


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

7 11 2018

SENATE
S. No. **1925**

RECEIVED BY: 

Introduced by **Senator Richard J. Gordon**

EXPLANATORY NOTE

In 1995, Republic Act No. 7875 (R.A. 7875) was enacted creating the Philippine Health Insurance Corporation (PhilHealth), a government-owned and – controlled corporation tasked with the mandate of implementing the National Health Insurance Program. Twelve years later, the National Health Insurance Program serves more than 15 million members and 61.82 million beneficiaries with a host of medical benefits, but it has not been without its share of problems.

Benefit payments amounting to millions of pesos seem to be irresistible to some unscrupulous health care providers. The methods and techniques employed to perpetuate abuses and unethical practices have increasingly become sophisticated and run along every generation of social health insurance.

This bill seeks to strengthen the capability of PhilHealth for more effective implementation of the National Health Insurance Program against the incidence of fraudulent activities of both employers and health care providers. Most of the provisions are reiterations from the Implementing Rules and Regulations (IRR) of R.A. 7875, as amended by R.A. 9241.

The bill specifically defines abuses and unethical practices and other offenses of health care providers, employers and members, as well as provides heavier penalties to be imposed upon erring health care providers, employers and members. It seeks to increase the amount of imposable fines for these offenses from the current “P10,000.00 to P50,000.00” to “P50,000 to P100,000.00,” with discretion on the part of the Corporation to impose such fine or suspension from three months to the whole term of accreditation or revocation of accreditation, or both.


As to employers, which PhilHealth considers as partners in the effective and efficient implementation of the National Health Insurance Program given their role as the biggest contributors of the National Health Insurance Funds, the bill provides for penalties on the failure or refusal to register, deduct, or remit premium contributions of employees. Particularly, in order to balance both the interest of PhilHealth and the employers, the bill proposes the imposition of interest and surcharges of three percent (3%) per month or at any rate as may be fixed by the Corporation in case of delay in the remittances of premiums. The intent is to avoid litigation for the

settlement of employers' arrears and to provide the employers with a quick mechanism to clear their accounts with the Corporation.

Moreover, the bill seeks to recognize in its Charter the vital role played by the informal sector in the success of the National Health Insurance Program. It would be in the best interest of the public for the current representation of the self-employed in the PhilHealth Board of Directors as stated in the law to embody the entire informal sector. The aforesaid sector is very diverse and includes not only the self-employed sub-groups but also the small-scaled, occasional members such as all types of street vendors and sometimes those who are informally employed in the formal enterprises.

Finally, the bill seeks to remedy the failure of R.A. 7875, as amended, to vest PhilHealth with visitorial powers to ensure the effective implementation of the National Health Insurance Program.

As the provisions of the bill will strengthen PhilHealth's Charter and protect its Fund from being indiscriminately dissipated through fraudulent activities, abuses and unethical practices of unscrupulous health care providers and employers, approval of this bill is urgently sought.




RICHARD J. GORDON
Senator

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**AN ACT
DEFINING OFFENSES UNDER THE NATIONAL HEALTH INSURANCE
PROGRAM (NHIP) AND PROVIDING PENALTIES THEREFOR, AMENDING FOR
THIS PURPOSE REPUBLIC ACT NO. 7875, OTHERWISE KNOWN AS THE
NATIONAL HEALTH INSURANCE ACT OF 1995,
AS AMENDED, AND FOR OTHER PURPOSES**

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

1 **SECTION 1.** Section 16 of Republic Act No. 7875, otherwise known as the National
2 Health Insurance Act of 1991, as amended, is further amended to read as follows:

3 "SEC. 16. Powers and Functions. – The Corporation shall have the following
4 powers and functions:

5 ...

6 (m) to supervise the provision of health benefits, with the power to VISIT,
7 ENTER AND inspect FACILITIES [medical and financial records] of health care
8 providers AND EMPLOYERS and TO SECURE COPIES OF THEIR MEDICAL,
9 FINANCIAL AND OTHER PERTINENT RECORDS AND THAT OF THEIR patients
10 OR EMPLOYEES, WHERE APPLICABLE, who are [participants in] BENEFICIARIES
11 or members OF THE PROGRAM[, the power to enter and inspect accredited health
12 care institutions, subject to the rules and regulations to be promulgated by the
13 Corporation];

14 (n) to organize its office, fix the compensation of and appoint personnel as
15 may be deemed necessary and upon the recommendation of the president of the
16 Corporation;

1 (o) to submit to the President of the Philippines and to both Houses of
2 Congress its Annual Report which shall contain the status of the National Health
3 Insurance Fund, its total disbursements, reserves, average costings to beneficiaries,
4 any request for additional appropriation, and other data pertinent to the
5 implementation of the Program and publish a synopsis of such report in two (2)
6 newspapers of general circulation;

7 (p) to keep records of the operation of the Corporation and investments of the
8 National Health Insurance Fund; and

9 (q) to perform such other acts as it may deem appropriate for the attainment
10 of the objectives of the Corporation and for the proper enforcement of the provisions
11 of this Act.”

12 **SEC. 2.** Section 18 of Republic Act No. 7875, otherwise known as the National
13 Health Insurance Act of 1991, as amended, is further amended to read as follows:

14 “SEC. 18. *The Board of Directors.*

15 (a) *Composition* – The Corporation shall be governed by a Board of Directors
16 hereinafter referred to as the Board, composed of [the following] THIRTEEN
17 members AS FOLLOWS:

18 The Secretary of Health;

19 The Secretary of Labor and Employment or his representative;

20 The Secretary of the Interior and Local Government or his representative;

21 The Secretary of Social Welfare and Development or his representative;

22 The President of the Corporation;

23 A representative of the [labor] FORMAL sector;

24 A representative of employers;

25 *The SSS Administrator or his representative;*

26 The GSIS General Manager or his representative;

27 The Vice Chairperson for the basic sector of the National Anti-Poverty
28 Commission or his representative;

29 A representative of Filipino overseas workers;

30 A representative of the [Self-employed] INFORMAL sector; and

31 A representative of health care providers to be endorsed by the national
32 associations of health care institutions and medical health professionals.

1 DISCRETION OF THE CORPORATION, UPON A FINDING THAT IT IS ENGAGED
2 IN ANY OF THE FOLLOWING ACTS OR OMISSIONS:

- 3 (1) PADDING OF CLAIMS, BY FILING A CLAIM FOR PAYMENT
4 FROM THE NHIP FOR DRUGS, MEDICINES, SUPPLIES,
5 PROCEDURES AND OTHER BENEFITS IN EXCESS OF THOSE
6 ACTUALLY PROVIDED TO A BENEFICIARY.
- 7 (2) FABRICATION OF CLAIMS, BY MAKING IT APPEAR THAT A
8 BENEFICIARY HAS BEEN CONFINED AND/OR HAS RECEIVED
9 PHILHEALTH-COVERED SERVICES IN THE INSTITUTION
10 WHEN IN FACT NO CONFINEMENT OR RECEIPT OF
11 SERVICES OCCURRED, OR BY FALSELY MAKING IT APPEAR
12 THAT A BENEFICIARY SUFFERED FROM COMPENSABLE
13 ILLNESS OR UNDERWENT A COMPENSABLE PROCEDURE,
14 OR BY SUCH OTHER MACHINATIONS THAT WOULD RESULT
15 IN CLAIMS FOR SERVICES NOT ACTUALLY PROVIDED.
- 16 (3) FILING OF MULTIPLE CLAIMS, BY FILING MORE THAN ONE
17 CLAIM CORRESPONDING TO THE SAME CONFINEMENT OR
18 ILLNESS OF ONE BENEFICIARY.
- 19 (4) EXTENSION OF PERIOD OF CONFINEMENT, BY:
20 a. INCREASING THE PERIOD OF ACTUAL CONFINEMENT OF A
21 BENEFICIARY;
22 b. CONTINUOUSLY CHARTING ENTRIES IN THE DOCTOR'S
23 ORDER OR NURSE'S NOTES AND OBSERVATION DESPITE
24 ACTUAL DISCHARGE OF THE BENEFICIARY; OR
25 c. SUCH OTHER MACHINATIONS THAT WOULD RESULT IN THE
26 UNNECESSARY EXTENSION OF CONFINEMENT.
- 27 (5) ANTE-DATING OF CLAIMS, BY ALTERATION, DELETION OR
28 INTERCALATION OF DATES, IN A CLAIM THAT WOULD
29 OTHERWISE BE DEEMED PRESCRIBED FOR HAVING BEEN
30 MADE BEYOND SIXTY (60) CALENDAR DAYS FROM THE DATE
31 OF DISCHARGE OF THE BENEFICIARY. ANY CLAIM FILED
32 BEYOND THE SIXTY (60) DAY PERIOD SHALL BE DENIED,

1 EXCEPT UPON GOOD REASONS AS MAY BE DETERMINED
2 SUFFICIENT BY THE CORPORATION.

3 (6) MISREPRESENTATION, BY FURNISHING FALSE
4 INFORMATION CONCERNING ANY MATTER REQUIRED
5 UNDER THE PROVISIONS OF THIS ACT. WHERE SUCH
6 MISREPRESENTATION RESULTS IN DAMAGE TO THE
7 CORPORATION, THE PENALTY SHALL BE THE MAXIMUM
8 FINE AND REVOCATION OF ACCREDITATION.

9 (7) UNJUSTIFIED ADMISSION BEYOND ACCREDITED BED
10 CAPACITY, BY FILING ONE OR MORE CLAIMS FOR
11 BENEFICIARIES CONFINED IN EXCESS OF THE ACCREDITED
12 BED CAPACITY AT ANY GIVEN TIME, WITHOUT
13 JUSTIFICATION IN THE FORM AND MANNER PRESCRIBED BY
14 THE CORPORATION.

15 (8) PERFORMANCE OF UNAUTHORIZED SERVICE, BY
16 PERFORMANCE OF A SERVICE OR PROCEDURE NOT WITHIN
17 THE INSTITUTION'S AUTHORIZED CAPABILITY, EXCEPT
18 WHEN SUCH SERVICE OR PROCEDURE IS DONE TO SAVE
19 LIFE IN THE CASE OF AN EMERGENCY AND REFERRAL TO A
20 HIGHER CATEGORY PROVIDER IS PHYSICALLY IMPOSSIBLE.

21 (9) ABUSES AND UNETHICAL PRACTICES, INCLUDING BUT NOT
22 LIMITED TO THE FOLLOWING CIRCUMSTANCES:

- 23 a. UNSAFE OR DANGEROUS PRACTICES;
- 24 b. IRRATIONAL OR UNNECESSARY DRUG USE;
- 25 c. UNNECESSARY PERFORMANCE OF DIAGNOSTIC OR
26 THERAPEUTIC PROCEDURES;
- 27 d. CHARGING OR COLLECTING FROM A MEMBER AN AMOUNT
28 IN EXCESS OF THE BENEFITS, INCLUDING THOSE COVERED
29 BY CAPITATION OR GLOBAL BUDGETS FOR PHILHEALTH-
30 COVERED SERVICES THAT PROHIBIT CHARGING OF OUT-
31 OF-POCKET PAYMENTS;
- 32 e. ENROLLMENT AND/OR RECRUITMENT OF A PERSON TO BE
33 A MEMBER AND/OR PAYMENT OF PREMIUM OF A MEMBER

1 BEFORE PROVIDING HEALTH CARE SERVICES TO HIM/HER,
2 FOR THE SOLE PURPOSE OF FILING A CLAIM, EXCEPT
3 WHEN THE MEMBER IS ITS EMPLOYEE OR RELATIVE WITHIN
4 THE FOURTH CIVIL DEGREE OF CONSANGUINITY OR
5 AFFINITY; AND

6 f. OTHER FRAUDULENT ACTS, INCLUDING BUT NOT LIMITED
7 TO THE FOLLOWING:

8 i. FAILURE OR REFUSAL TO GIVE BENEFITS DUE TO A
9 MEMBER OR HIS/HER DEPENDENT;

10 ii. CHARGING A BENEFICIARY FOR MEDICINES AND/OR
11 SERVICES WHICH ARE CHARGEABLE TO AND
12 COVERED BY THE NHIP;

13 iii. FAILURE OR REFUSAL TO REFUND TO A MEMBER ANY
14 PAYMENT RECEIVED FROM THE NHIP, WHEN THE
15 HOSPITAL CHARGES AND PROFESSIONAL FEES ARE
16 FULLY PAID IN ADVANCE BY THE MEMBER, WITHIN A
17 PERIOD OF THIRTY (30) DAYS FROM THE DATE OF
18 RECEIPT OF THE REFUND CHECK FROM THE
19 CORPORATION;

20 iv. FAILURE OR REFUSAL TO ACCOMPLISH AND SUBMIT
21 THE REQUIRED FORMS IN CONNECTION WITH
22 SECTION 44(A)(9)(F)(III) OF THIS ACT;

23 v. FAILURE OR REFUSAL TO PROVIDE A MEMBER WITH
24 THE REQUIRED FORM FOR DIRECT FILING OF CLAIMS,
25 BILLING STATEMENTS, OFFICIAL RECEIPTS AND
26 OTHER DOCUMENTS NECESSARY FOR THE FILING OF
27 CLAIMS; AND

28 vi. DELIBERATE REFUSAL TO COMPLY WITH ANY
29 REQUIREMENT UNDER THIS ACT.

30 (10) BREACH OF THE WARRANTIES OF ACCREDITATION,
31 CONSISTING OF ANY OTHER WILLFUL OR NEGLIGENT ACT
32 OR OMISSION WHICH TENDS TO UNDERMINE OR DEFEAT
33 THE OBJECTIVES OF THE NHIP.

1 (B) THE PROVISIONS OF SECTIONS 44(A)(6), (9) AND (10) OF THIS ACT
2 SHALL EQUALLY APPLY TO A PROFESSIONAL HEALTH CARE PROVIDER.

3 [A fine of not less than Ten thousand pesos (P10,000) nor more than Fifty
4 thousand pesos (P50,000) in case the violation is committed by the hospital
5 management or provider. In addition, its accreditation shall be suspended or revoked
6 from three (3) months to the whole term of accreditation: *Provided, however,* That
7 recidivists may not anymore be accredited as a participant of the Program;]

8 (C) ANY MEMBER WHO, FOR PURPOSES OF CLAIMING NHIP BENEFITS
9 OR ENTITLEMENT THERETO, SHALL COMMIT ANY OF THE OFFENSES
10 DEFINED UNDER THIS ACT, INDEPENDENTLY OR IN CONNIVANCE WITH A
11 HEALTH CARE PROVIDER, SHALL SUFFER A FINE OF FIVE THOUSAND
12 PESOS (P5,000) AND SUSPENSION FROM AVAILMENT OF NHIP BENEFITS
13 FOR NOT LESS THAN THREE (3) MONTHS BUT NOT MORE THAN SIX (6)
14 MONTHS.

15 [A fine of not less than Five hundred pesos (P500) nor more than Five
16 thousand pesos (P5,000) and imprisonment of not less than six (6) months nor more
17 than one (1) year in case the violation is committed by the member.]

18 (D) (1) [Where the violations consist of] ANY EMPLOYER WHICH FAILS OR
19 REFUSES [failure or refusal] to REGISTER ITS EMPLOYEES OR TO deduct
20 contributions from the employee's compensation AND/or to remit the same to the
21 Corporation[, the penalty] shall be PENALIZED WITH a fine of not less than Five
22 THOUSAND [hundred] pesos (P5,000) [(P500) but not more than One thousand
23 pesos (P1,000)] multiplied by the total number of employees OF [employed by] the
24 firm, and imprisonment of not less than six (6) YEARS [months but not more than]
25 AND one (1) DAY TO TWELVE (12) YEARS [year. *Provided, further,* That in the
26 case of self-employed members, failure to remit one's own contribution shall be
27 penalized with a fine of not less than Five hundred pesos (P500) but not more than
28 One thousand pesos (P1,000).]

29 (2) Any employer or any officer authorized to collect contributions
30 under this Act who, after collecting or deducting the monthly contributions
31 from his employee's compensation, fails to remit the said contributions to the
32 Corporation within thirty (30) days from the date they become due shall be

1 presumed to have misappropriated such contribution and shall suffer the
2 penalties provided for in Article 315 of the Revised Penal Code.

3 (3) Any employer who shall deduct directly or indirectly from the
4 compensation of the covered employees or otherwise recover from them his
5 own contribution on behalf of such employees shall be punished by a fine [not
6 exceeding] OF [One] FIVE thousand pesos (P[1] 5,000) multiplied by the total
7 number of employees employed by the firm,[or] AND imprisonment FOR not
8 [exceeding one (1)] LESS THAN SIX (6) YEARS AND ONE DAY BUT NOT
9 TO EXCEED TWELVE (12) years.[, or both fine and imprisonment, at the
10 discretion of the Court.]

11 (E) If the [act or omission] OFFENSE penalized by this Act be committed by
12 an association, partnership, corporation or any other institution, its managing
13 directors or partners or president or general manager, or other persons responsible
14 for the commission of the said act, shall be liable for the penalties provided for in this
15 Act and other laws for the offense.

16 (F) Any employee of the Corporation who receives or keeps funds or property
17 belonging, payable or deliverable to the Corporation, and who shall appropriate the
18 same, or shall take or misappropriate or shall consent, or through abandonment or
19 negligence, shall permit any person to take such property or funds [wholly or
20 partially], shall [likewise] be liable for imprisonment of not less than six (6) years and
21 not more than twelve (12) years and a fine of not less than Ten thousand pesos
22 (P10,000) nor more than Twenty thousand pesos (P20,000). Any shortage of the
23 funds or loss of the property upon audit shall be deemed *prima facie* evidence of the
24 offense.

25 (G) CRIMINAL ACTION ARISING FROM A VIOLATION OF THE
26 PROVISIONS OF THIS ACT MAY BE COMMENCED BY THE CORPORATION OR
27 THE EMPLOYEE CONCERNED, WHERE APPLICABLE, EITHER UNDER THIS
28 ACT OR UNDER THE REVISED PENAL CODE: PROVIDED, THAT SUCH
29 CRIMINAL ACTION MAY BE FILED BY THE CORPORATION IN THE CITY OR
30 MUNICIPALITY WHERE THE VIOLATION WAS COMMITTED OR IN METRO
31 MANILA, AT THE OPTION OF THE CORPORATION.

1 (H) THE FOLLOWING CIRCUMSTANCES SHALL AFFECT THE GRAVITY
2 OF THE VIOLATION AND THE LIABILITY OF THE HEALTH CARE PROVIDER,
3 MEMBER OR EMPLOYER:

4 (1) MITIGATING CIRCUMSTANCES, INCLUDING:

5 (A) VOLUNTARY ADMISSION OF GUILT;

6 (B) LACK OF DEROGATORY RECORD; OR

7 (C) SUCH OTHER CIRCUMSTANCES AS MAY BE
8 DETERMINED BY THE CORPORATION.

9 (2) AGGRAVATING CIRCUMSTANCES, INCLUDING:

10 (A) PREVIOUS CONVICTION OF AN OFFENSE AS
11 PROVIDED FOR IN THIS ACT;

12 (B) CONNIVANCE AND/OR CONSPIRACY WITH AN
13 OFFICER OR EMPLOYEE OF THE CORPORATION TO FACILITATE
14 OR CONCEAL THE COMMISSION OF THE VIOLATION;

15 (C) GROSS NEGLIGENCE; OR

16 (D) SUCH OTHER CIRCUMSTANCES AS MAY BE
17 DETERMINED BY THE CORPORATION.

18 (I) ANY PENALTY IMPOSED UNDER THIS ACT SHALL CARRY WITH IT
19 THE DENIAL OF PAYMENT OF THE CLAIM IN QUESTION AND THE REFUND TO
20 THE CORPORATION OF ANY AMOUNT ALREADY PAID BY IT.

21 THE CORPORATION MAY IMPOSE INTEREST AND SURCHARGES OF
22 THREE PERCENT (3%) PER MONTH OR AT ANY RATE AS MAY BE FIXED BY
23 THE CORPORATION IN CASE OF ANY DELAY IN THE REMITTANCE OF
24 CONTRIBUTIONS WHICH ARE DUE WITHIN THE PRESCRIBED PERIOD.

25 (J) SUSPENSION SHALL BE CARRIED OUT BY THE TEMPORARY
26 CESSATION OF THE BENEFITS OR PRIVILEGES UNDER THE NHIP.

27 IF THE PENALTY OF SUSPENSION IMPOSED AGAINST A HEALTHCARE
28 PROVIDER EXCEEDS THE VALIDITY OF THE CURRENT ACCREDITATION, THE
29 RENEWAL OR THE RE-ACCREDITATION OF THE LATTER SHALL NOT BE
30 ACTED UPON UNTIL THE FULL TERM OF THE SUSPENSION IMPOSED HAS
31 BEEN SERVED OR LIFTED. FOR THIS PURPOSE, THE PERIOD COVERING THE
32 EXPIRATION OF ACCREDITATION AND THE START OF THE EFFECTIVITY OF

1 THE RENEWAL AND/OR RE-ACCREDITATION SHALL BE CONSIDERED AS
2 PART OR CONTINUATION OF THE SUSPENSION.

3 SHOULD THE AGGREGATE PERIOD OF SUSPENSION IMPOSED UPON
4 THE HEALTH PROVIDER ON ACCOUNT OF TWO OR MORE VIOLATIONS
5 EXCEED TWENTY-FOUR (24) MONTHS, THE MAXIMUM LENGTH OF THE
6 PENALTY SHALL BE IMPOSED.

7 A HEALTH CARE PROVIDER WHO AT THE TIME OF TRIAL FOR AN
8 OFFENSE ENUMERATED HEREIN SHALL HAVE BEEN PREVIOUSLY
9 CONVICTED BY FINAL JUDGMENT FOR ANY OFFENSE UNDER THIS ACT MAY
10 NO LONGER BE ACCREDITED AS PARTICIPANT OF THE NHIP.

11 IN ALL CASES WHERE A DECISION IS RENDERED AGAINST A HEALTH
12 CARE PROVIDER, THE DEPARTMENT OF HEALTH (DOH), PROFESSIONAL
13 REGULATIONS COMMISSION (PRC) AND/OR OTHER CONCERNED AGENCIES
14 SHALL BE FURNISHED WITH A COPY OF THE SAME.

15 A NOTICE OF SUSPENSION FOR THE INFORMATION OF THE PUBLIC
16 SHALL BE POSTED IN CONSPICUOUS PLACES AND / OR IN THE INSTITUTION
17 CONCERNED INDICATING THE PERIOD OF SUSPENSION IN SUCH FORM AND
18 MANNER TO BE PRESCRIBED BY THE CORPORATION.

19 (K) WHEN AN INSTITUTIONAL HEALTH CARE PROVIDER CEASES
20 OPERATION OR AN INDEPENDENT HEALTH CARE PROFESSIONAL STOPS
21 HIS/HER PRACTICE BEFORE SERVING THE SUSPENSION, EXECUTION OF
22 PENALTY SHALL BE DEFERRED, TO BE IMPLEMENTED WHEN THE SAME
23 OWNER OR MEDICAL DIRECTOR OPENS OR OPERATES A NEW INSTITUTION
24 IRRESPECTIVE OF THE NAME OR LOCATION, OR WHEN THE HEALTH CARE
25 PROVIDER PRACTICES AGAIN: *PROVIDED*, THAT THE DISPOSITIVE PART OF
26 THE RESOLUTION REQUIRING PAYMENT OF FINES, REIMBURSEMENT OF
27 PAID CLAIM OR DENIAL OF PAYMENT SHALL BE IMMEDIATELY EXECUTORY.

28 A SPOUSE OR RELATIVE WITHIN THE SECOND DEGREE OF
29 CONSANGUINITY OR AFFINITY OF THE OWNER OR MEDICAL DIRECTOR
30 SHALL BE PRESUMED TO BE THE ALTER EGO OF SUCH OWNER OR
31 MEDICAL DIRECTOR FOR THE ABOVE PURPOSES.

32 DESPITE THE CESSATION OF OPERATIONS OR PRACTICE OF A
33 HEALTH CARE PROVIDER WHILE THE COMPLAINT IS BEING HEARD, THE

1 PROCEEDING SHALL CONTINUE UNTIL RENDITION OF JUDGMENT FOR
2 PURPOSES OF DETERMINING FUTURE RELATIONSHIPS BETWEEN THE
3 CORPORATION AND THE ERRING HEALTH CARE PROVIDER.

4 (L) COMPLAINTS ALREADY FILED WITH OR UNDER DELIBERATION BY
5 APPROPRIATE BODIES OF THE CORPORATION PRIOR TO THE EFFECTIVITY
6 OF THIS ACT SHALL BE GOVERNED IN ACCORDANCE WITH THE PREVIOUS
7 ACTS AND THEIR IMPLEMENTING RULES AND REGULATIONS.

8 (M) All other violations [involving funds] of the PROVISIONS OF THIS ACT
9 OR OF THE RULES AND REGULATIONS PROMULGATED BY THE Corporation
10 shall be PUNISHED BY A FINE OF NOT LESS THAN FIVE THOUSAND PESOS
11 (P5,000) NOR MORE THAN TWENTY THOUSAND PESOS (P20,000), OR
12 IMPRISONMENT FOR NOT LESS THAN SIX (6) YEARS AND ONE (1) DAY BUT
13 NOT TO EXCEED TWELVE (12) YEARS OR BOTH, AT THE DISCRETION OF THE
14 COURT [governed by the applicable provisions of the Revised Penal Code or other
15 laws, taking into consideration the rules on collection, remittances, and investment of
16 funds as may be promulgated by the Corporation].

17 **SEC. 4. *Implementing Rules and Regulations.*** - The Philippine Health
18 Insurance Corporation (PhilHealth) shall issue the necessary rules and regulations to
19 implement the provisions of this Act.

20 **SEC. 5. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations
21 or other issuances or any part thereof inconsistent with the provisions of this Act are
22 hereby repealed or modified accordingly.

23 **SEC. 6. *Separability Clause.*** - If any portion or provision of this Act is
24 declared unconstitutional, the remainder of this Act or any provisions not affected
25 thereby shall remain in force and effect.

26 **SEC. 7. *Effectivity.*** - This Act shall take effect fifteen (15) days after the
27 completion of its publication in the Official Gazette or in at least two (2) national
28 newspapers of general circulation in the Philippines.

29 Approved,