
30 **MANAGERS TO MANAGE THE INVESTMENT RESERVE FUND, AS IT MAY**
31 **DEEM APPROPRIATE, THROUGH PUBLIC BIDDING.**

32 **SEC. 17.** Section 28 of the same Act, is hereby amended as follows:

33 **"SEC. 28. ENROLLMENT AND Contributions. – ALL CITIZENS SHALL**
34 **BE ENROLLED IN THE PROGRAM.** All [members of the program]
35 **ENROLLEES** shall contribute to the Fund, in accordance with a reasonable,
36 equitable and progressive contribution schedule to be determined by the
37 Corporation on the basis of applicable actuarial studies and in accordance with
38 the following guidelines:

39 a) Formal sector employees [and current Medicare members] and their
40 employers shall **PAY THE MONTHLY PREMIUM CONTRIBUTION IN**
41 **ACCORDANCE WITH THE CONTRIBUTION SCHEDULE AS DETERMINED**
42 **BY THE CORPORATION** [continue paying the same monthly contributions as
43 provided for by law until such time that the Corporation shall have determined the
44 contribution schedule mentioned herein]: *Provided, That their monthly*
45 *contributions shall not exceed three **AND A HALF** percent [(3%)] **(3.5%)** of their*
46 *respective monthly salaries.*

47 **THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES**
48 **HEREBY GUARANTEES THE FULFILLMENT OF THE OBLIGATIONS OF**

1 THE NATIONAL GOVERNMENT AGENCIES TO THE CORPORATION AS,
2 AND WHEN, THEY FALL DUE.

3 B) CONTRIBUTIONS FROM PROFESSIONAL PRACTITIONERS AND OTHER
4 SELF-EARNING INDIVIDUALS SHALL BE BASED PRIMARILY ON THEIR
5 GROSS INCOME AS DECLARED IN THE INCOME TAX RETURN OF THE
6 PRECEDING YEAR; *PROVIDED*, THAT IN THE ABSENCE OF AN INCOME
7 TAX RETURN, IT SHALL BE BASED PRIMARILY ON HOUSEHOLD
8 EARNINGS AND ASSETS. THEY SHALL PAY THE MONTHLY PREMIUM
9 CONTRIBUTION IN ACCORDANCE WITH THE CONTRIBUTION SCHEDULE
10 AS DETERMINED BY THE CORPORATION; *PROVIDED*, THAT THOSE
11 EARNING ONE MILLION PESOS (P1,000,000) TO FIVE MILLION PESOS
12 (P5,000,000) SHALL PAY DOUBLE THE HIGHEST PREMIUM PAID BY THE
13 FORMAL SECTOR, THOSE EARNING MORE THAN FIVE MILLION PESOS
14 (P5,000,000) TO TEN MILLION PESOS (P10,000,000) SHALL PAY TRIPLE
15 THE SAME AMOUNT, AND THOSE EARNING MORE THAN TEN MILLION
16 PESOS (P10,000,000) SHALL PAY FOUR TIMES THAT AMOUNT.

17 C) [b)] Contributions from [self-employed members] THE INFORMAL SECTOR
18 shall be based ON THEIR GROSS INCOME AS DECLARED IN THE INCOME
19 TAX RETURN FOR THE PRECEDING YEAR; *PROVIDED*, THAT IN THE
20 ABSENCE OF AN INCOME TAX RETURN, CONTRIBUTIONS SHALL BE
21 BASED primarily on household earnings and assets; [; their total contributions
22 for one year shall not, however, exceed three percent (3%) of their estimated
23 actual net income for the preceding year.] *PROVIDED*, FURTHER, THAT
24 THOSE FROM THE LOWEST INCOME SEGMENT WHO DO NOT QUALIFY
25 FOR FULL SUBSIDY UNDER THE MEANS TEST RULES OF THE NATIONAL
26 GOVERNMENT SHALL BE SUBSIDIZED ENTIRELY BY THE LOCAL
27 GOVERNMENT UNITS OR THROUGH COST SHARING MECHANISMS
28 BETWEEN/AMONG LOCAL GOVERNMENT UNITS AND/OR LEGISLATIVE
29 SPONSORS, AND/OR OTHER SPONSORS AND/OR THE ENROLLEE;
30 *PROVIDED*, FURTHER, THAT THE ANNUAL PREMIUM CONTRIBUTIONS OF
31 HOUSEHELPERS SHALL BE FULLY PAID BY THEIR EMPLOYERS;
32 *PROVIDED*, FINALLY, THAT THE NEEDED PREMIUM CONTRIBUTIONS OF
33 ALL BARANGAY HEALTH WORKERS, NUTRITION SCHOLARS AND OTHER
34 BARANGAY WORKERS AND VOLUNTEERS SHALL BE FULLY BORNE BY
35 THE LOCAL GOVERNMENT UNITS CONCERNED.

36 D) [c)] Contributions made in behalf of indigent [members] ENROLLEES shall
37 not exceed the minimum contributions for the employed [members]
38 ENROLLEES.

39 NOTWITHSTANDING ANY LAW TO THE CONTRARY, ALL
40 GOVERNMENT AGENCIES ISSUING PROFESSIONAL OR BUSINESS
41 LICENSE OR PERMIT, SHALL REQUIRE ALL APPLICANTS TO SUBMIT
42 CERTIFICATE OR PROOF OF PAYMENT OF THEIR PREMIUM
43 CONTRIBUTIONS AND THOSE OF THEIR EMPLOYEES, PRIOR TO THE
44 ISSUANCE OR RENEWAL OF SUCH LICENSE OR PERMIT.”

45 **SEC. 18.** Section 29 of the same Act is hereby amended to read as follows:

46 “SEC. 29. *Payment for Indigent Contributions.* - Contributions for indigent
47 [members] ENROLLEES shall be subsidized [partially by the local government
48 unit where the member resides] ENTIRELY BY THE NATIONAL
49 GOVERNMENT. [The Corporation shall provide counterpart financing equal to
50 the LGU’s subsidy for indigents: *Provided*, That in the case of fourth, fifth and

1 sixth class municipalities, the National Government shall provide up to ninety
2 percent (90%) of the subsidy for indigents until such time that they have been
3 upgraded to first, second or third class municipalities. The share of the LGU's
4 shall be progressively increased until such time that its share becomes equal to
5 that of the National Government.] **ALLOCATION FOR THE ENROLLMENT OF
6 THESE INDIGENTS SHALL BE APPROPRIATED IN THE GENERAL
7 APPROPRIATIONS ACT AS A SEPARATE LINE ITEM IN THE DOH BUDGET
8 AND ADJUSTED ANNUALLY TO COVER THE CORRESPONDING NUMBER
9 OF INDIGENTS."**

10 **SEC. 19.** A new Section 29-A, shall be added to read as follows:

11 **SEC. 29-A. PAYMENT FOR ABANDONED CHILDREN. - CONTRIBUTIONS**
12 **FOR ABANDONED CHILDREN SHALL BE SUBSIDIZED BY THE NATIONAL**
13 **GOVERNMENT. A SEPARATE LINE ITEM IN THE ANNUAL BUDGET OF THE**
14 **DSWD SHALL BE ALLOCATED FOR THE PAYMENT OF THEIR PREMIUM**
15 **CONTRIBUTIONS.**

16 **SEC. 20.** Section 34 of the same Act is hereby amended to read as follows:

17 "SEC. 34. *Provider Payment Mechanisms.* - The following mechanisms for
18 public and private providers shall be allowed in the Program:

19 a) Fee-for-service **PAYMENTS** [based on mechanisms established by the
20 Corporation] – **PAYMENTS MADE BY THE CORPORATION FOR**
21 **PROFESSIONAL FEES OR HOSPITAL CHARGES, OR BOTH, BASED ON**
22 **ARRANGEMENTS WITH HEALTH CARE PROVIDERS. THIS FEE SHALL BE**
23 **BASED ON A SCHEDULE TO BE ESTABLISHED BY THE BOARD WHICH**
24 **SHALL BE REVIEWED PERIODICALLY BUT NOT LESS THAN EVERY**
25 **THREE (3) YEARS.**

26 [b) Capitation of health care professionals and facilities, or networks of the same
27 including HMOs, medical cooperatives, and other legally formed health service
28 groups;]

29 **B) [c) A combination of both; and] CASE-BASED PAYMENT;**

30 **C) PER CAPITA PAYMENT;**

31 d) [Any or all of the above, subject to global budget] **A COMBINATION OF**
32 **TWO (2) OR MORE OF THE ABOVEMENTIONED BENEFIT PAYMENT**
33 **SCHEMES; AND**

34 **E) SUCH OTHER PROVIDER PAYMENT MECHANISMS THAT MAY BE**
35 **DETERMINED AND ADOPTED BY THE CORPORATION.**

36 **THE CORPORATION, IN COORDINATION WITH THE DOH, SHALL**
37 **STUDY THE VIABILITY OF PROVIDING A CASE-BASED PAYMENT**
38 **SCHEME FOR HEALTH CARE SERVICES COVERING ALL DISEASES AND**
39 **ILLNESSES, AND ENDEAVOR TO IMPLEMENT THE SAME WITHIN SIX (6)**
40 **MONTHS FROM THE EFFECTIVITY OF THIS ACT.**

41 **THE CORPORATION, IN COORDINATION WITH THE LGUs, SHALL**
42 **LIKEWISE STUDY THE VIABILITY OF IMPLEMENTING A PER CAPITA**
43 **PAYMENT IN THE COMMUNITY LEVEL AND APPLY THE SAME WITHIN SIX**
44 **(6) MONTHS FROM THE EFFECTIVITY OF THIS ACT.**

1 [Each Office shall recommend the appropriate payment mechanism within
2 its jurisdiction for approval by the Corporation. Special consideration shall be
3 given to payment for services rendered by public and private health care
4 providers serving remote or medically underserved areas.]

5 FEES PAID FOR PROFESSIONAL SERVICES RENDERED BY
6 SALARIED PUBLIC PROVIDERS SHALL BE ALLOWED TO BE RETAINED
7 BY THE HEALTH FACILITY IN WHICH SERVICES ARE RENDERED AND BE
8 POOLED AND DISTRIBUTED AMONG HEALTH PERSONNEL. CHARGES
9 PAID TO PUBLIC FACILITIES SHALL BE RETAINED BY THE INDIVIDUAL
10 FACILITY IN WHICH SERVICES WERE RENDERED AND FOR WHICH
11 PAYMENT WAS MADE. SUCH REVENUES SHALL BE USED TO PRIMARILY
12 DEFRAY OPERATING COSTS OTHER THAN SALARIES, TO MAINTAIN OR
13 UPGRADE EQUIPMENT, PLANT OR FACILITY, AND TO MAINTAIN OR
14 IMPROVE THE QUALITY OF SERVICE IN THE PUBLIC SECTOR.

15 **SEC. 21.** Section 35 of the same Act is hereby deleted and replaced with a new
16 section to read as follows:

17 **SEC. 34. REIMBURSEMENT AND PERIOD TO FILE CLAIMS. – ALL**
18 **CLAIMS FOR REIMBURSEMENT SHALL BE FILED WITHIN A PERIOD OF**
19 **SIXTY (60) CALENDAR DAYS FROM THE DATE OF DISCHARGE OF THE**
20 **PATIENT, OTHERWISE, THE CLAIM SHALL BE DENIED; PROVIDED, THAT**
21 **SUCH PERIOD MAY BE EXTENDED FOR SUCH CAUSES AS MAY BE**
22 **DETERMINED BY THE CORPORATION.”**

23 **THE CORPORATION SHALL ENSURE THAT HEALTH PROVIDERS**
24 **ARE ADEQUATELY COMPENSATED WITHIN SIXTY (60) CALENDAR DAYS**
25 **FROM THE DATE THE CLAIM FOR REIMBURSEMENT IS FILED, FAILURE**
26 **OF WHICH, ANNUAL INTEREST OR SURCHARGE OF NOT MORE THAN**
27 **TWELVE PERCENT (12%) SHALL BE IMPOSED UPON THE CORPORATION.**

28 **SEC. 22.** Section 36 of the same Act is hereby deleted and replaced with a new
29 section to read as follows:

30 **SEC. 35. ROLE OF LOCAL GOVERNMENT UNITS (LGUS) –**
31 **CONSISTENT WITH THE MANDATES FOR EACH POLITICAL SUBDIVISION**
32 **UNDER REPUBLIC ACT NO. 7160 OR “THE LOCAL GOVERNMENT CODE**
33 **OF 1991”, LGUs SHALL PROVIDE BASIC HEALTH CARE SERVICES.**

34 **TO AUGMENT THEIR FUNDS, LGUs SHALL INVEST THE**
35 **CAPITATION PAYMENTS GIVEN TO THEM BY THE CORPORATION ON**
36 **HEALTH INFRASTRUCTURES OR EQUIPMENT, PROFESSIONAL FEES,**
37 **DRUGS AND SUPPLIES, OR INFORMATION TECHNOLOGY AND**
38 **DATABASE; PROVIDED, THAT BASIC HEALTH CARE SERVICES, AS**
39 **DEFINED BY THE DOH ,SHALL BE ENSURED ESPECIALLY WITH THE END**
40 **IN VIEW OF IMPROVING MATERNAL, INFANT AND CHILD HEALTH.**

41 **SEC. 23.** Section 42 of the same Act is hereby amended to read as follows:

42 **“SEC. 42. Grievance and Appeal Review Committee. – The Board shall**
43 **create a Grievance and Appeal Review Committee, composed of three (3) to five**
44 **(5) members, hereinafter referred to as the Committee, which, subject to the**
45 **procedures enumerated above, shall receive and recommend appropriate action**
46 **on complaints from [members] ENROLLEES and health care providers relative**
47 **to this Act and its implementing rules and regulations. THE COMMITTEE SHALL**

1 HAVE AS ONE OF ITS MEMBERS AT LEAST ONE MEDICAL
2 PRACTITIONER AND ONE EXPERT IN HOSPITAL ADMINISTRATION.”

3 **SEC. 24.** Section 44 of the same Act is hereby amended to read as follows:

4 “SEC. 44. *Penal Provisions.* - Any violation of the provisions of this Act,
5 after due notice and hearing, shall suffer the following penalties:

6 **A) VIOLATIONS OF HEALTH CARE PROVIDERS** – A fine of not less than
7 [Ten] FIFTY thousand pesos [(P 10,000)] (P50,000) [nor] BUT NOT more than
8 [Fifty] ONE HUNDRED thousand pesos [(P50,000)] (P100,000) in case the
9 violation, OFFENSES, ABUSES AND/OR UNETHICAL PRACTICES AND/OR
10 FRAUDULENT ACTS THAT MAY BE DETERMINED AND / OR IDENTIFIED
11 BY THE CORPORATION WHICH TENDS TO UNDERMINE OR DEFEAT THE
12 OBJECTIVES OF THE PROGRAM is committed by the [hospital management
13 or] ERRING HEALTH CARE provider, [In addition, its accreditation shall be
14 suspended or revoked] OR SUSPENSION OF ACCREDITATION from three (3)
15 months to the whole term of accreditation, OR BOTH SUCH FINE AND
16 SUSPENSION/REVOICATION, AT THE DISCRETION OF THE
17 CORPORATION; *Provided, [however],* That recidivists may NO LONGER [not
18 anymore] be accredited as a participant of the Program;

19 **B) VIOLATION OF AN ENROLLEE** – [A fine of not less than Five hundred
20 pesos (P500) nor more than Five thousand pesos (P5,000) and] ANY
21 ENROLLEE WHO, FOR PURPOSES OF CLAIMING PROGRAM’S BENEFITS
22 OR ENTITLEMENT THERETO, SHALL COMMIT ANY OF THE OFFENSES
23 PROVIDED FOR IN THIS ACT, INDEPENDENTLY OR IN CONNIVANCE WITH
24 THE HEALTH CARE PROVIDER, SHALL SUFFER SUSPENSION FROM
25 AVAILMENT OF PROGRAM’S BENEFITS OF NOT LESS THAN THREE (3)
26 MONTHS BUT NOT MORE THAN SIX (6) MONTHS AND/OR A FINE OF FIVE
27 THOUSAND PESOS (P5,000) AND/OR imprisonment of not less than six (6)
28 months nor more than one (1) year [in case the violation is committed by the
29 member].

30 **C) VIOLATIONS OF AN EMPLOYER** –

31 **1) FAILURE/REFUSAL TO REGISTER/DEDUCT/REMIT THE**
32 **CONTRIBUTIONS**– [Where the violations consist of failure or refusal to deduct
33 contributions from the employee’s compensation or to remit the same to the
34 Corporation, the penalty shall be a fine of not less than Five hundred pesos
35 (P500) but not more than One thousand pesos (P1,000) multiplied by the total
36 number of employees employed by the firm and imprisonment of not less than
37 six (6) months but not more than one (1) year:] ANY EMPLOYER WHICH
38 FAILS OR REFUSES TO REGISTER ITS EMPLOYEES OR TO DEDUCT
39 CONTRIBUTIONS FROM THE EMPLOYEE’S COMPENSATION AND / OR
40 TO REMIT THE SAME TO THE CORPORATION SHALL BE PENALIZED
41 WITH IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS AND ONE (1)
42 DAY TO TWELVE (12) YEARS, AND A FINE OF NOT LESS THAN FIVE
43 THOUSAND PESOS (P5,000) MULTIPLIED BY THE TOTAL NUMBER OF
44 EMPLOYEES OF THE FIRM.

45 Any employer or any officer authorized to collect contributions under this
46 Act who, after collecting or deducting the monthly contributions from his
47 employee’s compensation, fails to remit the said contributions to the
48 Corporation within thirty (30) days from the date they become due shall be
49 presumed to have misappropriated such contribution and shall suffer the
50 penalties provided for in Article 315 of the Revised Penal Code.

1 **2) DEDUCTIONS OF EMPLOYER'S SHARE, DIRECTLY OR INDIRECTLY,**
2 **FROM THE COMPENSATION OF ITS EMPLOYEES** - Any employer who
3 shall deduct directly or indirectly from the compensation of the covered
4 employees or otherwise recover from them his own contribution on behalf of
5 such employees shall be punished by a fine [not exceeding One] **OF FIVE**
6 **thousand pesos (P5,000)** multiplied by the total number of employees
7 employed by the firm, [or] **AND** imprisonment [not exceeding one (1) year, or
8 both fine and imprisonment, at the discretion of the Court] **OF NOT LESS**
9 **THAN SIX (6) YEARS AND ONE DAY TO TWELVE (12) YEARS.**

10 If the act or omission penalized by this Act be committed by an
11 association, partnership, corporation or any other institution, its managing
12 directors or partners or president or general manager, or other persons
13 responsible for the commission of the said act shall be liable for the penalties
14 provided for in this Act and other laws for the offense.

15 **3) MISAPPROPRIATION OF FUNDS BY EMPLOYEES OF THE**
16 **CORPORATION** - Any employee of the Corporation who receives or keeps
17 funds or property belonging, payable or deliverable to the Corporation, and
18 who shall appropriate the same, or shall take or misappropriate or shall
19 consent, or through abandonment or negligence shall permit any other person
20 to take such property or funds wholly or partially, shall likewise be liable for
21 misappropriation of funds or property and shall suffer imprisonment of not
22 less than six (6) years and **ONE (1) DAY BUT** not more than twelve (12)
23 years and a fine not less than Ten Thousand Pesos (P10,000) nor more than
24 Twenty Thousand Pesos (P20,000). Any shortage of the funds or loss of the
25 property upon audit shall be deemed *prima facie* evidence of the offense.

26 **D) OTHER VIOLATIONS** - All other violations [involving funds] of the
27 **PROVISIONS OF THIS ACT, OR OF THE RULES AND REGULATIONS**
28 **PROMULGATED BY THE Corporation**, shall be [governed by the applicable
29 provisions of the Revised Penal Code or other laws, taking into consideration the
30 rules on collection, remittances, and investment of funds as may be promulgated
31 by the Corporation] **PUNISHED BY A FINE OF NOT LESS THAN FIVE**
32 **THOUSAND PESOS (P5,000) NOR MORE THAN TWENTY THOUSAND**
33 **PESOS (P20,000), OR IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS**
34 **AND ONE (1) DAY BUT NOT TO EXCEED TWELVE (12) YEARS OR BOTH,**
35 **AT THE DISCRETION OF THE COURT.**

36 **E) CRIMINAL ACTION - CRIMINAL ACTION ARISING FROM A VIOLATION**
37 **OF THE PROVISIONS OF THIS ACT MAY BE COMMENCED BY THE**
38 **CORPORATION OR THE EMPLOYEE OR HEALTH CARE PROVIDER**
39 **CONCERNED, EITHER UNDER THIS ACT OR IN APPROPRIATE CASES**
40 **UNDER THE REVISED PENAL CODE; PROVIDED, THAT SUCH CRIMINAL**
41 **ACTION MAY BE FILED IN THE CITY OR MUNICIPALITY WHERE THE**
42 **VIOLATION WAS COMMITTED OR IN PROPER COURTS IN METRO**
43 **MANILA, AT THE OPTION OF THE COMPLAINANT.**

44 **F) PROSECUTION OF OFFENSES** - **OFFENSES AS DEFINED IN THE**
45 **IMPLEMENTING RULES AND REGULATIONS AND OTHER ISSUANCES OF**
46 **THE CORPORATION, SHALL BE PROSECUTED IN REGULAR COURTS OF**
47 **JUSTICE WITH COMPETENT JURISDICTION WITHOUT PREJUDICE TO**
48 **ADMINISTRATIVE ACTION THAT MAY BE INSTITUTED BY THE**
49 **CORPORATION UNDER EXISTING LAWS.**

1 G) FILING OF OTHER LEGAL ACTIONS BEFORE THE PROPER COURTS -
2 THE FILING OF AN ADMINISTRATIVE ACTION AGAINST ANY HEALTH
3 CARE PROVIDER, INSTITUTION OR PROFESSIONAL, EMPLOYER, OR
4 ENROLLEE UNDER THIS ACT IS WITHOUT PREJUDICE TO THE
5 INDEPENDENT FILING OF FURTHER LEGAL ACTIONS IN THE PROPER
6 COURTS.

7 H) EXECUTION OF PENALTY - WHEN A HEALTH CARE PROVIDER
8 CEASES OPERATION OR AN INDEPENDENT HEALTH CARE
9 PROFESSIONAL STOPS HIS/HER PRACTICE BEFORE SERVING THE
10 SUSPENSION, EXECUTION OF THE PENALTY SHALL BE DEFERRED, TO
11 BE IMPLEMENTED WHEN THE SAME OWNER OR MEDICAL DIRECTOR
12 OPENS OR OPERATES A NEW INSTITUTION, REGARDLESS OF THE NAME
13 OR LOCATION, OR WHEN THE HEALTH CARE PROVIDER PRACTICES
14 AGAIN WHICHEVER COMES FIRST; *PROVIDED*, THAT THE DISPOSITIVE
15 PART OF THE RESOLUTION REQUIRING PAYMENT OF FINES,
16 REIMBURSEMENT OF PAID CLAIM OR DENIAL OF PAYMENT SHALL BE
17 IMMEDIATELY EXECUTORY.

18 DESPITE THE CESSATION OF OPERATION OR PRACTICE OF A
19 HEALTH CARE PROVIDER OR PROFESSIONAL WHILE THE COMPLAINT IS
20 BEING HEARD, THE PROCEEDING SHALL CONTINUE UNTIL RENDITION
21 OF JUDGMENT FOR PURPOSES OF DETERMINING FUTURE
22 RELATIONSHIPS BETWEEN THE CORPORATION AND THE ERRING
23 HEALTH CARE PROVIDER OR PROFESSIONAL.

24 I) APPLICABILITY OF THESE PROVISIONS - COMPLAINTS ALREADY
25 FILED WITH, AND UNDER DELIBERATION BY, APPROPRIATE BODIES OF
26 THE CORPORATION PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE
27 GOVERNED IN ACCORDANCE WITH THE PREVIOUS ACTS AND THEIR
28 IMPLEMENTING RULES AND REGULATIONS."

29 **SEC. 25.** Section 54 of the same Act is hereby amended to read as follows:

30 "SEC. 54. *Oversight Provision.*- [Congress shall] **THERE IS HEREBY**
31 **CREATED A JOINT CONGRESSIONAL OVERSIGHT COMMITTEE TO**
32 conduct a regular review of the National Health Insurance Program which shall
33 entail a systematic evaluation of the Program's performance, impact or
34 accomplishments with respect to its objectives or goals. [Such review shall be
35 undertaken by the Senate and the House of Representatives, which have
36 legislative jurisdiction over the Program.] **THE COMMITTEE SHALL BE**
37 **COMPOSED OF FIVE (5) MEMBERS FROM THE SENATE AND FIVE (5)**
38 **MEMBERS FROM THE HOUSE OF REPRESENTATIVES TO BE APPOINTED**
39 **BY THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF**
40 **REPRESENTATIVES, RESPECTIVELY. THE OVERSIGHT COMMITTEE**
41 **SHALL BE JOINTLY CHAIRED BY THE CHAIRPERSONS OF THE SENATE**
42 **COMMITTEE ON HEALTH AND DEMOGRAPHY AND THE HOUSE OF**
43 **REPRESENTATIVES COMMITTEE ON HEALTH.**

44 The National Economic and Development Authority, in coordination with
45 the National Statistics Office and the National Institutes of Health of the
46 University of the Philippines shall undertake studies to validate the
47 accomplishments of the Program. [The Budget required to undertake such study
48 shall come from the income of the PhilHealth.] **SUCH VALIDATION STUDIES**
49 **WHICH SHALL INCLUDE AN ASSESSMENT OF THE ENROLLEES'**
50 **SATISFACTION OF THE BENEFIT PACKAGE AND SERVICES PROVIDED**
51 **BY THE CORPORATION. THESE VALIDATION STUDIES, AS WELL AS AN**

1 ANNUAL REPORT ON THE PERFORMANCE OF THE CORPORATION,
2 SHALL BE SUBMITTED TO THE CONGRESSIONAL OVERSIGHT
3 COMMITTEE.

4 THE CORPORATION SHALL ANNUALLY TRANSFER 0.01% OF ITS
5 INCOME IN THE PREVIOUS YEAR FOR THE PURPOSE OF CONDUCTING
6 THESE STUDIES.”

7 **SEC. 26. *Implementing Rules and Regulations.*** – Within one (1) year from the
8 approval of this Act, the DOH and the Corporation shall issue the necessary rules and
9 regulations to implement the provisions of this Act.

10 **SEC. 27.** Sections following Section 7 of R.A. No. 7875, as amended, are hereby
11 renumbered accordingly.

12 **SEC. 28. *Separability Clause.*** – If any part or provision of this Act shall be held
13 unconstitutional or invalid, other provisions which are not affected thereby shall continue
14 to be in full force and effect.

15 **SEC. 29. *Repealing Clause.*** – All laws, issuance or any part thereof inconsistent
16 with this Act are hereby repealed or modified accordingly.

17 **SEC. 30. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
18 publication in the Official Gazette or in at least two (2) newspapers of general
19 circulation.

20 Approved,