CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
Third Regular Session

CERTIFIED BY THE PRESIDENT OF THE PHILIPPINES FOR ITS IMMEDIATE ENACTMENT ON OCTOBER 10, 2018

SENATE

S. No. 1896

(In substitution of Senate Bill Nos. 1458, 1673 and 1714 taking into consideration Senate Bill No. 60 and House Bill No. 5784)

PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES ON HEALTH AND DEMOGRAPHY, WAYS AND MEANS, AND FINANCE WITH SENATORS RECTO, EJERCITO, BINAY, DE LIMA, VILLAR, ANGARA, HONTIVEROS, VILLANUEVA, GATCHALIAN, PACQUIAO, SOTTO III, DRILON AND ZUBIRI AS AUTHORS THEREOF

AN ACT INSTITUTING UNIVERSAL HEALTH CARE FOR ALL FILIPINOS, PRESCRIBING REFORMS IN THE HEALTH CARE SYSTEM, AMENDING FOR THE PURPOSE CERTAIN LAWS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

CHAPTER 1

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "Universal Health Care Act".

SEC. 2. *Declaration of Principles and Policies.* – It is the declared policy of the State to protect and promote the right to health of every Filipino and instill health consciousness among them. Towards this end, the State shall adopt:

(a) An integrated and comprehensive approach to ensure that every Filipino is health literate, provided healthy living conditions, and protected from hazards and risks that could affect their health;

(b) A health care model that provides every Filipino access to a comprehensive set of cost-effective and quality promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, prioritizing the needs of the population who cannot afford such services;

(c) A framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, and cognizant of health policies, programs and plans; and

(d) A people-oriented approach for the delivery of health services that is centered on people's needs and well-being, and cognizant of the differences in culture, values and beliefs.

SEC. 3. *General Objectives.* – This Act seeks to:

(a) Progressively realize universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and

(b) Ensure that all Filipinos are guaranteed equitable access to quality and affordable health goods and services, and protected against financial risk.

SEC. 4. *Definition of Terms.* – As used in this Act,

(a) *Amenity* refers to any feature of the health service that provides comfort, convenience, or pleasure. Basic amenities include regular meal, bed in shared accommodation, fan ventilation and shared toilet/bath. Additional amenities include, but not limited to, private accommodation, air conditioning, telephone, television, choice of meals, among others;

(b) *Co-insurance* refers to a percentage of a medical charge that is paid by the insured, with the rest paid by the health insurance plan;

(c) *Co-payment* refers to a flat fee or predetermined rate paid at point of service;

(d) *Direct Contributors* refer to those who have the capacity to pay premiums, who may be gainfully employed with an employer-employee relationship, self-earning, professional practitioners, or migrant workers;

(e) *Emergency* refers to a condition or state of a patient wherein based on the objective findings of a prudent medical officer on duty, there is immediate danger and where delay in initial support and treatment may cause loss of life or permanent disability to the patient, or in the case of a pregnant woman, permanent injury or loss of her unborn child, or would result in a non-institutional delivery;

(f) *Entitlement* refers to any singular or package of health services provided to Filipinos for the purpose of improving health;

(g) *Essential health benefit package* refers to a set of individual-based entitlements covered by the NHIP which shall include, but not limited to, primary care; diagnostics and laboratory services; prescription medicines; preventive, curative, and rehabilitative services;

(h) *Fraudulent Act* refers to any act of misrepresentation or deception resulting in undue benefit or advantage on the part of the doer or any means which deviate from normal procedure for personal gain, resulting to damage and prejudice which may be capable of pecuniary estimation;

(i) *Health care provider* refers to any of the following:

(1) A *health facility*, which may be public or private, devoted primarily to the provision of services for health promotion, prevention, diagnosis, treatment, rehabilitation and palliation of individuals suffering from illness, disease, injury, disability, or deformity, or in need of obstetrical or other medical and nursing care, and which is recognized by the Department of Health (DOH);

(2) A *health care professional*, who is a doctor of medicine, nurse, midwife, dentist, or other allied professional or practitioner duly licensed to practice in the Philippines;

(3) A *community-based health care organization*, which is an association of members of the community organized for the purpose of improving the health status of that community; or

(4) Pharmacies or drug outlets, laboratory and diagnostic clinics.

(j) *Health care provider network* refers to a group of primary to tertiary care providers, whether public or private, offering people-centered and comprehensive care in an integrated and coordinated manner with the primary care provider acting as the coordinator of health care within the network;

(k) *Health Maintenance Organization (HMO)* refers to an entity that provides, offers, or arranges for coverage of designated health services for its plan holders or members for a fixed prepaid premium;

(l) *Health Technology Assessment (HTA)* refers to the systematic evaluation of properties, effects, or impact of health-related technologies, devices, medicines, vaccines, procedures and all other health-related systems developed to solve a health problem and improve quality of lives and health outcomes. It is a multidisciplinary process to evaluate the social, economic, organizational and ethical issues of a health intervention or health technology;

(m) *Indirect Contributors* refer to all others not included as direct contributors whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws;

(n) *Individual-based health services* refer to services which can be accessed within a health facility or remotely that can be definitively traced back to one (1) recipient, has limited effect at a population level and does not alter the underlying cause of illness, such as ambulatory and inpatient care, medicines, laboratory tests and procedures, among others;

(o) *Population-based health services* refer to health services that have population groups as recipients of the intervention such as health promotion, disease surveillance, vector control, among others;

(p) *Primary care* refers to initial-contact, accessible, continuous, comprehensive and coordinated care that is accessible at the time of need. It includes a range of services for all presenting conditions and the ability to coordinate referrals to other health care providers in the service delivery network, when necessary;

(q) *Primary care provider* refers to a health care worker with defined competencies who have received certification in primary care as determined by the DOH or any health institutions that are licensed and certified by DOH; and

(r) *Private health insurance* refers to coverage of a defined set of health services financed through private payments in the form of a premium to the insurer.

CHAPTER II

UNIVERSAL HEALTH CARE (UHC)

SEC. 5. *Population Coverage.* – Every Filipino citizen shall be automatically included into the National Health Insurance Program (NHIP) as an indirect contributor, except if they qualify as a direct contributor. PhilHealth shall use the civil registration data of the Philippine Statistics Authority and/or data from the National ID system, as applicable to regularly validate and update Philippine Health Insurance Corporation (PhilHealth) membership.

SEC. 6. *Service Coverage.* –

(a) Every Filipino shall be granted immediate eligibility and access to preventive, promotive, curative, rehabilitative and palliative health services, delivered either as population-based or individual-based health services: *Provided,* That, services covered, shall be determined through a fair and transparent health technology assessment process; and

(b) The DOH and the Local Government Units (LGUs) shall endeavor to provide a health care delivery system that will afford every Filipino a primary care provider that would act as the initial-and continuing point of contact in the health care delivery system: *Provided,* That except in emergency cases and when proximity is a concern, access to higher levels of care shall be coordinated by the primary care provider.

SEC. 7. *Financial Coverage.* –

(a) Population-Based Health Services shall be financed by the National Government through the DOH and shall be free at point of service for all Filipinos.

The National Government shall support LGUs in the financing of capital investments and provision of population based interventions.

(b) Individual-Based Health Services shall be financed primarily through prepayment mechanisms such as social health insurance, private health insurance, and HMO plans to ensure predictability of health expenditures.

CHAPTER III

NATIONAL HEALTH INSURANCE PROGRAM

SEC. 8. *NHIP Membership.* – Membership into the NHIP shall be simplified into direct contributors and indirect contributors as defined in Section 4 of this Act.

SEC. 9. *Entitlement to Benefits.* – Every member shall be granted immediate eligibility for health benefit package under the NHIP: *Provided,* That PhilHealth Identification Card shall not be required in the availment of any health services: *Provided, further,* That no co-payments shall be charged for services rendered in basic accommodation: *Provided, finally,* That co-payments and co-insurance for amenities shall be regulated by the DOH and PhilHealth.

PhilHealth shall provide additional NHIP benefits for direct contributors, where applicable: *Provided,* That failure to pay premiums shall not prevent the enjoyment of any NHIP benefits.

Indirect contributors shall be entitled to no balance billing when admitted in any basic accommodation in public hospitals: *Provided,* That the current PhilHealth

package for indirect contributory members shall not be reduced.

SEC. 10. *Premium Contributions.* – For direct contributors, premium rates shall be in accordance with the following schedule, and salary floor and ceiling:

YEAR	PREMIUM RATE	SALARY FLOOR	SALARY CEILING
2021	3%	P10,000.00	P40,000.00
2023	4%	P10,000.00	P40,000.00
2025	5%	P10,000.00	P40,000.00

Provided, That for indirect contributors, premium subsidy shall be gradually adjusted and included annually in the General Appropriations Act (GAA): *Provided, further,* That the funds shall be automatically released to PhilHealth at the start of each calendar year: *Provided, even further,* That the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act: *Provided, finally,* That for every increase in the rate of contribution of direct contributors and premium subsidy of indirect contributors,

PhilHealth shall provide for a corresponding increase in benefits.

SEC. 11. *NHIP Reserve Funds.* – PhilHealth shall set aside a portion of its accumulated revenues not needed to meet the cost of the current year's expenditures as reserve funds: *Provided,* That the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two (2) years' projected Program expenditures: *Provided, further,* That whenever actual reserves exceed the required ceiling at the end of the fiscal year, the excess of the PhilHealth reserve fund shall be used to increase the Program's benefits and to decrease the amount of members' contributions.

Any unused portion of the reserve fund that is not needed to meet the current expenditure obligations or support the above mentioned programs, shall be placed in investments to earn an average annual income at prevailing rates of interest and shall be referred to as the Investment Reserve Fund. The Investment Reserve Fund shall be invested in any or all of the following:

(a) In interest-bearing bonds, securities or other evidences of indebtedness of the Government of the Philippines: *Provided,* That such investment shall be at least fifty percent (50%) of the Reserve Fund;

(b) In debt securities and corporate bonds of prime or solvent corporations created or existing under the laws of the Philippines: *Provided,* That the issuing or its predecessor entity shall not have defaulted in the payment of interest on any of its securities: *Provided, further,* That the securities are issued by companies with high growth opportunities and earnings potentials: *Provided, finally,* That such investment shall not exceed thirty percent (30%) of the reserve fund;

(c) In interest-bearing deposits and loans to or securities in any domestic bank doing business in the Philippines: *Provided,* That in the case of such deposits, this shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: *Provided, further,* That the bank shall have been designated as a depository for this

purpose by the Monetary Board of the Bangko Sentral ng Pilipinas;

(d) In preferred stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record or profitability over the last three (3) years and payment of dividends for a period of at least three (3) years immediately preceding the date of investment in such preferred stocks;

(e) In common stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with high growth opportunities and earnings potentials;

(f) In bonds, securities, promissory notes or other evidences of indebtedness of accredited and financially sound medical institutions exclusively to finance the construction, improvement and maintenance of hospitals and other medical facilities: *Provided,* That such securities and instruments shall be guaranteed by the Republic of the Philippines or the issuing medical institution and the

issued securities are both rated triple 'A' by authorized accredited domestic rating agencies: *Provided, further,* That said investments shall not exceed ten percent (10%) of the total reserve fund; and

(g) In debt instruments and other securities traded in the secondary markets with the same intrinsic quality as those enumerated in paragraphs (a) to (e) hereof, subject to the approval of the PhilHealth Board.

No portion of the Reserve Fund or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including government-owned or -controlled corporations.

As part of its investments operations, PhilHealth may hire institutions with valid trust licenses as its external local fund managers to manage the reserve fund, as it may deem appropriate, through public bidding. The fund manager shall submit annual report on investment performance to PhilHealth.

SEC. 12. *Administrative Expense.* – No more than seven and one half percent (7.5%) of the actual total

premium collected from direct and indirect contributory members during the immediately preceding year shall be allotted for the administrative cost of implementing the NHIP.

SEC. 13. *PhilHealth Board of Directors.* –

(a) The PhilHealth Board of Directors is hereby reconstituted to have a maximum of thirteen (13) members, consisting of the following: (1) five (5) *ex officio* members, namely, the Secretary of Health, Secretary of Social Welfare and Development, Secretary of Budget and Management, Secretary of Finance, Secretary of Labor and Employment; (2) three (3) expert panel members with expertise in public health, management, finance, and health economics; and (3) five (5) sectoral panel members, representing the direct contributory group, indirect contributory group, employers group, local public health systems.

(b) The sectoral and expert panel members must be: (1) Filipino citizens and of (2) good moral character. The expert panel members must: (1) be of recognized probity

and independence and must have distinguished themselves professionally in public, civic or academic service; (2) be in the active practice of their professions for at least seven (7) years; and (3) not be appointed within one (1) year after losing in the immediately preceding elections, whether regular or special.

SEC. 14. *President and CEO of PhilHealth.* – The President of the Philippines shall appoint the President and CEO of PhilHealth from the non-*ex officio* members upon the recommendation of the Board: *Provided,* That the Board cannot recommend a President and CEO of PhilHealth unless he is a Filipino citizen and must have at least seven (7) years of experience in the field of public health, management, finance, and health economics or a combination of any of these expertise.

CHAPTER IV

HEALTH SERVICES DELIVERY

SEC. 15. *Population-based Health Services.* – The DOH shall endeavor to contract province-wide and city-wide health systems for the delivery of population-based

health services. Province-wide and city-wide health systems shall have the following minimum components:

(a) Primary care provider network with patient records accessible throughout the health system;

(b) Accurate, sensitive, and timely epidemiologic surveillance systems; and

(c) Proactive and effective health promotion programs or campaigns.

SEC. 16. *Individual-based Health Services.* –

(a) PhilHealth shall endeavor to contract public, private, or mixed health care provider networks for the delivery of individual-based health services: *Provided,* That member access to services shall not be compromised: *Provided, further,* That these networks agree to service quality, co-payment/co-insurance, and data submission standards: *Provided, even further,* That during the transition, PhilHealth and DOH shall incentivize health care providers that form networks: *Provided, finally,* That apex or end-referral hospitals, as determined by the DOH,

may be contracted as stand-alone health care providers by PhilHealth.

(b) PhilHealth shall endeavor to shift to paying providers using performance-driven, close-end, prospective payments based on disease or diagnosis related groupings and validated costing methodologies and without differentiating facility and professional fees; develop differential payment schemes that give due consideration to service quality, efficiency and equity; and institute strong surveillance and audit mechanisms to ensure networks' compliance to contractual obligations.

CHAPTER X

ORGANIZATION OF LOCAL HEALTH SYSTEMS

SEC. 17. *Integration of Local Health Systems into Province-wide and City-wide Health System.* – The DOH, Department of Local and Interior Government (DILG) PhilHealth and the LGUs shall endeavor to integrate health systems into Province-wide and City-wide Health Systems. The Provincial and City Health Boards shall oversee and coordinate the integration of health services

for province-wide health systems, which shall be composed of-municipal and component city health systems, and city-wide health systems in highly urbanized and independent component cities, respectively. The Provincial and City Health Board shall manage the Special Health Fund referred to in Section 18 of this Act and shall exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction: *Provided,* That municipalities and cities included in the province-wide and city-wide health system shall be entitled to a representative in the Provincial or City Health Board, as the case may be.

SEC. 18. *Special Health Fund.* – The province-wide or city-wide health system shall pool and manage, through a Special Health Fund, all resources intended for health services, including income generated by health facilities, to finance population-based and individual-based health services, health system operating costs, capital investments, and remuneration of additional health

workers and incentives for all health workers: *Provided,* That the DOH, in consultation with the DBM, shall develop guidelines for the use of the Special Health Fund.

SEC. 19. *Incentives for Improving Competitiveness of the Public Health Service Delivery System.* - The National Government shall make available commensurate financial and non-financial matching grants, including, but not limited to, capital outlay, human resources for health and health commodities, to improve the functionality of province-wide and city-wide health systems: *Provided,* That underserved and unserved areas shall be given priority in the allocation of grants: *Provided, further,* That the grants shall be in accordance with the approved province-wide and city-wide health investment plans, which shall account for complementation of public and private health care providers and public or private health sector investments.

CHAPTER V

HUMAN RESOURCES FOR HEALTH

SEC. 19. *National Health Human Resource Master Plan.* – The DOH, together with stakeholders, shall ensure the formulation and implementation of a National Health Human Resource Master Plan that will provide policies and strategies for the appropriate production, recruitment, retraining, regulation, retention and reassessment of the health workforce based on population health needs.

SEC. 20. To ensure continuity in the provision of the health programs and services, all health professionals and health care workers shall be guaranteed permanent employment.

SEC. 21. *National Health Workforce Support System.* – A national health workforce (NHW) support system shall be created to support local public health systems, in addressing their human resource needs: *Provided,* That deployment to Geographically Isolated and Disadvantage Areas (GIDAs) shall be prioritized.

SEC. 22. *Scholarship and Training Program.* –

(a) The CHED, Technical Education and Skills Development Authority (TESDA), Professional Regulation Commission (PRC) and the DOH shall develop and plan the expansion of existing and new health-related degree and training programs including those for community based health care workers and regulate the number of enrollees in each program based on the health needs of the population especially those in underserved areas.

(b) The CHED and DOH shall expand scholarship grants for health-related undergraduate and graduate programs: *Provided,* That scholarships shall be based on the needed *cadre* of national and local health managers and health professionals: *Provided, further,* That scholarships for *bona fide* residents of unserved or underserved areas or members of indigenous peoples shall be given priority.

(c) The PRC and the DOH, in coordination with duly-registered medical and allied health professional societies, shall set up a registry of medical and allied

health professionals, indicating among others their current number of practitioners and location of practice.

(d) The CHED, PRC, and DOH, in coordination with duly-registered medical and allied professional societies, shall reorient, medical and allied medical professional education, and health professional certification and regulation towards producing health workers with competencies in the provision of primary care services.

SEC. 23. *Return Service Agreement.* – All graduates of health-related courses from state universities and colleges or government-funded scholarship programs shall be required to serve for at least three (3) full years, under supervision and with compensation, in priority areas in the public sector: *Provided, further,* That those who will serve for additional two (2) years, shall be provided with additional incentives as determined by DOH: *Provided, even further,* That graduates of health-related courses from private schools shall be similarly encouraged to serve in these areas.

The DOH shall coordinate with the CHED and PRC for the effective implementation of this section including the establishment of guidelines for non-compliance.

CHAPTER VI

REGULATION

SEC. 24. *Safety and Quality.* –

(a) PhilHealth shall recognize third party accreditation mechanisms and may use these as basis for granting incentives.

(b) The DOH shall ~~institute~~ a licensing and regulatory system for stand-alone health facilities, including those providing ambulatory and primary care services, and other modes of health service provision.

(c) The DOH shall set standards for clinical care through the development, appraisal, and use of clinical practice guidelines in cooperation with professional societies and the academia.

SEC. 25. *Affordability.* –

(a) DOH-owned health care providers shall procure drugs and devices guided by price reference indices,

following centrally negotiated prices, sell them following maximum prescribed mark-ups, and submit to DOH a price list of all drugs and devices procured and sold by the health care provider.

(b) An independent price negotiation board shall be constituted to negotiate prices on behalf of the DOH and PhilHealth: *Provided,* That the negotiated price in the framework contract shall be applicable for all health care provider under DOH.

(c) Health care providers and facilities shall be required to make readily accessible to the public and submit to DOH and PhilHealth, all pertinent, relevant, and up-to-date information regarding the prices of health services, and all goods and services being offered.

(d) Drug outlets shall be required at all times to carry the generic equivalent of all drugs in the Primary Care Formulary and shall be required to provide customers with a list of therapeutic equivalent and their corresponding prices when fulfilling prescriptions or in any transaction.

(e) The DOH, PhilHealth, HMOs, life and non-life private health insurance (PHIs) shall develop standard policies and plans that complement the NHIP's benefit schedule: *Provided,* That a coordination mechanism between PhilHealth, PHIs and HMOs shall be set up to ensure that no benefits shall be unnecessarily dropped.

SEC. 26. *Equity.* –

(a) The DOH shall annually update its list of underserved areas, which shall be the basis for preferential licensing of health facilities and contracting of health services. The DOH shall develop the framework and guidelines determine the appropriate bed capacity and number of health care professionals of public health facilities based on need.

(b) The government shall guarantee that the distribution of health services and benefits provided for in this Act shall be equitable by prioritizing GIDAs in the provision of assistance and support.

CHAPTER VII

GOVERNANCE AND ACCOUNTABILITY

SEC. 27. *Health Promotion.* – The DOH as the overall steward for health care shall strengthen national efforts in providing a comprehensive and coordinated approach to health development with emphasis on scaling up health promotion and preventive care.

The DOH shall transform its existing Health Promotion and Communication Service into a full-fledged Bureau, to be named as the Health Promotion Bureau, to improve health literacy and to mainstream health promotion and protection.

SEC. 28. *Evidence-Informed Sectoral Policy and Planning for UHC.* –

(a) All public and private, national and local health-related entities shall be required to submit health and health-related data to PhilHealth including, but not limited to, administrative, public health, medical, pharmaceutical and health financing data: *Provided,* That PhilHealth shall furnish the DOH a copy of the said health

data: *Provided, further,* That the DOH shall create and maintain a databank which shall serve as the hub of all health data.

(b) The DOH and Department of Science and Technology shall develop a *cadre* of policy systems researchers, technical experts and managers by providing training grants in globally-benchmarked institutions: *Provided,* That grantees shall be required to serve for at least three (3) full years, under supervision and with compensation, in DOH, PhilHealth and other relevant government agencies: *Provided, further,* That those who will serve for additional two (2) years, shall be provided with additional incentives as determined by concerned agency.

(c) All health, nutrition and demographic-related administrative and survey data generated using public funds shall be considered public records and be made accessible to the public unless otherwise prohibited by other law: *Provided,* That any person who requests a copy of such public records may be required to pay the actual

costs of reproduction and copying of the requested public records.

(d) Participatory action researches on cost-effective, high-impact interventions for health promotion and social mobilization shall form part of the national health research agenda of the Philippine National Health Research System which shall also be mandated to provide adequate funding support for the conduct of these researches.

SEC. 29. *Monitoring and Evaluation.* –

(a) The PSA shall conduct the relevant modules of household surveys annually during the first ten (10) years of the implementation, and thereafter follow its regular schedule.

(b) The DOH shall publish annual provincial burden of disease estimates using internationally validated estimation methods and biennially using actual public and private sector data from electronic records and disease registries, to support LGUs in tracking progress of health outcomes.

SEC. 30. *Health Impact Assessment (HIA).* – Health Impact Assessment (HIA) shall be required for policies, programs, and projects that are crucial in attaining better health outcomes or those that may have an impact on the health sector.

SEC. 31. *Health Technology Assessment (HTA).* –

(a) The HTA process shall be institutionalized as a fair and transparent priority setting mechanism that shall be recommendatory to the DOH and PhilHealth for the development of policies and programs, regulation, and determination of range of entitlements, provided for under this Act: *Provided,* That investments on any health technology ~~nor~~ development of any benefit package by the DOH and PhilHealth shall be based on the positive recommendations of the HTA: *Provided, further,* That the HTA process shall adhere to the principles of ethical soundness, inclusiveness and preferential regard for the underserved, evidence-based and scientific defensibility, transparency and accountability, efficiency, and enforceability: *Provided, finally,* That the HTA unit shall

ensure that its process shall be transparent, conducted with reasonable promptness, and the result of its deliberations shall be made public.

(b) The HTA unit is mandated to review and assess all existing PHIC benefit packages: *Provided, however,* That despite having undergone the HTA process, all health technology, intervention or benefit package shall still be subjected to periodic review: *Provided, further,* That no one (1) and the same intervention or benefit package should be subjected to HTA process more than once in every five (5) year period.

(c) An HTA office shall be established within the DOH and shall be composed of:

(1) A health economist;

(2) An ethicist;

(3) A citizen's representative;

(4) A sociologist or anthropologist; and

(5) A clinical epidemiologist or evidence-based medicine expert.

The HTA office shall (1) provide financing and/or coverage recommendations on health technologies to be financed by DOH and PhilHealth (2) oversee and coordinate the HTA process within DOH and PhilHealth and (3) review existing DOH and PHIC benefit packages.

(d) The DOH, in coordination with other government agencies, health professional organizations, health sector civil society organizations, patients' organization, and academe, shall establish guidelines and qualifications for the nomination process for advisory committee members.

SEC. 32. *Ethics in Public Health Policy and Practice.* – The implementation of UHC shall be strengthened by commitment of all stakeholders to abide by ethical principles in public health practice.

(a) Conflict of interest declaration and management shall be routine in all policy-determining activities, and applicable to all appointed decision-makers, policymakers and their staff.

(b) All manufacturers of drugs, medical devices, biological and medical supplies registered by the FDA shall

collect and track all financial relationships with health care professionals and health care providers and report these to the DOH, which shall then make this list publicly available.

(c) A public health ethics committee shall be constituted as an advisory body to the Secretary of Health to ensure compliance with the provision of this section.

SEC. 33. *Health Information System.* – All health service providers and insurers shall maintain information systems including, but not limited to, enterprise resource planning, human resource information system, electronic health records, and electronic prescription consistent with DOH standards which shall be electronically uploaded on a regular basis through interoperable systems: *Provided,* That the said Health Information System shall be developed and funded by the DOH and PhilHealth: *Provided, further,* That Patient privacy and confidentiality shall at all times be upheld, in accordance with the Data Privacy Act of 2012.

CHAPTER VIII

APPROPRIATIONS

SEC. 34. *Appropriations.* – The amount necessary to implement this Act shall be sourced from the following:

(a) Incremental sin tax collections as provided for in Republic Act No. 10351 otherwise known as the Sin Tax Law: *Provided,* That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;

(b) Fifty percent (50%) of the National Government share from the income of the Philippine Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended: *Provided,* That the funds shall be automatically transferred to PhilHealth at the start of each calendar year: *Provided, further,* That the funds shall be used by PhilHealth to improve its benefit packages;

(c) Forty Percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity and Sweepstakes Office (PCSO) as provided for Republic Act No. 1169, as

amended: *Provided,* That the funds shall be automatically transferred to PhilHealth at the start of each calendar year: *Provided, further,* That the funds shall be used by PhilHealth to improve its benefit packages;

(d) Premium contributions of members;

(e) Annual Appropriations of the DOH included in the GAA; and

(f) National Government subsidy to PhilHealth included in the GAA.

The amount necessary to implement the provisions of this Act shall be included in the GAA and shall be appropriated under the DOH and National Government subsidy to PhilHealth. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act.

CHAPTER VIII

PENAL PROVISIONS

SEC. 35. *Penal Provisions.* – Any violation of the provisions of this Act, shall suffer the corresponding penalties as herein provided:

(a) Any health care provider contracted for the provision of population-based health services who violated any of the provision in their respective contract shall be subject to sanctions and penalties under their respective contracts without prejudice to the right of the government to institute any criminal or civil action before the proper judicial body.

(b) Any contracted health care provider for the provision of individual-based health services who commits an unethical act, abuses the authority vested upon him or her, or perform a fraudulent act shall be punished by a fine of Two hundred thousand pesos (P200,000.00) for each count, or suspension of contract up to three (3) months or the remaining period of its contract or accreditation whichever is shorter, or both, at the discretion of the

PhilHealth taking into consideration the gravity of the offense. The same shall also constitute a criminal violation punishable by imprisonment for six (6) months to one (1) day up to six (6) years, upon discretion of the court without prejudice to criminal liability defined under the Revised Penal Code. If the health care provider is a juridical person, its officers and employees or other representatives found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable. Recidivists may no longer be contracted as participants of the Program.

(c) Any member who commits any violation of this Act or knowingly and deliberately cooperates or agrees, whether explicitly or implicitly, to the commission of a violation by a contracted health care provider or employer as defined in this section, including the filing of a fraudulent claim for benefits or entitlement under this Act, shall be punished by a fine of Fifty thousand pesos (P50,000.00) for each count or suspension from availment of the benefits of the Program for not less than three (3)

months but not more than six (6) months, or both, at the discretion of the Corporation.

(d) Employer –

(1) Failure or Refusal to Register, Deduct or Remit the Contributions – Any employer who deliberately or through inexcusable negligence, fails or refuses to register employees, regardless of their employment status, accurately and timely deduct contributions from the employee's compensation or to accurately and timely remit or submit the report of the same to the Corporation shall be punished with a fine of Fifty thousand pesos (P50,000.00) for every count of violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

Any employer or any officer authorized to collect contributions under this Act who, after collecting or deducting the monthly contributions from the employee's compensation, fails or refuses for whatever reason to accurately and timely remit the contributions to the

Corporation within thirty (30) days from due date shall be presumed *prima facie*, to have misappropriated the same and is obligated to hold the same in trust for and in behalf of the employees and the Corporation, and is immediately obligated to return or remit the amount. If the employer is a juridical person, its officers and employees or other representatives found to be responsible, whether they acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable.

(2) Unlawful Deductions – Any employer or officer who shall deduct directly or indirectly from the compensation of the covered employees or otherwise recover from them the employer's own contribution on behalf of such employees shall be punished with a fine of Five thousand pesos (P5,000.00) multiplied by the total number of affected employees or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court. If the unlawful deduction is

committed by an association, partnership, corporation or any other institution, its managing directors or partners or president or general manager, or other persons responsible for the commission of the act shall be liable for the penalties provided for in this Act.

(3) Misappropriation of Funds by Employees of the Corporation – Any employee who, without prior authority or contrary to the provisions of this Act or its implementing rules and regulations, wrongfully receives or keeps funds or property payable or deliverable to the Corporation, and who shall appropriate and apply such fund or property for their own personal use, or shall willingly or negligently consent either expressly or implicitly to the misappropriation of funds or property without objecting to the same and promptly reporting the matter to proper authority, shall be liable for misappropriation of funds under this Act and shall be punished with a fine equivalent to triple the amount

misappropriated per count and suspension for three (3) months without pay.

(4) Other Violations – Other violations of the provisions of this Act or of the rules and regulations promulgated by the Corporation shall be punished with a fine of not less than Five thousand pesos (P5,000.00) but not more than Twenty thousand pesos (P20,000.00).

All other violations involving funds of PhilHealth shall be governed by the applicable provisions of the Revised Penal Code or other laws, taking into consideration the rules on collection, remittances, and investment of funds as may be promulgated by the Corporation.

PhilHealth may enumerate circumstances that will mitigate or aggravate the liability of the offender or erring health care provider, member or employer.

Despite the cessation of operation by a health care provider or termination of practice of an independent health care professional while the complaint is being

heard, the proceeding against them shall continue until the resolution of the case.

CHAPTER X

MISCELLANEOUS PROVISIONS

SEC. 36. *Oversight Provision.* – There is hereby created a Joint Congressional Oversight Committee on Universal Health Care to conduct a regular review of the implementation of this Act which shall entail a systematic evaluation of the performance, impact or accomplishments of this Act and the performance of the various agencies involved in realizing universal health coverage, particularly with respect to their roles and functions.

The Joint Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committee on Health and Demography and the House of Representatives Committee on Health. It shall be composed of five (5) members from the Senate and five (5) members from the House of Representatives, to be appointed by the Senate President and the Speaker of the House of Representatives, respectively.

The National Economic and Development Authority, in coordination with the Philippine Statistics Authority, National Institutes of Health, and other academic institutions shall undertake studies to validate and evaluate the accomplishments of this Act. These validation studies, as well as an annual report, on the performance of the DOH and PhilHealth shall be submitted to the Congressional Oversight Committee.

The DOH and PhilHealth shall allocate an adequate funding for the purpose of conducting these studies.

SEC. 37. *Transitory Provision.* –

(a) Within thirty (30) days from the effectivity of this Act, the President of the Philippines shall appoint the new members of the Board and the President of the Corporation. The existing board of directors shall serve in a hold-over capacity until a full and permanent board of directors of the Corporation is constituted and functioning.

(b) All officers and personnel of PhilHealth, except members of the Board who shall be governed by the first paragraph of this section, shall be absorbed by the

Corporation and shall continue to perform their duties and responsibilities and receive their corresponding salaries and benefits. The approval of this Act shall not cause any demotion in rank or diminution of salary, benefits and other privileges of the incumbent personnel of PhilHealth: *Provided,* That qualified officers and personnel may voluntarily elect for retirement or separation from service and shall be entitled to the benefits under existing laws: *Provided, further*, That the GCG, in coordination with DOH, PhilHealth and DBM, shall conduct reorganization, rationalization and personnel planning to PhilHealth in accordance with existing laws geared towards the effective implementation of the provisions of this Act.

(c) All affected officers and personnel of the PCSO shall be absorbed by the agency without demotion in rank or diminution of salary, benefits and other privileges: *Provided,* That qualified officers and personnel of the agency may voluntarily elect for retirement or separation from service and shall be entitled to the benefits under existing laws.

(d) In the first six (6) years of the enactment of this Act, the National Government shall provide technical and financial support to selected LGUs that commit to province-wide integration, subject to further review after the lapse of six (6) years: *Provided,* That in the first three (3) years of the enactment of this Act, the province-wide and city-wide system shall exhibit managerial integration: *Provided, further,* That within the next three (3) years thereafter, the province-wide and city-wide system shall exhibit financial integration: *Provided, finally,* upon positive recommendation by an independent study commissioned by the Joint Congressional Oversight Committee on Universal Health Care of the over-all benefit of province-wide integration and the positive recommendation of the Secretary of Health, all local health systems shall be integrated as prescribed by Section 17 of this Act through the issuance of an Executive Order by the President.

(e) In the first ten (10) years of the enactment of this Act, the PhilHealth may outsource certain functions to

ensure operational efficiency and towards the fulfillment of this Act: *Provided,* That any outsourcing shall comply with provisions of in Republic Act No. 9184 and its Implementing Rules and Regulations.

(f) In the first three (3) years of the enactment of this Act: PhilHealth and DOH shall provide reasonable financial and licensing incentives to contracted health care facilities to form health care provider networks. Thereafter, these incentives shall be withdrawn and providers shall be fully subject to the provisions of Section 17 of this Act.

(g) The HTA office under the DOH shall be established within one (1) year from the effectivity of this Act: *Provided,* That within two (2) years from the establishment of the HTA office, the existing health benefit package should have been rationalized.

(h) Within three (3) years from the implementation of this Act, all private insurance companies and HMOs, together with DOH and PhilHealth, shall have developed a

system of co-payment that complements PhilHealth benefit packages.

(i) Within ten (10) years after the effectivity of this Act, only those who have certified by the DOH and PRC to be capable of providing primary care will be eligible to be a primary care provider.

SEC. 38. *Interpretation.* – All doubts in the implementation and interpretation of this Act, including its implementing rules and regulations, shall be resolved in favor of upholding the rights and interests of every Filipino to quality, accessible and affordable health care.

SEC. 39. *Separability Clause.* – If any part or provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 40. *Applicability and Repealing Clause.* – The provisions of Republic Act No. 7875 as amended by Republic Act No. 9241 and Republic Act No. 10606, otherwise known as the "National Health Insurance Act of

2013" shall continue to have full force and effect except insofar as they are inconsistent with this Act.

Republic Act No. 10351, Presidential Decree No. 1869, as amended, and Republic Act No. 1169, as amended, is hereby amended with respect to the provision of Section 33 of this Act.

Nothing in this Act shall be construed to eliminate or in any way diminish NHIP benefits being enjoyed at the time of promulgation of this Act.

All other laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 41. *Implementing Rules and Regulations.* – The DOH and the PhilHealth, in consultation and coordination with appropriate national government agencies, civil society organizations, nongovernment organizations, private sector representatives, and other stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act no

later than one hundred and eighty (180) days upon the effectivity of this Act.

SEC. 42. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,