

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



SENATE

S. No. 35

Introduced by Senator Manuel "Lito" M. Lapid

**AN ACT
ENHANCING THE PATIENT'S RIGHT TO MEDICAL EXPENSE
TRANSPARENCY AND PREVENTING UNEXPECTED MEDICAL BILLS, AND
FOR OTHER PURPOSES**

EXPLANATORY NOTE

In 2019, the Universal Health Care (UHC) Act was signed into law. It guarantees equitable access to quality and affordable health care goods and services as well as protection against financial risk. UHC aims to decrease the out-of-pocket expenses of Filipino families, which is the expenses that the patient or the family pays directly to the health care provider, without a third party. Thus, this means that not everything will be free, although it guarantees that the services will be more affordable.

Despite the existence of the UHC Law, the Philippine health care system still has not fully addressed its issue in the medical pricing aspect, such as transparency of medical expenses or bills. Among the medical expenses, out-of-pocket expenditures remain to be the major source of financing for medical care. In 2020, the out-of-pocket expenditure accounted for approximately 44.7% of the current health expenditure in the Philippines¹. Further, according to the 2012 Family Income and Expenditure Survey, the out-of-pocket health expenditures increased by 150% from

¹ <https://www.statista.com/statistics/1173970/philippines-share-of-out-of-pocket-health-expenditure-on-the-current-health-expenditure/>

2000 to 2012. The same not only hinders the use of the needed services but also pushes Filipino households into poverty.

Most of the Philippine Health Insurance Corporation (PhilHealth)'s coverage and benefits, such as, but not limited to, room and board, professional healthcare services, diagnostic and other medical examination services, maternity care, use of surgical or medical equipment, and prescription drugs and biologicals, could easily be inflated without price transparency.

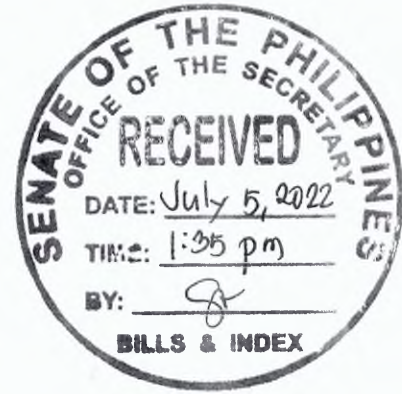
Marami po sa ating mga pamilyang Filipino ay nasasadlak sa kahirapan dahil sa guguling medikal para sa kaanak nilang nagkasakit. Tulungan po natin ang mga pasyente na maipalang mabuti ang kanilang badyet sa pamamagitan ng pagpapaunawa sa kaniia sa mga gastusin na kanilang kinakaharap sa ating mga pagamutan.

Thus, this bill seeks to prevent unexpected medical bills and inflated out-of-pocket expenses by (1) informing patients about actual prices, (2) requiring health care providers, health insurance issuers and self-insured group health plans to provide information about expected out-of-pocket costs, (3) increasing access to data to make healthcare information more transparent and useful to patients, (4) expanding the ability of consumers to choose healthcare plans, and (5) removing public barriers to price transparency in the healthcare sector.

In view of this, early passage of this bill is sought.


MANUEL "LITO" M. LAPID
Senator 

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

1 Section 1. *Short Title.* – This Act shall be known as the "Medical Bill
2 *Transparency Act*".

3 Section 2. *Objective.* – This Act aims to enhance the ability of patients to choose
4 the healthcare that is best for them, by allowing them to make fully informed decisions
5 about their healthcare, and the price and quality of a good or service in advance. It
6 shall also be the objective of this Act to help prevent surprise billing or patients
7 receiving unexpected bills at inflated prices.

8 Section 3. *Policy.* – It shall be the policy of the State to ensure that patients
9 are engaged with their healthcare decisions and have the information requisite for
10 choosing the healthcare they want and need. The government shall eliminate
11 unnecessary barriers to price and quality transparency; to increase the availability of
12 meaningful price and quality information for patients; to enhance patients' control
13 over their own healthcare resources, including health insurance coverage; and to
14 protect patients from surprise medical bills.

1 Section 4. *Informing Patients about Actual Prices.* – Within sixty (60) days of
2 the date of this Act, the Secretary of Health shall craft regulations consistent with
3 applicable law, to require hospitals to publicly post standard charge information,
4 including charges and information based on negotiated rates and for common or
5 shoppable items and services, in an easy-to-understand, consumer-friendly, and
6 machine-readable format using consensus-based data standards that will meaningfully
7 inform patients’ decision making and allow patients to compare prices across hospitals.

8 The regulation shall require the posting of standard charge information for
9 services, supplies, or fees billed by the hospital or provided by employees of the
10 hospital. The regulation should also require hospitals to regularly update the posted
11 information and establish a monitoring mechanism for the Secretary to ensure
12 compliance with the posting requirement, as needed.

13 The regulation shall also require the detailed itemization of actual medical bills.

14 Section 5. *Transparency in Health Insurance Coverage.* – Within ninety (90)
15 days of the date of this Act, the Secretaries of Health and Finance shall jointly issue
16 regulations requiring healthcare providers, health insurance issuers, and self-insured
17 group health plans to provide or facilitate access to information about expected out-
18 of-pocket costs for items or services to patients before they receive care.

19 The Secretaries of Health and Finance shall, prior to the issuance of the
20 regulation, issue an advance notice of proposed rulemaking, consistent with applicable
21 law, soliciting comment on the proposal.

22 Section 6. *Barriers to Health Transparency.* – Within one hundred and eighty
23 (180) days from the date of effectivity of this Act, the Secretary of Health, in
24 consultation with the Department of Trade and Industry, Department of Finance, the
25 Philippine Competition Commission, and other relevant agencies shall issue a report
26 describing the manners in which government rules and practice, or the private sector,
27 are impeding healthcare price and quality transparency for patients, and providing
28 recommendations for eliminating these impediments in a way that promotes
29 competition.

1 Section 7. *Increasing Access to Data to Make Healthcare Information More*
2 *Transparent and Useful to Patients.* – Within one-hundred and eighty (180) days of
3 the date of effectivity of this Act, the Secretary of Health, in consultation with relevant
4 agencies, shall increase access to claims data from taxpayer-funded healthcare
5 programs, including those of the Philippine Health Insurance Corporation, for
6 researchers, innovators, providers, and entrepreneurs, in a manner that is consistent
7 with applicable law and that ensures patient privacy and security.

8 Access to this data shall be provided in a manner that will facilitate the
9 development of tools that empower patients to be better informed as they make
10 decisions related to healthcare goods and services. Access to this data shall also be
11 provided in a manner that will enable researchers and entrepreneurs to locate
12 inefficiencies and opportunities for improvement, such as patterns of performance of
13 medical procedures that are outside the recommended standards of care.

14 As part of this process, the Secretary of Health shall make a list of priority data
15 sets that, if de-identified, could advance the policies set forth by this Act, and shall
16 report to the President and to Congress on proposed plans for future release of these
17 priority datasets and on any barriers to their release.

18 Section 8. *Empowering Patients by Enhancing Control over Their Healthcare*
19 *Resources.* – Within one-hundred and twenty (120) days of the date of this Act, the
20 Secretary of Finance, to the extent consistent with law, shall issue guidance to expand
21 the ability of patients to select health insurance plans that cover low-cost preventive
22 care and/or medical care that helps maintain health status for individuals with chronic
23 conditions.

24 Section 9. *Addressing Surprise Medical Billing.* – Within one-hundred and
25 twenty (120) days of the date of this Act, the Secretary of Health shall submit a
26 recommendation to the President and Congress on measures that can be taken to
27 address surprise medical billing.

28 Section 10. *Non-Impairment Clause.* – Nothing in this Act shall be construed to
29 impair or otherwise affect the authority granted by law to an executive department or

1 agency, or the head thereof; or the functions of the Secretaries of Finance and Budget
2 and Management relating to budgetary, administrative, or legislative proposals.

3 Furthermore, this Act shall be implemented consistent with applicable laws and
4 subject to the availability of appropriations.

5 Section 11. *Separability Clause.* – If any part or provision of this Act is held
6 invalid or unconstitutional, the remaining parts or provisions not affected shall remain
7 in full force and effect.

8 Section 12. *Repealing Clause.* – All laws, decrees, orders, rules and regulations
9 inconsistent with the provisions of this Act are hereby repealed or modified
10 accordingly.

11 Section 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its
12 publication in the *Official Gazette* or in any newspaper of general circulation.

13 *Approved,*