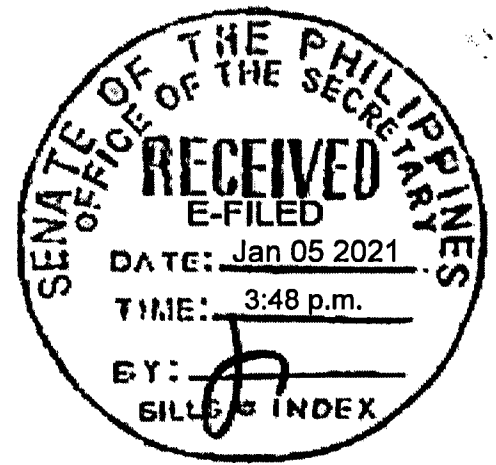


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE  
S.B. No. 1971

---

Introduced by **Senator Richard J. Gordon**

---

**AN ACT**  
**AUTHORIZING THE DEFERMENT OF THE SCHEDULE OF PREMIUM**  
**CONTRIBUTIONS UNDER SECTION 10 OF REPUBLIC ACT NO. 11223,**  
**OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE ACT,**  
**IN TIMES OF EMERGENCIES AND CALAMITIES.**

**EXPLANATORY NOTE**

Article II, Section 9 of the 1987 Constitution provides that, "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

The Philippines now has 478,761 confirmed COVID-19 cases after the Department of Health (DOH) reported 959 additional cases as of January 4, 2021.

The DOH also reported the death toll to 9,263, with 448,279 recoveries. Of the total cases, 21,219 are active.

The outbreak of COVID-19 constitutes an emergency that threatens national security. This requires government agencies to implement urgent and necessary measures to aid the conditions and alleviate the suffering of the Filipinos. This includes the introduction of legislative measures to address the circumstances of the pandemic, such as the deferment of the mandated increase in premium contributions under Republic Act No. 11223, otherwise known as the Universal Health Care Act.

There will be an increase in 2021 to 3.5% of monthly income from 3% at present. With this, those earning below P10,000 shall have a fixed contribution of P350 per

month, those earning P10,000.01 to 69,999.99 shall pay a monthly premium of P350 to P2,499.99, while those earning P70,000 monthly or higher is fixed at P2,450 a month. The guidelines are contained in PhilHealth Circular No. 2020-0005 issued on March 5, 2020.


The impact of Covid-19 pandemic is unprecedented that the Philippine economy is said to contract by 7.3% in 2020 amid the coronavirus disease (COVID-19) pandemic before growth returns to 6.5% in 2021, according to a report from the Asian Development Bank (ADB) released in September 2020. The contraction is due to subdued private consumption and investment expected for the rest of the year and uncertainties about the global economic recovery.

The country's unemployment rate in October 2020 was estimated at 8.7 percent. This is equivalent to 3.8 million unemployed Filipinos who are 15 years old and over. This unemployment rate is higher than the 4.6 percent (or about 2.0 million unemployed Filipinos who are 15 years old and over) in the same period a year ago.

Underemployment rate is at 14.4 percent, which is higher than the October 2019 rate at 12.8 percent.<sup>1</sup> An increase in the payment of premiums may take a toll on employers who are trying to keep up with their operations, and employees who are persisting with difficulty and challenge.

Beyond the human tragedy, there is a direct economic impact of the Covid-19 pandemic. This bill seeks to accord relief and flexibility to the people by empowering the President to temporarily suspend or defer increase in premium contributions scheduled under the Universal Health Care Act.

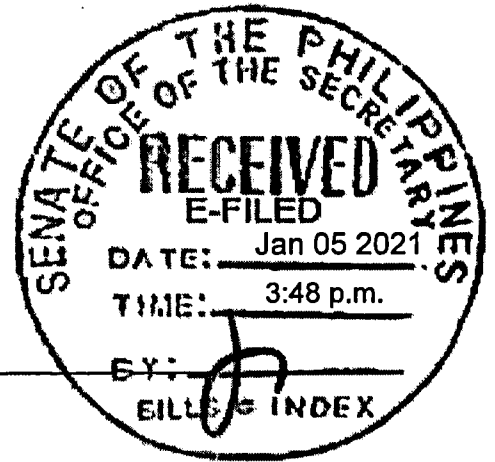
It is for the reasons stated above that the passage of this measure is earnestly sought.

  
**RICHARD J. GORDON**  
Senator

---

<sup>1</sup> <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Situation%20in%20October%202020>

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



SENATE  
S. No. 1971

Introduced by Senator Richard J. Gordon

**AN ACT**  
**AUTHORIZING THE DEFERMENT OF THE SCHEDULE OF PREMIUM**  
**CONTRIBUTIONS UNDER SECTION 10 OF REPUBLIC ACT NO. 11223,**  
**OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE ACT,**  
**IN TIMES OF NATIONAL EMERGENCY OR STATE OF CALAMITY.**

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

1 **SECTION 1.** Sec. 4(a)(9) of Republic Act No. 11223 also known as the Universal  
2 Health Care Act is hereby amended as follows:

3 **"Section 10. Premium Contributions.** - For direct contributors, premium rates  
4 shall be in accordance with the following schedule, and monthly income floor  
5 and ceiling:

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75%	₱10,000.00	₱50,000.00
2020	3.00 %	₱10,000.00	₱60,000.00
2021	3.50%	₱10,000.00	₱70,000.00
2022	4.00 %	₱10,000.00	₱80,000.00
2023	4.50 %	₱10,000.00	₱90,000.00
2024	5.00 %	₱10,000.00	₱100,000.00
2025	5.00 %	₱10,000.00	₱100,000.00

6

7 *Provided,* That for indirect contributors, premium subsidy shall be gradually  
8 adjusted and included annually in the General Appropriations Act

1 (GAA): *Provided, (further),* That the funds shall be released to  
2 PhilHealth: *Provided, FURTHER (furthermore);* That the DOH, in coordination  
3 with PhilHealth, may request Congress to appropriate supplemental funding to  
4 meet targeted milestones of this Act: *Provided, FURTHERMORE (finally),* That  
5 for every increase in the rate of contribution of direct contributors and premium  
6 subsidy of indirect contributors, PhilHealth shall provide for a corresponding  
7 increase in benefits: PROVIDED, FINALLY, THAT THE PRESIDENT OF THE  
8 PHILIPPINES SHALL HAVE THE POWER TO TEMPORARILY SUSPEND OR DEFER  
9 THE IMPLEMENTATION OF INCREASES IN THE PREMIUM CONTRIBUTION OF  
10 THE NATIONAL HEALTH INSURANCE PROGRAM MANDATED IN THIS SECTION  
11 IN TIMES OF A DECLARED NATIONAL EMERGENCY OR STATE OF CALAMITY,  
12 WITHIN A PERIOD OF NOT MORE THAN SIX MONTHS AND MAY BE EXTENDED  
13 TO ANOTHER SIX MONTHS AS MAY BE APPROPRIATE AND NECESSARY IN THE  
14 INTEREST OF THE PUBLIC.”

15 **SEC. 2. Repealing Clause.** - All laws, acts, presidential decrees, executive orders,  
16 administrative orders, rules and regulations or other issuances inconsistent with or  
17 contrary to the provisions of this Act are hereby amended, modified or repealed  
18 accordingly.

19  
20 **SEC. 3. Separability Clause.** - If any provision of this Act is held invalid or  
21 unconstitutional, the remainder of the Act or the provision not otherwise affected shall  
22 remain valid and subsisting.

23  
24 **SEC. 4. Effectivity Clause.** This Act shall take effect fifteen (15) days after  
25 publication in the Official Gazette or in at least two (2) newspapers of general  
26 circulation.

27  
28  
29 *Approved,*