

9 OCT 27 12:54

SENATE
S.B. No. **3503**

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Section 15 provides that:

The State shall protect and promote the right to health of the people and instill health consciousness among them.

A good health care system is anchored on a sound insurance system. Reasonable insurance coverage means less cost for the government in terms of disease prevention and treatment. There are many insurers who afford reasonable coverage at affordable cost to most of our countrymen. However, our country has yet to establish a meaningful insurance system. At the end of year 2000, less than 20% of our country's population has insurance coverage.¹

The lack of faith in the insurance sector can be attributed to several factors. One is the public's insufficient understanding of the health insurance industry. It can be attributed to the legalese and technical terms employed by the insurance companies in marketing and crafting the health insurance policies leading to failure to communicate the benefits of having health insurance. As a result, the insurance system is generally treated with distrust.

This bill seeks to mandate health insurance providers to use plain language in preparing insurance documents. By doing so, we will be able to democratize the understanding of such documents and thereby establish faith in the health insurance system.

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

¹ MCA Limited. Philippines Special Report: The Health Care System in the Philippines. December 2001

9 OCT 27 1974

SENATE
S.B. No. **3503**

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 TO ENHANCE CITIZEN AWARENESS OF INSURANCE INFORMATION AND SERVICES
3 BY ESTABLISHING STANDARDS IN THE LANGUAGE EMPLOYED IN INSURANCE
4 DOCUMENTS

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

5 SECTION 1. *Short Title.* – This Act shall be known as the “Plain Language in Health
6 Insurance Act.”

7 SECTION 2. *Purpose.* – The purpose of this Act is to improve the effectiveness and
8 accountability of health insurance issuers, health plans, and government health care programs by
9 promoting clear communication that the public can understand and use.

10 SECTION 3. *Definitions.* – For purposes of this Act the term –

11 A. COVERED DOCUMENT- means any publicly distributed document issued by a
12 health insurance issuer, health plan, or government health care program;

13 B. PLAIN LANGUAGE - means language that the intended audience can readily
14 understand and use because that language is clear, concise, well organized, and
15 follows other best practices of plain language writing; and

16 C. SECRETARY - means the Secretary of Health, unless otherwise indicated.

17 SECTION 4. *Requirement to Use Plain Language in New Documents.* – Not later than
18 one year after the date of effectivity of this Act, any health insurance issuer, health plan, and
19 government health care program shall use plain language in any covered document of the plan
20 issued or substantially revised.

1 SECTION 5. *Guidelines.* – The Secretary of Health, not later than 6 months after the
2 effectivity date of this Act, shall develop guidelines on implementing the requirements of Section
3 4 of this Act. The Secretary shall issue such guidelines to health insurance issuers, health plans,
4 and government health care programs.

5 SECTION 6. *Corrective Action Plan.* – If the Secretary finds that a health insurance
6 issuer or health plan is in violation of Section 4 of this Act, the Secretary shall issue an order
7 requiring the issuer or plan to submit a corrective action plan within 90 days for review and
8 approval by the Secretary.

9 SECTION 7. *Penalties.* - Any health insurance issuer or health plan that violates an order
10 under Section 6 or any provision of a corrective action plan approved by the Secretary pursuant
11 to the same shall be liable for a penalty in an amount not to exceed One Hundred Thousand
12 Pesos (Php 100,000.00) for each such violation.

13 SECTION 8. *Government Health Care Programs.* – The Secretary, in consultation with
14 other appropriate departments and agencies, shall establish mechanisms to ensure that
15 government health care programs meet the requirements of Section 4.

16 SECTION 9. *Initial Report to Congress.* – Not later than six months after the effectivity
17 date of this Act, the Secretary shall submit to the appropriate committees in the Senate and the
18 House of Representatives a report that describes how the agency intends to meet the following
19 objectives:

- 20 A. Communicating the requirements of this Act to health insurance issuers, health plans,
21 and government health care programs;
- 22 B. Training government health care program employees to write in plain language;
- 23 C. Meeting the requirement under Section 4;
- 24 D. Ensuring ongoing compliance with the requirements of this Act;
- 25 E. Enforcing the requirements of this Act pursuant to Section 6; and

1 F. Designating a senior official to be responsible for implementing the requirements of
2 this Act.

3 SECTION 10. *Annual Reports.* – The Secretary shall submit reports on compliance with
4 this Act to the appropriate committees in the Senate and the House of Representatives:

5 A. annually for the first 2 years after the date of enactment of this Act; and

6 B. once every 3 years thereafter.

7 SECTION 11. *Appropriations.* –The amount necessary for the initial implementation of
8 this Act shall be charged against the appropriations of the Department of Health under the
9 current General Appropriations Act. Thereafter, such sum as may be necessary for its full
10 implementation shall be included in the annual General Appropriations Act as a distinct and
11 separate item.

12 SECTION 12. *Separability Clause.* – If any provision or part of this Act is held invalid or
13 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
14 valid and subsisting.

15 SECTION 13. *Repealing Clause.* – Any law, presidential decree or issuance, executive
16 order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent
17 with the provision of this Act is hereby repealed, modified, or amended accordingly.

18 SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation.

Approved,