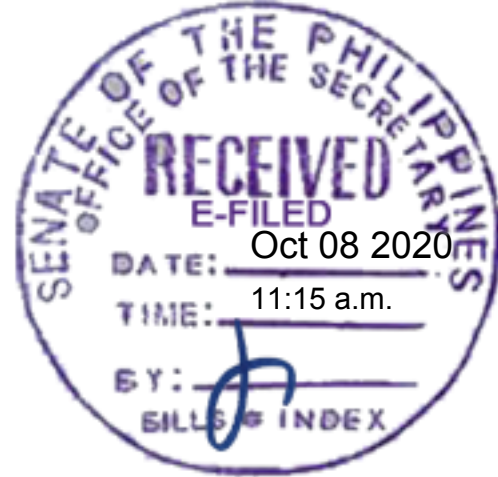


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. B. No. 1875

Introduced by Senator SONNY ANGARA

AN ACT
AMENDING SECTION 18 OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN
AS THE UNIVERSAL HEALTH CARE ACT

EXPLANATORY NOTE

In August, the Senate Committee of the Whole conducted three (3) public hearings to investigate allegations of rampant corruption, incompetence, and inefficiency within the Philippine Health Insurance Corporation (PhilHealth) with the end in view of reforming the country's national health insurance program to be more responsible and accountable with the funds provided by the public. This comes during the time of the COVID-19 pandemic where a transparent and easily accessible health insurance is badly needed to assist its members.

Part of the discussion of the Committee was the alleged overpayment of PhilHealth to several health care providers (HCPs)/health care institutions (HCIs) through its Interim Reimbursement Mechanism (IRM). Meanwhile, some hospitals who are in actual need of reimbursements from the Corporation have been seemingly neglected. For instance, the Committee of the Whole discovered that PhilHealth hastily released funds to a specific cluster of dialysis centers while various hospitals have reached out to the Committee and reported that they have not received IRM funds.

Furthermore, the practice of overpayment and "upcasing" through the All Case Rate (ACR) scheme has long been an issue of PhilHealth as it endangers the financial viability and actuarial life of the Corporation and rewards erring HCPs/HCIs and corrupt

PhilHealth employees. While the All Case Rate scheme – which should have been subjected to constant computation and evaluation – is recognized as a practice globally, it has been abused by some individuals as evidenced by allegations in the last few years.

With the enactment of Republic Act No. 11223 or the Universal Health Care (UHC) Act, Filipinos are expecting that our health care system will be more responsive in the coming years. More importantly, the public is also expecting that PhilHealth – being the national health insurance provider – will be more fiscally prudent as to how it manages and processes the reimbursement of medical claims made by HCPs and HCIs.

Hence, the proposed measure – which is part of this representation’s recommendation to the Committee of the Whole Report – will amend the Universal Health Care Act and add another layer of accountability to the release of reimbursement for medical claims as HCPs, HCIs, and PhilHealth will be mandated to execute a sworn undertaking that all medical claims and reimbursements are true and correct. This shall, in turn, be part of PhilHealth’s submission to the Commission on Audit (COA).

With the numerous allegations of corrupt practices within PhilHealth, especially during a worldwide health crisis, it is just to give the public assurance that their contributions and the subsidy of the national government are spent responsibly and judiciously. In view of the foregoing, the immediate passage of the bill is earnestly sought.



SONNY ANGARA

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

1 SECTION 1. Section 18 of Republic Act No. 11223 or the Universal Health Care Act
2 is hereby amended to read as follows:

3 "Section 18. Individual-based Health Services. –

- 4 a) x x x.
- 5 b) PhilHealth shall endeavor to shift to paying providers using
6 performance-driven, close-end, prospective payments based on
7 disease or diagnosis related groupings and validated costing
8 methodologies and without differentiating facility and
9 professional fees; develop differential payment schemes that give
10 due consideration to service quality, efficiency and equity; and
11 institute strong surveillance and audit mechanisms to ensure
12 networks' compliance to contractual obligations: **PROVIDED,**
13 **THAT HEALTH CARE INSTITUTIONS/HEALTH CARE**
14 **PROVIDERS ARE MANDATED TO EXECUTE A SWORN**
15 **UNDERTAKING THAT THE MEDICAL CLAIMS SUBMITTED**
16 **TO PHILHEALTH FOR REIMBURSEMENT ARE CERTIFIED**

1 **TRUE AND CORRECT: *PROVIDED FURTHER*, THAT**
2 **PHILHEALTH, FOR ITS PART, SHALL LIKEWISE ISSUE A**
3 **CERTIFICATION UNDER OATH THAT A THOROUGH**
4 **REVIEW OF THE MEDICAL CLAIM WAS DONE AND THAT**
5 **THE ACTUAL REIMBURSEMENT PAID TO THE HEALTH**
6 **CARE INSTITUTIONS/HEALTH CARE PROVIDERS ARE**
7 **TRUE AND CORRECT: *PROVIDED FINALLY*, THAT THIS**
8 **DOCUMENT SHOULD FORM PART OF PHILHEALTH’S**
9 **SUBMISSION TO THE COMMISSION ON AUDIT (COA).”**

10 SEC. 2. *Separability Clause.* – If any provision of this Act is declared invalid or
11 unconstitutional, the other provisions not affected thereby shall continue to be in full
12 force and effect.

13 SEC. 3. *Repealing Clause.* – All other laws, decrees, orders, rules and regulations,
14 other issuances, or parts thereof inconsistent with the provisions of this Act are hereby
15 repealed or modified accordingly.

16 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
17 in the Official Gazette or in a newspaper of general circulation.

Approved.