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SENATE
Committee Report No. 401

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Prepared and submitted jointly by the Committees on Health and Demography, Ways and Means, and Finance on JUL 30 2018

Re: Senate Bill No. 1896

Recommending its approval in substitution of Senate Bill Nos. 1458, 1673 and 1714, taking into consideration Senate Bill No. 60 and House Bill No. 5784

Sponsor: **Senator Joseph Victor G. Ejercito**

MR. PRESIDENT:

The Committees on Health and Demography, Ways and Means, and Finance, to which were referred:

Senate Bill No. 1458, introduced by Senator Joseph Victor G. Ejercito, Maria Lourdes Nancy S. Binay, Leila M. De Lima, and Cynthia A. Villar, entitled:

AN ACT
PROVIDING UNIVERSAL HEALTH CARE FOR ALL FILIPINOS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7875, OTHERWISE KNOWN AS THE "NATIONAL HEALTH INSURANCE ACT OF 1995", AS AMENDED BY REPUBLIC ACT NO. 10606 AND APPROPRIATING FUNDS THEREFOR

Senate Bill No. 1673, introduced by Senator Juan Edgardo "Sonny" M. Angara, entitled:

AN ACT
PROVIDING FOR A UNIVERSAL HEALTH COVERAGE FOR FILIPINOS AND APPROPRIATING FUNDS THEREFOR

and **Senate Bill No. 1714**, introduced by Senator Risa Hontiveros, entitled:

AN ACT
INSTITUTING AND INSTITUTIONALIZING REFORMS IN THE HEALTH SECTOR TO ACHIEVE UNIVERSAL HEALTH CARE FOR ALL FILIPINOS

and taking into consideration **Senate Bill No. 60**, introduced by Senators Ralph G. Recto, Joel Villanueva, Sherwin T. Gatchalian, and Cynthia A. Villar, entitled:

AN ACT
EXPEDITING UNIVERSAL HEALTHCARE UNDER THE NATIONAL HEALTH INSURANCE PROGRAM AND IMPROVING THE PHILIPPINE HEALTH INSURANCE CORPORATION'S (PHILHEALTH) BENEFIT PACKAGES, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

and **House Bill No. 5784**, introduced by Representatives Angelina Tan, Harry L. Roque, Jr., Vilma Santos-Recto, Ron P. Salo, Pantaleon D. Alvarez, et.al., entitled:

AN ACT
PROVIDING FOR A UNIVERSAL HEALTH COVERAGE FOR FILIPINOS AND APPROPRIATING FUNDS THEREFOR

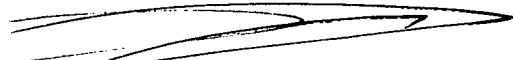
have considered the same and have the honor to report back to the Senate with the recommendation that the attached bill, Senate Bill No. 1896, prepared by the Committees entitled:

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

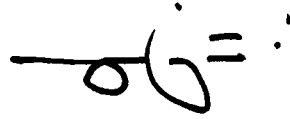
be approved in substitution of Senate Bill Nos. 1458, 1673 and 1714, taking into consideration Senate Bill No. 60 and House Bill No. 5784, with Senators Ejercito, Binay, De Lima, Villar, Angara, Hontiveros, Recto, Villanueva and Gatchalian as authors thereof.

Respectfully submitted:

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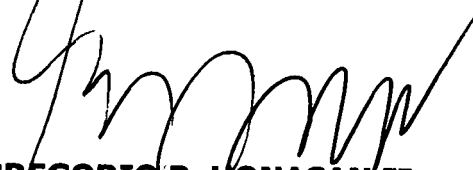
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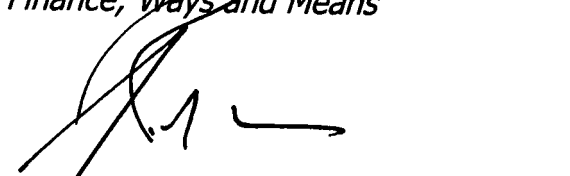


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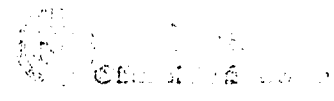


JUAN MIGUEL F. ZUBIRI
Majority Floor Leader



FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President
Senate of the Philippines



'18 JUL 30 P 4 :28

SENATE

S.B. No. 1896

REC'D _____ 

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

Prepared and submitted jointly by the Committees on Health and Demography, Ways and Means, and Finance with Senators Ejercito, Binay, De Lima, Villar, Angara, Hontiveros, Recto, Villanueva and Gatchalian as authors thereof

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

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

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CHAPTER 1
GENERAL PROVISIONS

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

SEC. 2. Declaration of Principles & 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 healthcare 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;

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

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

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

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

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

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

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

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

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

23 d) *Direct Contributors* refers to those who have capacity to pay
24 premiums, including, but not limited to, public and private workers and all other
25 workers rendering services, such as job order contractors; project-based
26 contractors and the like; owners of micro enterprises; owners of small, medium
27 and large enterprises; household help; family drivers; migrant workers; self-
28 earning individuals; professional practitioners; Filipinos with dual citizenship;
29 naturalized Filipino citizens; and citizens of other countries working or residing in
30 the Philippines;

31 e) *Emergency* refers to an unforeseen combination of circumstances
32 which calls for immediate action to preserve the life of a person, or to preserve
33 any part or organ of the human body;

34 f) *Entitlement* refers to any singular or lot health services provided to
35 Filipinos for the purpose of improving health;

36

- 1 g) *Health technology* refers to the application of organized knowledge
2 and skills in the form of devices, medicines, vaccines, procedures and systems
3 developed to solve a health problem and improve quality of lives;
- 4 h) *Health technology assessment* refers to the systematic evaluation of
5 properties, effects, and/or impacts of health technology. It is a multidisciplinary
6 process to evaluate the social, economic, organizational and ethical issues of
7 a health intervention or health technology;
- 8 i) *Health care provider* refers to any of the following:
- 9 i. A *health facility*, which may be public or private, devoted
10 primarily to the provision of services for health promotion, prevention,
11 diagnosis, treatment, rehabilitation and palliation of individuals suffering
12 from illness, disease, injury, disability, or deformity, or in need of
13 obstetrical or other medical and nursing care, and which is recognized by
14 the Department of Health (DOH);
- 15 ii. A *health care professional*, who is a doctor of medicine, nurse,
16 midwife, dentist, or other health care professional or practitioner duly
17 licensed to practice in the Philippines;
- 18 iii. A *health maintenance organization (HMO)*, which is an entity
19 that provides, offers, or arranges for coverage of designated health
20 services for its plan holders or members for a fixed prepaid premium;
- 21 iv. A *community-based health care organization*, which is an
22 association of indigenous members of the community organized for the
23 purpose of improving the health status of that community through
24 preventive, promotive and curative health services; or
- 25 v. Pharmacies or drug outlets, laboratory and diagnostic clinics,
26 and manufacturers, distributors and suppliers of pharmaceuticals, medical
27 equipment and supplies.
- 28 j) *Indirect Contributors* refers to all others not included as direct
29 contributors;
- 30 k) *Individual-based services* refers to services that can be definitively
31 traced back to one recipient, has limited effect at a population level and does not
32 alter the underlying cause of illness, such as ambulatory and inpatient care,
33 medicines, laboratory tests and procedures, among others;
- 34 l) *Population-based services* refers to services that have population
35 groups as recipients of the intervention such as health promotion, disease
36 surveillance, vector control, among others;

1 m) *Primary care* refers to first-contact, accessible, continued,
2 comprehensive and coordinated care that is accessible at the time of need,
3 includes a range of services for all presenting conditions and able to coordinate
4 referrals to other specialists in the service delivery network, when necessary;

5 n) *Service delivery network* refers to a group of primary to tertiary care
6 providers, with the primary care provider acting as the gatekeeper and
7 coordinator of care within the network. Facilities in the network can be public or
8 private.

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CHAPTER II

11

FRAMEWORK FOR UNIVERSAL HEALTH CARE (UHC)

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SEC. 5. *Population Coverage.* - Every Filipino citizen shall be entitled to
13 healthy living, working and schooling conditions and access to comprehensive set
14 of health services through automatic inclusion into the National Health Insurance
15 Program.

16

SEC. 6. *Service Coverage.*

17

a) Every Filipino shall be provided access to preventive, promotive,
18 curative, rehabilitative and palliative health services, delivered either as
19 population-based or individual-based services: *Provided, That,* services covered,
20 including essential health benefit package and basic amenities shall be
21 determined through a fair and transparent health technology assessment and
22 shall include, but not limited to, outpatient and inpatient services for medical,
23 dental, geriatric, and mental health care; and

24

b) Every Filipino shall have a primary care provider that would act as the
25 initial point of contact in the health care delivery system; *Provided that,* except in
26 emergency cases, access to higher levels of care shall be decided upon by the
27 primary care provider acting as the gatekeeper of the health system.

28

SEC. 7. *Financial Coverage.* - Health financing shall transition from
29 unpredictable and potentially catastrophic health spending to predictable
30 payments, such as government budget, social health insurance and other
31 supplementary insurance premium, and regulated co-payments.

32

The services covered shall be financed through a mix of general and
33 earmarked taxes, pooled funds from other national government agencies, and
34 NHIP premium contributions, with clear delineation of payers. In particular:

1 a) *Population-Based Services.* – The National Government through the
2 Department of Health (DOH) and Local Government Units (LGUs) shall finance
3 the delivery of population-based services.

4 The DOH and LGUs shall determine population-based services that will be
5 funded by the national government and by the local government, ensuring that
6 such funds are harmonized and managed effectively and efficiently.

7 Furthermore, LGUs shall appropriate fund for health based on the annual
8 per capital health allocation, which shall be determined by the DOH in
9 consultation with the National Economic and Development Authority (NEDA).

10 The national government shall support LGUs in the financing of capital
11 investments and provision of population based interventions.

12 b) *Individual-Based Services.* The National Health Insurance Program
13 (NHIP) shall finance the essential health benefit package and basic amenities for
14 individual based services, as performance-driven, closed, and prospective
15 payments.

16 Additional amenities for all individual-based services shall be financed
17 through regulated co-insurance or co-payments.

18
19 **CHAPTER III**
20 **FINANCING**

21 **SEC. 8. *Financial Management for Philippine Health Insurance Corporation***
22 ***(PhilHealth)***

23 a) *NHIP Membership.* – Membership into the NHIP shall be simplified into
24 two (2) types as defined in Section 4 of this Act:

- 25 1) Direct contributors;
26 2) Indirect contributors.

27 The Philippine Statistics Authority (PSA) shall provide at no cost to
28 PhilHealth the civil registration data, which shall be the bases for validating and
29 regularly updating PhilHealth membership database. PhilHealth may also utilize
30 available internal revenue data from the Bureau of Internal Revenue subject to
31 existing laws.

32 b) *Premium Contributions.* – For direct contributors, premium ceiling shall
33 be increased, with premium rates gradually adjusted up to five percent (5%) of
34 their respective basic monthly salaries or income: *Provided, That,* during the first
35 three years from the enactment of this Act, no increase in premium payment
36 shall be implemented.

1 For indirect contributors, premium subsidy shall be included annually in
2 the General Appropriations Act (GAA).

3 c) *Entitlement to Benefits.* – No minimum period or lag time shall be
4 required to activate entitlement to NHIP benefits. In the case of direct
5 contributors, failure to pay premiums shall not prevent the enjoyment of NHIP
6 benefits; *Provided that*, employer of the direct contributors or the self-employed
7 members shall be required to pay all missed contributions: *Provided, further,*
8 *That*, PhilHealth may impose to employers or self-employed members up to 3%
9 interest and surcharges per month based on the total premiums due.

10 d) *NHIP Reserve Fund.* – The NHIP's Investment Reserve shall be invested in
11 debt securities and corporate bonds issuances that are rated triple "A" or double
12 "A" by authorized accredited domestic rating agencies; *Provided that*, the issuing
13 or assuming entity or its predecessor shall not have defaulted in the payment of
14 interest on any of its securities and that during each of any three (3) including
15 the last two (2) of the five (5) fiscal years next preceding the date of acquisition
16 by the PhilHealth of such bonds, securities or other evidence of indebtedness,
17 the net earnings of the issuing or assuming institution available for its recurring
18 expenses, such as amortization of debt discount and rentals for leased
19 properties, including interest on funded and unfunded debt, shall have been not
20 less than one and one quarter (1 ¼) times the total of the recurring expenses
21 for such year: *Provided, further, That*, such investment shall not exceed fifteen
22 percent (15%) of the Investment Reserve Fund.

23 e) *Administrative Expense.* – For purposes of maximum utilization of existing
24 funds, no more than five percent (5%) of the total premium collection from
25 direct and indirect contributory members and investment earnings shall be
26 allotted for administrative cost of implementing the NHIP.

27 **SEC. 9. Pooling Funds for Health.** – PhilHealth shall pool and manage all
28 funds intended to support provision of individual-based services. This includes,
29 but not limited to, premium contributions and subsidies, other appropriations
30 earmarked by the government for health operations, and other sources such as
31 health assistance funds of the Philippine Charity Sweepstakes Office (PCSO) and
32 the Philippine Amusement and Gaming Corporation (PAGCOR), medical
33 assistance programs of DOH, administrative fines, donations and grants-in-aid,
34 and all accruals thereof.

35
36

1 **SEC. 10. *Purchasing Health Services***

2 a) The DOH shall enter into a contractual agreement with service delivery
3 networks for the provision of necessary population-based health services. Such
4 agreement shall serve as the basis for DOH to provide financial and non-financial
5 support. In areas where population-based health services are inadequate, the
6 DOH and the LGUs may engage private service delivery networks or providers to
7 deliver such services.

8 b) PhilHealth shall enter into contractual agreement with service delivery
9 networks for the provision of both ambulatory and inpatient services consistent
10 with the health technology assessment process; *Provided that*, networks,
11 whether purely publicly owned, purely privately owned, or mixed, shall abide by
12 NHIP-set quality standards, limits on co-payments, service and professional fees,
13 cost accounting requirements and timely, regular submission of minimum
14 encoded data.

15 c) PhilHealth shall publish fair contracting rates that are guided by accurate
16 disease groupings and periodic costing and consultation; develop differential
17 payment schemes that give due consideration to service quality, efficiency and
18 equity; introduce formal fixed co-payment and co-insurance policy; set annual
19 payment thresholds for contracted networks without differentiating facility and
20 professional fees; and institute strong surveillance and audit mechanisms to
21 ensure network's compliance to contractual obligations.

22
23 **CHAPTER IV**

24 **SERVICE DELIVERY NETWORKS**

25 **SEC. 11. *Network-based Care.*** Population and individual-based services
26 shall be delivered by contracted networks consisting of purely public, private or
27 mix of public and private entities. All health facilities encompassing primary to
28 tertiary care within a provincial and city jurisdiction are mandated to form as
29 many service delivery networks as they may deem appropriate.

30 **SEC. 12. *Primary Care as the First and Continuing Point of Contact.*** – All
31 Filipinos shall have a designated primary care provider within a service delivery
32 network, which shall act as a gatekeeper facilitating care within the network and
33 providing the necessary two-way referral system.

34 **SEC. 13. *Minimum Service Capacity of Health Service Delivery Network in***
35 ***the Province-wide Health System Setting.*** - Service delivery networks in the
36 public province-wide and urban health system must have the minimum service

1 capacity set by the DOH including, but not limited, to standards for types of
2 services, number of health care workers per population, health facilities, and
3 transportation services.

4 **SEC 14.** *Integration of Local Health Systems into Province-wide and*
5 *Urban Health Systems.* The public-sector health system at the subnational level
6 shall be composed of province-wide health systems, which integrates existing
7 municipal and component city health systems, and urban health systems in
8 highly urbanized and independent component cities. The Provincial Government
9 shall exercise administrative and technical supervision over the province-wide
10 health system and the City Government will exercise the same over the urban
11 health system.

12 Where applicable, provinces, highly urbanized cities and independent
13 component cities may enter into agreements with other provinces, highly
14 urbanized cities and independent component cities to consolidate or coordinate
15 their efforts, services and resources for the purposes of this Act.

16 **SEC. 15.** *Private Health Care Providers and the Service Delivery Network*
17 *– Individual, institutional, and community health care providers in the private*
18 *sector may constitute themselves into service delivery networks in accordance*
19 *with standards set by the DOH. Only networks organized formally shall be*
20 *eligible for contracting by PhilHealth to provide individual-based services; or be*
21 *contracted by DOH, province-wide or city-wide health systems for population-*
22 *based services when or where these are deemed inadequate.*

23 Where applicable, privately owned or led service delivery networks may
24 enter into cooperation arrangements with other service delivery networks,
25 whether public or private.

26 **SEC. 16.** *Income retention.* – All publicly-owned or led service delivery
27 networks shall be authorized to retain and utilize 100% of its health-related
28 income and pool these into the Special Health Fund: *Provided, That,* a fixed
29 percentage of retained health income shall be used as incentives for all public
30 health workers within the network: *Provided, further, That,* the DOH shall
31 determine caps to these incentives to avoid unnecessary distortion, ensure
32 equity, and provide guidelines for alternative use of excess funds to improve the
33 services of the network.

34 **SEC. 17.** *Special Health Fund* - The provincial or city government shall
35 pool and manage, through a special health fund, all resources generated from
36 the provisions of health services within the province-wide or urban health

1 system, including but not limited to income generated by health facilities,
2 PhilHealth reimbursements, and donations, for the exclusive purpose of financing
3 either population-based or individual-based health services.

4 5 **CHAPTER V**

6 **HUMAN RESOURCES FOR HEALTH**

7 **SEC. 18. *Competitive Compensation Package.*** – In order to ensure that
8 all health professionals, personnel, and staff in the public sector receive
9 adequate compensation and benefits commensurate to their fundamental role in
10 society and the amount of work that they render, the DOH in consultation with
11 the DBM shall work for the increase in salaries and allowances of all health
12 professionals, personnel and staff to make their compensation and benefits
13 competitive in accordance with national salary rates, and provide additional
14 allowances if assigned in underserved or geographically isolated and
15 disadvantaged areas.

16 **SEC. 19. *National Health Workforce Support System.*** –

17 a) A National Health Workforce (NHW) Support System shall be created
18 to support publicly owned or led service delivery networks, ensure provision of
19 quality health care services, and address human resource needs in service
20 delivery networks.

21 b) The NHW Support System shall include fixed term plantilla items that
22 would be allocated by DOH based on need, adjusted with the burden of disease
23 and geographic needs, especially of unserved and underserved areas.

24 **SEC. 20. *Health Professional Education.*** –

25 a) The DOH shall develop programs on Public Health Systems
26 Management and Health Financing to build capacity of public sector employees
27 working in the health system. For purposes of this section, the DOH may partner
28 with the National Institutes of Health and other relevant agencies.

29 b) The Commission on Higher Education and the DOH shall develop
30 and plan the expansion of local health-related degree programs and regulate the
31 number of enrollees in each degree program based on health needs of the
32 population. For programs not available locally, they shall develop a systematic
33 capacity development program, including shifting the focus and learning
34 outcomes of degree programs to the health needs of the population.

1 c) Expand scholarship grants for health-related undergraduate and
2 graduate programs, based on the needed cadre of health professionals per
3 service delivery network.

4 d) The DOH, in coordination with Philippine Medical Association (PMA)
5 and allied health professional societies, shall set up a registry of health and allied
6 health professionals and their location of practice.

7 **SEC. 21. *Return of Service with Compensation Package.*** – All health
8 professional graduates from state universities and colleges or government-
9 funded scholarship programs shall be required to serve for at least three (3) full
10 years, under supervision and with compensation, in an underserved area or in
11 the public sector. All health professional graduates from private schools shall be
12 similarly encouraged to serve in these areas.

13 The DOH shall coordinate with the Commission on Higher Education
14 (CHED) for the effective implementation of this section.

15 **CHAPTER VI**
16 **REGULATION**

17 **SEC. 22. *Safety and Quality.***

18 a) The DOH shall institute minimum standards for safety and quality of
19 health goods, facilities, and services, and recognize third party accreditation
20 mechanisms. PhilHealth shall use these accreditation mechanisms as basis for
21 granting incentives.

22 b) The DOH shall be mandated to institute a licensing and regulatory
23 system for service delivery networks and stand-alone health facilities, including
24 those providing ambulatory and primary care services, and other modes of
25 health service provision.

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

29 **SEC. 23. *Affordability.***

30 a) All publicly owned or led service delivery networks shall procure drugs
31 and devices guided by price reference indices, following centrally negotiated
32 prices, sell them following maximum prescribed mark-ups, and submit to DOH a
33 price list of all drugs and devices procured and sold by the network.

1 b) An independent price negotiation board shall be constituted to
2 negotiate prices on behalf of the DOH. The negotiated price in the framework
3 contract shall be made available for all public sector institutions.

4 c) The DOH shall set standards for various types of hospital
5 accommodation depending on range of amenities, and determine appropriate
6 proportion of each type of accommodation within service delivery networks.

7 d) PhilHealth shall set limits on allowable co-payments and co-insurance
8 per accommodation type as part of its contracting agreements with each service
9 delivery network.

10 e) Health care providers and facilities shall be required to make readily
11 accessible to the public and submit to DOH pertinent, relevant, and up-to-date
12 information regarding the prices of medical services and all goods and services
13 being offered

14 f) Medical and dental practitioners, including private practitioners, shall
15 write prescriptions using the International Nonproprietary Name (INN) or generic
16 name only. No brand names shall be allowed in any part of the prescription.

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

21 h) The DOH, PhilHealth, and HMOs shall develop standard policies and
22 plans that complement the NHIP's benefit schedule. *Provided that*, a
23 coordination mechanism between PhilHealth, PHIs and HMOs shall be set up to
24 ensure that no benefits shall be unnecessarily dropped.

25 **SEC. 24. Equity.** The DOH shall annually update its list of underserved
26 areas, which shall be the basis for preferential licensing of health facilities and
27 contracting of health services. The DOH shall also be authorized to determine
28 appropriate bed capacity and health care professionals of public and private
29 hospitals based on need.

31 **CHAPTER VII**

32 **GOVERNANCE & ACCOUNTABILITY**

33 **SEC. 25. Governance of PhilHealth.**

34 a) To strengthen the NHIP in fulfilling its role as the national purchaser
35 for individual-based services, the PhilHealth Board of Directors is hereby
36 reconstituted to have a maximum of eleven members, consisting of the

1 following: (1) four ex-officio members, namely, the Secretary of Health,
2 Secretary of Social Welfare and Development, Secretary of Budget and
3 Management, Secretary of Finance; (2) three expert panel members with
4 expertise in public health, management, and health economics; and (3) four
5 sectoral panel members, representing the direct contributory group, indirect
6 contributory group, employers group, and local government

7 b) The sectoral and expert panel members must be (1) Filipino citizens
8 and of (2) good moral character. The expert panel must be (1) of recognized
9 probity and independence and must have distinguished themselves professionally
10 in public, civic or academic service in any of the following fields: public health,
11 medicine, economics, law, finance, or business and management, (2) in the
12 active practice of their professions for at least ten (10) years, and (3) must not
13 have been candidates for any elective national or local office in the immediately
14 preceding elections, whether regular or special.

15 c) The delineation of functions between the Board of Directors and the
16 executive committee shall be defined by the Governance Commission for GOCCs
17 (GCG). In addition, the GCG is hereby mandated to evaluate and conduct
18 organizational development of PhilHealth including personnel planning and
19 setting of minimum qualifications for corporate officers except those officers
20 whose qualifications are provided for by law.

21 d) The President of the Philippines shall appoint the President and CEO of
22 PhilHealth upon the recommendation of the Board; *Provided that*, the Board
23 cannot recommend a President and CEO of PhilHealth unless he is a Filipino
24 citizen and must have at least ten (10) year experience in the field of health care
25 financing and corporate management.

26 **SEC. 26. *Enabling Evidence-Informed Sectoral Policy and Planning.***

27 a) All public and private, national and local health-related entities shall be
28 required to submit health and health-related data to the DOH including, but not
29 limited to, administrative, public health, medical, pharmaceutical and health
30 financing data; *Provided that*, the DOH shall create and maintain a databank
31 which shall serve as the hub of all health data.

32 b) The DOH shall strengthen its internal analytic capacity, develop
33 systems for effective health research management, and build sectoral capacity
34 towards a vibrant ecosystem of research producers, communicators and users.
35 In cooperation with the DOST, DOH shall develop a cadre of policy systems

1 researchers by providing training grants in globally-benchmarked institutions and
2 appropriate incentives to retain them.

3 c) All health, nutrition and demographic-related administrative and survey
4 data generated using public funds shall be considered public goods, therefore
5 cannot be withheld from the public, except if covered by the inventory of
6 exceptions under applicable laws, and/or release of information requires
7 excessive cost to generate in which case those who request the data may be
8 required to pay for the cost of obtaining it.

9 **SEC. 27. *Monitoring and Evaluation.***

10 a) The DOH, National Economic Development Authority (NEDA), and the
11 Philippine Statistical Authority (PSA) shall develop a monitoring and evaluation
12 framework to validate the accomplishments of the provisions of this Act.

13 b) The PSA shall conduct the relevant modules of household surveys
14 annually during the first (10) years of the implementation of this Act, in order to
15 track progress and thereafter follow its regular schedule.

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

20 d) A Performance Management unit shall be established in the DOH to
21 enable periodic monitoring and evaluation, engagement of third party monitoring
22 schemes, and publicly reporting of accomplishments.

23 **SEC. 28. *Health Impact Assessment.***

24 a) Health Impact Assessment (HIA) shall be institutionalized as a prerequisite
25 for policies, programs, and projects that are health-related or may have
26 an impact on the health sector.

27 b) A multi-agency, multi-expert panel shall be convened to appraise HIA
28 evaluations, supported by a technical secretariat housed within the DOH.

29 **SEC. 29. *Health Technology Assessment.***

30 a) A Health Technology Assessment (HTA) unit composed of independent
31 multi-expert panel, supported by a technical secretariat with evidence generation
32 and validation capacity, shall be established within the DOH.

33 The DOH, in coordination with other government agencies, health
34 professional organizations, health sector civil society organizations, patients'
35 organization, and cademe, shall establish guidelines and qualifications for the
36 nomination process for all HTAC members.

1 b) The HTA process shall be institutionalized as a fair and transparent
2 priority setting mechanism that shall be recommendatory to the DOH and
3 PhilHealth for the development of policies and programs, regulation, and
4 determination of range of entitlements, provided for under this Act; *Provided*
5 *that*, neither investments on any health technology nor development of any
6 benefit package shall be made by DOH and PhilHealth without undergoing the
7 said HTA process; *Provided further*, that the HTA process shall adhere to the
8 principles of ethical soundness, inclusiveness and preferential regard for the
9 underserved, evidence-based and scientific defensibility, transparency and
10 accountability, efficiency, and enforceability; *Provided finally*, that HTA unit shall
11 ensure that its process shall be transparent and the result of its deliberations are
12 made public.

13 **SEC. 30. Ethics in Public Health Policy and Practice.** The implementation
14 of UHC shall be strengthened by commitment of all stakeholders to abide by
15 ethical principles in public health practice.

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

19 All manufacturers of drugs, medical devices, biological and medical
20 supplies registered by the FDA shall collect and track all financial relationships
21 with physicians/healthcare providers and report these to the DOH, which shall
22 then make this list publicly available.

23 A public health ethics committee shall be constituted as an advisory body
24 to the Secretary of Health.

25 **SEC. 31. Health Information System.** – All health service providers and
26 insurers shall within four (4) years, create and maintain information systems
27 including but not limited to enterprise resource planning, human resource
28 information system, electronic medical records, and electronic prescription
29 consistent with DOH standards which shall be electronically uploaded on a
30 regular basis. The DOH, in consultation with appropriate government and private
31 agencies, is hereby mandated to develop a single system to be used by all health
32 service providers.

33 The DOH shall create and maintain a databank, which shall serve as a hub
34 of all health transactions/data including but not limited to administrative,
35 medical, prescription and reimbursement data. These shall be reviewed and
36 archived and shall be used exclusively for the purpose of generating information

1 to guide research and policy. Patient privacy and confidentiality shall at all times
2 be upheld, in accordance with the Data Privacy Act of 2012.

3 **SEC.32. Health Promotion.** – The DOH as the overall steward for health
4 care shall constantly work to achieve better national health outcomes for
5 Filipinos. It shall strengthen public health care and intensify its efforts in
6 providing a comprehensive and coordinated approach to health promotion, with
7 emphasis on mainstreaming of promotive and preventive care.

8 The DOH shall transform its existing Health Promotion and Communication
9 Service into a full-fledged Bureau, to be named as the Health Promotion Bureau.

10 The Health Promotion Bureau shall perform the following:

11 a) Develop and update the national health promotion policy framework
12 and action plan. The Framework shall serve as the basis for health
13 promotion planning, research and development, monitoring of activities,
14 and financing to promote healthy behavior;

15 b) Coordinate the activities of and strengthen working relationships
16 between government and non-government agencies involved in the
17 implementation of health promotion programs;

18 c) Monitor and assess the implementation of laws and policies on
19 health promotion, including implementation of international conventions;

20 d) Recommend key development investments in specific sectors
21 impacting health promotion to ensure the achievement of national health
22 goals, including but not limited to health consciousness awareness
23 programs, policy studies, review of existing legislation, and
24 implementation of pilot health promotion projects that will form basis for
25 policy and program recommendations;

26 e) Provide mechanisms of assistance to ensure the mainstreaming of
27 health and ensuring the development of institutional capabilities for health
28 mainstreaming in government agencies;

29 f) Conduct studies, research and development activities towards
30 drivers of health that will assist in the determination of priority health
31 promotion strategies and activities;

32 g) Encourage healthy lifestyles in the community and support
33 activities involving participation in healthy pursuits;

34 h) Formulate the necessary education and awareness promotion,
35 information campaign and social marketing strategies;

- 1 i) Harmonize and coordinate all health promotion programs and
2 activities in the Philippines.
3

4 CHAPTER VIII

5 PENAL PROVISIONS

6 **SEC. 33. *Penal Provisions.*** A violation by the following persons shall
7 suffer the corresponding penalties as herein provided:

8 a) *Contracted Health Care Provider* – Any contracted health care provider
9 who commits an unethical act, abuses the authority vested upon him or her, or
10 perform a fraudulent act as defined in SEC. 4 of this Act shall be punished by a
11 fine of two hundred thousand pesos (P200,000.00) for each count, or suspension
12 of contract up to three (3) months or the remaining period of accreditation
13 whichever is shorter, or both, at the discretion of the Corporation taking into
14 consideration the gravity of the offense. If the health care provider is a juridical
15 person, its officers and employees or other representatives found to be
16 responsible, who acted negligently or with intent, or have directly or indirectly
17 caused the commission of the violation, shall be liable. Recidivists may no longer
18 be contracted as participants of the Program.

19 b) Member – Any member who commits any violation of this Act or
20 knowingly and deliberately cooperates or agrees, whether explicitly or implicitly,
21 to the commission of a violation by a contracted health care provider or
22 employer as defined in this section, including the filing of a fraudulent claim for
23 benefits or entitlement under this Act, shall be punished by a fine of fifty
24 thousand pesos (P50,000.00) for each count or suspension from availment of the
25 benefits of the Program for not less than three (3) months but not more than six
26 (6) months, or both, at the discretion of the Corporation.

27 c) Employer –

- 28 i. *Failure or Refusal to Register, Deduct or Remit the Contributions* –
29 Any employer who deliberately or through inexcusable negligence,
30 fails or refuses to register employees, regardless of their
31 employment status, accurately and timely deduct contributions
32 from the employee's compensation or to accurately and timely
33 remit or submit the report of the same to the Corporation shall be
34 punished with a fine of fifty thousand pesos (P50,000.00) for
35 every count of violation per affected employee, or imprisonment of

1 not less than six (6) months but not more than one (1) year, or
2 both such fine and imprisonment, at the discretion of the court.

3 Any employer or any officer authorized to collect
4 contributions under this Act who, after collecting or deducting the
5 monthly contributions from the employee's compensation, fails or
6 refuses for whatever reason to accurately and timely remit the
7 contributions to the Corporation within thirty (30) days from due
8 date shall be presumed prima facie, to have misappropriated the
9 same and is obligated to hold the same in trust for and in behalf of
10 the employees and the Corporation, and is immediately obligated
11 to return or remit the amount. If the employer is a juridical
12 person, its officers and employees or other representatives found
13 to be responsible, whether they acted negligently or with intent, or
14 have directly or indirectly caused the commission of the violation,
15 shall be liable.

16 ii. Unlawful Deductions – Any employer or officer who shall deduct
17 directly or indirectly from the compensation of the covered
18 employees or otherwise recover from them the employer's own
19 contribution on behalf of such employees shall be punished with a
20 fine of five thousand pesos (P5,000.00) multiplied by the total
21 number of affected employees or imprisonment of not less than
22 six (6) months but not more than one (1) year, or both such fine
23 and imprisonment, at the discretion of the court. If the unlawful
24 deduction is committed by an association, partnership, corporation
25 or any other institution, its managing directors or partners or
26 president or general manager, or other persons responsible for the
27 commission of the act shall be liable for the penalties provided for
28 in this Act.

29 iii. Misappropriation of Funds by Employees of the Corporation –
30 Any employee who, without prior authority or contrary to the
31 provisions of this Act or its implementing rules and regulations,
32 wrongfully receives or keeps funds or property payable or
33 deliverable to the Corporation, and who shall appropriate and
34 apply such fund or property for their own personal use, or shall
35 willingly or negligently consent either expressly or implicitly to the
36 misappropriation of funds or property without objecting to the

1 same and promptly reporting the matter to proper authority, shall
2 be liable for misappropriation of funds under this Act and shall be
3 punished with a fine equivalent to triple the amount
4 misappropriated per count and suspension for three (3) months
5 without pay.

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

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

15 The Corporation may enumerate circumstances that will mitigate or
16 aggravate the liability of the offender or erring health care provider, member or
17 employer.

18 Despite the cessation of operation by a health care provider or termination
19 of practice of an independent health care professional while the complaint is
20 being heard, the proceeding against them shall continue until the resolution of
21 the case.

22

23 **CHAPTER VIII**

24 **APPROPRIATIONS**

25 **SEC. 34. Appropriations.** – The funds requirements to implement this Act
26 shall be earmarked and sourced from the following:

27 a) Total sin tax collections as provided for in Republic Act (R.A.) No.
28 10351 of the Sin Tax Law; *Provided*, that the mandated earmarks as
29 provided for in R.A. Nos. 7171 and 8240 shall be retained;

30 b) The 50% national government share from the income of the Philippine
31 Gaming Corporation (PAGCOR) as provided for in Presidential Decree No.
32 1869, as amended of the PAGCOR Charter;

33 c) The Charity Fund of the Philippine Charity and Sweepstakes Office
34 (PCSO) as provided for R.A. No. 1169, as amended of the PCSO Charter;
35 and

36 d) Premium contributions of members.

1 The amount necessary to implement the provisions of this Act shall be
2 included in the General Appropriations Act. In addition, the DOH, in coordination
3 with PhilHealth, may request Congress to appropriate supplemental funding to
4 meet targeted milestones of this Act.
5

6 **CHAPTER IX**

7 **MISCELLANEOUS PROVISIONS**

8 **SEC. 35.** *Oversight Provision.* – There is hereby created a Joint
9 Congressional Oversight Committee on Universal Health Care to conduct a
10 regular review of the implementation of this Act which shall entail a systematic
11 evaluation of the performance, impact or accomplishments of this Act and the
12 various agencies involved in realizing universal health coverage, particularly with
13 respect to their roles and functions.

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

20 **SEC. 36.** *Transitory Provision.* -- Within thirty (30) days from the
21 effectivity of this Act, the President of the Philippines shall appoint the new
22 members of the Board and the President of the Corporation. The existing board
23 of directors shall serve in a hold-over capacity until a full and permanent board
24 of directors of the Corporation is constituted and functioning.

25 All officers and personnel of Philippine Health Insurance Corporation
26 (PhilHealth), except members of the Board who shall be governed by the first
27 paragraph of this section, shall be absorbed by the Corporation and shall
28 continue to perform their duties and responsibilities and receive their
29 corresponding salaries and benefits. The approval of this Act shall not cause any
30 demotion in rank or diminution of salary, benefits and other privileges of the
31 incumbent personnel of PhilHealth: *Provided*, That qualified officers and
32 personnel may voluntarily elect for retirement or separation from service and
33 shall be entitled to the benefits under existing laws: *Provided, further*, That the
34 GCG in coordination with DOH, PhilHealth and DBM shall not be prohibited to
35 reorganize, rationalize and conduct personnel planning to implement the
36 provisions of this Act in accordance with existing laws.

1 **SEC. 37. Interpretation.** – Any doubt in the interpretation of any
2 provision of this Act shall be liberally interpreted in a manner mindful of the
3 rights and interests of every Filipino to quality, accessible and affordable health
4 care.

5 **SEC. 38. Separability Clause.** – If any part or provision of this Act is
6 held invalid or unconstitutional, the remaining parts or provisions not affected
7 shall remain in full force and effect.

8 **SEC. 39. Applicability and Repealing Clause.** – The provisions of
9 Republic Act No. 7875 as amended by Republic Act No. 9241 and Republic Act
10 No. 10606, otherwise known as the “National Health Insurance Act of 2013” shall
11 continue to have full force and effect except insofar as they are inconsistent with
12 this Act.

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

16 **SEC. 40. Implementing Rules and Regulations.** - The DOH and the
17 PhilHealth, in consultation and coordination with appropriate national
18 government agencies, civil society organizations, non-government organizations,
19 private sector representatives, and other stakeholders, shall promulgate the
20 necessary rules and regulations for the effective implementation of this Act no
21 later than one hundred and eighty (180) days upon the effectivity of this Act.

22 **SEC. 41. Effectivity.** – This Act shall take effect fifteen (15) days after its
23 publication in the Official Gazette or in any newspaper of general circulation.

24 Approved,