


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

SENATE

S. B. No. 2010



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Introduced by SENATOR EDGARDO J. ANGARA

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EXPLANATORY NOTE

The bill seeks to strengthen the capability of the Philippine Health Insurance Corporation (PhilHealth) for more effective implementation of the National Health Insurance Program (NHIP) against the incidence of fraudulent activities. It primarily aims to specifically define offenses and penalties as well as the emerging abuses and unethical practices to be imposed against erring health care providers, employers and members. This bill also seeks to increase the amount of fine from the existing "P10,000.00 to P50,000.00" to "P50,000 to P100,000.00" with a discretion on the part of the PhilHealth to impose such fine or suspension from three (3) months to the whole term of accreditation or revocation of accreditation, or both such fine and suspension or revocation against the erring health care provider. On the aspect of erring employers, it will include the penalties to be imposed for failure to register and/or deduct/remit contribution of their employees and that the violations may also be criminal or civil or both.

The billions of pesos in benefit payment are really irresistible to some unscrupulous health care providers. Though there is no statistical and hard data to measure the amount of fraudulent claims, it is imperative to define and criminalize the abuses and unethical practices of erring health care providers before they become an inevitable threat to the NHI Fund. The abuses and unethical practices are getting sophisticated, evolving to new methods and techniques of violations along every generation of social health insurance.

With regard to the employers, PhilHealth will not only focus on the filing of cases on their violations. More importantly, PhilHealth considers them as big partners in the effective and efficient implementation of the NHIP as they are the biggest contributors to the NHI Funds. Given their big role and responsibility, employers should be reminded that the non-registration, non-deduction and/or non-remittance of the premium contributions of their employees will lead to the collapse of the Program. Hence, in order to balance both the interest of PhilHealth and the employers, this 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. This is to avoid the litigious process of going to court for the settlement of their arrears and clear the name of their company in the quickest possible way. This provision is copied verbatim from the provisions of RA No. 8282 or the SSS Act of 1997.

Moreover, RA No. 7875, as amended by RA No. 9241 failed to provide PhilHealth the enforcement power and authority against any erring health care providers and employers. In order to specifically address this very urgent concern, it is therefore proposed to vest PhilHealth with visitorial and police powers to ensure the effective implementation of the NHIP and to protect the NHI Fund from being indiscriminately dissipated through fraudulent activities, abuses and unethical practices from unscrupulous health care providers and employers.

Lastly, anticipating the vital role of the informal sector, PhilHealth already devised innovative approaches in extending the coverage from this category. It conceptualized the *Kalusugang Sigurado at Abot-Kaya sa PhilHealth Insurance* (KASAPI) which targeted the organized groups for the group enrollment of its members in the Program. The successful implementation of this scheme has led to the rapid increase of NHIP members most especially from this sector. Thus, it would be of the best interest to expand 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 which include not only the self-employed sub-groups but also encompasses the small-scale, occasional members such as all types of street vendors and sometimes those who are informally employed in the formal enterprises. Additionally, it is also being endorsed to change the representation of the employed sector to *formal sector* for more clarity and to distinguish it from the informal sector.

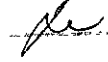
In view of the foregoing, the approval of the bill is earnestly sought.

  
EDGARDO J. ANGARA  
Senator

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

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SENATE  
S. B. No. 2010

RECEIVED BY: 

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Introduced by SENATOR EDGARDO J. ANGARA

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AN ACT DEFINING THE OFFENSES AND ABUSES AGAINST THE  
NATIONAL HEALTH INSURANCE PROGRAM (NHIP) AND PROVIDING  
PENALTIES AND SANCTIONS THEREFOR, AMENDING FOR THE  
PURPOSE ARTICLE X OF REPUBLIC ACT NO. 7875 OTHERWISE  
KNOWN AS THE NATIONAL HEALTH INSURANCE ACT  
OF 1995 AS AMENDED BY RA 9241 AND  
FOR OTHER PURPOSES

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

1           **SECTION 1.** Section 18 of Republic Act No. 7875 as amended by RA  
2 9241 is hereby amended to read as follows:

3  
4                   **SEC. 18. *The Board of Directors.* –**

5                   *a) Composition* – The Corporation shall be governed by a  
6 Board of Directors hereinafter referred to as the Board,  
7 composed of eleven members as follows:

- 8                   The Secretary of Health;
- 9                   The Secretary of Labor and Employment or his
- 10                  representative;
- 11                  The Secretary of the Interior and Local Government or his
- 12                  representative;
- 13                  The Secretary of Social Welfare and Development or his
- 14                  representative;
- 15                  The President of the Corporation;
- 16                  A representative of the FORMAL [labor] sector;
- 17                  A representative of employers
- 18                  The SSS Administrator or his representative;
- 19                  The GSIS General Manager or his representative;

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

3           A representative of Filipino Overseas Workers TO BE  
4           ENDORSED BY DULY RECOGNIZED NATIONAL  
5           ASSOCIATION OF OVERSEAS FILIPINO WORKERS;

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

8           A representative of health care providers to be endorsed  
9           by the national association of health care institutions and  
10          medical professionals.

11          The Secretary of Health shall be the *ex officio*  
12          Chairperson while the President of the Corporation shall be the  
13          Vice Chairperson of the Board.

14          *b) Appointment and Tenure* – The President of the  
15          Philippines shall appoint the Members of the Board upon the  
16          recommendation of the Chairman of the Board and in  
17          consultation with the sectors concerned. Members of the Board  
18          shall have a term of four (4) years each, renewable for a  
19          maximum of two (2) years, except for members whose terms  
20          shall be co-terminous with their respective positions in  
21          government. Any vacancy in the Board shall be filled in the  
22          manner in which the original appointment was made and the  
23          appointee shall serve only the unexpired term of his predecessor.

24          *c) Meetings and Quorum* – The Board shall hold regular  
25          meetings at least once a month. Special meetings may be  
26          convened at the call of the Chairperson or by a majority of the  
27          members of the Board. The presence of a majority of all the  
28          members shall constitute a quorum. In the absence of the  
29          Chairperson and Vice Chairperson, a temporary presiding  
30          officer shall be designated by the majority of the quorum.

31          *d) Allowances and Per Diems* – The members of the Board  
32          shall receive a *per diem* for every meeting actually attended  
33          subject to the pertinent budgetary laws, rules and regulations  
34          on compensation, honoraria and allowances.

1           **SECTION 2.** Article X of the same Act is also hereby amended to read  
2 as follows:

3  
4                           **Article X. OFFENSES AND Penalties**

5  
6           **SEC. 44. OFFENSES OF INSTITUTIONAL HEALTH CARE**  
7 **PROVIDERS-**

8  
9           **SEC. 44-A. PADDING OF CLAIMS** – ANY HEALTH CARE  
10 PROVIDER WHO, FOR THE PURPOSE OF CLAIMING PAYMENT  
11 FROM THE NHIP, FILES A CLAIM FOR BENEFITS WHICH ARE  
12 IN EXCESS OF THE BENEFITS ACTUALLY PROVIDED BY  
13 ADDING DRUGS, MEDICINES, SUPPLIES, PROCEDURES AND  
14 SERVICES, SHALL BE PENALIZED WITH A FINE OF NOT LESS  
15 THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE  
16 THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) OR  
17 SUSPENSION OF ACCREDITATION FROM THREE (3) MONTHS  
18 TO THE WHOLE TERM OF ACCREDITATION OR REVOCATION  
19 OF ACCREDITATION, OR BOTH SUCH FINE AND  
20 SUSPENSION/REVOCATION, AT THE DISCRETION OF THE  
21 CORPORATION.

22  
23           **SEC. 44-B. CLAIMS FOR SERVICES NOT RENDERED**  
24 **AND / OR CONFINEMENTS OF NON-ADMITTED PATIENTS –**  
25 ANY HEALTH CARE PROVIDER WHO, FOR THE PURPOSE OF  
26 CLAIMING BENEFIT REIMBURSEMENT FROM THE NHIP:

27  
28           A.   MAKES IT APPEAR THAT THE PATIENT IS  
29               ACTUALLY CONFINED AND / OR PROVIDED  
30               PHILHEALTH-COVERED SERVICES IN THE HEALTH  
31               CARE INSTITUTION / FACILITY; OR

32           B.   USES SUCH OTHER MACHINATIONS THAT WOULD  
33               RESULT IN CLAIMS FOR SERVICES NOT  
34               RENDERED/GIVEN

35  
36 SHALL BE PENALIZED WITH A FINE OF NOT LESS THAN FIFTY  
37 THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN ONE

1 HUNDRED THOUSAND PESOS (P100,000.00) OR SUSPENSION OF  
2 ACCREDITATION FROM THREE (3) MONTHS TO THE WHOLE  
3 TERM OF ACCREDITATION OR REVOCATION OF  
4 ACCREDITATION, OR BOTH SUCH FINE AND SUSPENSION /  
5 REVOCATION, AT THE DISCRETION OF THE CORPORATION.  
6

7 **SEC. 44-C. *EXTENDING PERIOD OF CONFINEMENT*** –  
8 ANY HEALTH CARE PROVIDER WHO, FOR THE PURPOSE OF  
9 CLAIMING PAYMENT FROM THE NHIP, FILES A CLAIM WITH  
10 EXTENDED PERIOD OF CONFINEMENT BY:

- 11
- 12 A. INCREASING THE PERIOD OF ACTUAL  
13 CONFINEMENT OF ANY PATIENT;
  - 14 B. CONTINUOUSLY CHARTING ENTRIES IN THE  
15 DOCTOR'S ORDER, NURSE'S NOTES AND  
16 OBSERVATION DESPITE ACTUAL DISCHARGE OR  
17 ABSENCE OF THE PATIENTS; OR
  - 18 C. USING SUCH OTHER MACHINATIONS THAT WOULD  
19 RESULT IN THE UNNECESSARY EXTENSION OF  
20 CONFINEMENT.
- 21

22 SHALL BE PENALIZED WITH A FINE OF NOT LESS THAN FIFTY  
23 THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN ONE  
24 HUNDRED THOUSAND PESOS (P100,000.00) OR SUSPENSION OF  
25 ACCREDITATION FROM THREE (3) MONTHS TO THE WHOLE  
26 TERM OF ACCREDITATION OR REVOCATION OF  
27 ACCREDITATION, OR BOTH SUCH FINE AND SUSPENSION /  
28 REVOCATION, AT THE DISCRETION OF THE CORPORATION.  
29

30 **SEC. 44-D. *POST-DATING OF CLAIMS*** – ANY HEALTH  
31 CARE PROVIDER WHO, FOR PURPOSES OF CLAIMING  
32 PAYMENT FROM THE NHIP, FILES A CLAIM FOR PAYMENT OF  
33 SERVICES RENDERED NOT WITHIN SIXTY (60) CALENDAR  
34 DAYS FROM THE DATE OF DISCHARGE OF THE PATIENT OR  
35 SUCH OTHER PRESCRIPTIVE PERIODS AS THE CORPORATION  
36 MAY ISSUE BUT MAKES IT APPEAR SO BY CHANGING,

1 ERASING, ADDING TO THE PERIOD OF CONFINEMENT OR IN  
2 ANY MANNER ALTERING DATES SO AS TO CONFORM WIT THE  
3 ADOPTED PRESCRIPTIVE PERIOD, SHALL SUFFER A FINE OF  
4 NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT  
5 MORE THAN ONE HUNDRED THOUSAND PESOS (P100,000.00)  
6 OR SUSPENSION OF ACCREDITATION FROM THREE (3)  
7 MONTHS TO THE WHOLE TERM OF ACCREDITATION OR  
8 REVOCATION OF ACCREDITATION, OR BOTH SUCH FINE AND  
9 SUSPENSION / REVOCATION, AT THE DISCRETION OF THE  
10 CORPORATION.

11 ALL CLAIMS FOR REIMBURSEMENT SHALL BE FILED  
12 WITHIN A PERIOD OF SIXTY (60) CALENDAR DAYS FROM THE  
13 DATE OF DISCHARGE OF THE PATIENT. OTHERWISE, THE  
14 CLAIM WILL BE DENIED. SUCH PERIOD MAY BE EXTENDED  
15 FOR SUCH CAUSES AS MAYBE DETERMINED BY THE  
16 CORPORATION.

17

18 **SEC. 44-E. MISREPRESENTATION BY FURNISHING**  
19 ***FALSE OR INCORRECT INFORMATION*** – ANY HEALTH CARE  
20 PROVIDER SHALL BE LIABLE FOR FRAUDULENT PRACTICE  
21 WHEN, FOR THE PURPOSE OF PARTICIPATION IN THE NHIP  
22 OR CLAIMING PAYMENT THEREFROM, IT FURNISHES FALSE  
23 OR INCORRECT INFORMATION CONCERNING ANY MATTER  
24 REQUIRED BY THIS ACT. IT SHALL BE PENALIZED WITH A  
25 FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00)  
26 BUT NOT MORE THAN ONE HUNDRED THOUSAND PESOS  
27 (P100,000.00) OR SUSPENSION OF ACCREDITATION FROM  
28 THREE (3) MONTHS TO THE WHOLE TERM OF ACCREDITATION  
29 OR REVOCATION OF ACCREDITATION, OR BOTH SUCH FINE  
30 AND SUSPENSION/REVOCATION, AT THE DISCRETION OF THE  
31 CORPORATION.

32 WHERE SUCH MISREPRESENTATION LEADS TO DAMAGE  
33 TO THE CORPORATION, THE PENALTY SHALL BE THE  
34 MAXIMUM FINE AND REVOCATION OF ACCREDITATION.

35

1           **SEC. 44-F. FILING OF MULTIPLE CLAIMS** – ANY  
2 HEALTH CARE PROVIDER WHO, FOR THE PURPOSE OF  
3 CLAIMING PAYMENT FROM THE NHIP, FILES TWO OR MORE  
4 CLAIMS FOR A PATIENT FOR THE SAME CONFINEMENT OR  
5 ILLNESS, OR MAKES IT APPEAR THAT THE PATIENT HAD  
6 BEEN CONFINED FOR TWO OR MORE TIMES AND/OR FOR TWO  
7 OR MORE DIFFERENT ILLNESSES SHALL BE PENALIZED WITH  
8 A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS  
9 (P50,000.00) BUT NOT MORE THAN ONE HUNDRED THOUSAND  
10 PESOS (P100,000.00) OR SUSPENSION OF ACCREDITATION  
11 FROM THREE (3) MONTHS TO THE WHOLE TERM OF  
12 ACCREDITATION OR REVOCATION OF ACCREDITATION, OR  
13 BOTH SUCH FINE AND SUSPENSION / REVOCATION, AT THE  
14 DISCRETION OF THE CORPORATION.

15  
16           **SEC. 44-G. UNJUSTIFIED ADMISSION BEYOND**  
17 **ACCREDITED BED CAPACITY** – ANY HEALTH CARE  
18 INSTITUTION WHICH, FOR THE PURPOSE OF CLAIMING  
19 PAYMENT FROM THE NHIP, FILES CLAIMS FOR PATIENTS  
20 CONFINED IN EXCESS OF THE ACCREDITED BED CAPACITY AT  
21 ANY GIVEN TIME WITHOUT JUSTIFICATION IN THE FORM AND  
22 MANNER PRESCRIBED BY THE CORPORATION SHALL SUFFER  
23 A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS  
24 (P50,000.00) BUT NOT MORE THAN ONE HUNDRED THOUSAND  
25 PESOS (P100,000.00) OR SUSPENSION OF ACCREDITATION  
26 FROM THREE (3) MONTHS TO THE WHOLE TERM OF  
27 ACCREDITATION OR REVOCATION OF ACCREDITATION, OR  
28 BOTH SUCH FINE AND SUSPENSION/REVOCATION, AT THE  
29 DISCRETION OF THE CORPORATION.

30  
31           **SEC. 44-H. CLAIMS FOR UNAUTHORIZED**  
32 **SERVICES/PROCEDURES PERFORMED BEYOND**  
33 **ACCREDITATION CAPABILITY OF THE HEALTH CARE**  
34 **INSITUTION/FACILITY** – ANY HEALTH CARE  
35 INSTITUTION/FACILITY WHICH PERFORMS HEALTH CARE  
36 SERVICES/PROCEDURES BEYOND ITS AUTHORIZED



1 CAPABILITY SHALL SUFFER A FINE OF NOT LESS THAN FIFTY  
2 THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN ONE  
3 HUNDRED THOUSAND PESOS (P100,000.00) OR SUSPENSION OF  
4 ACCREDITATION FROM THREE (3) MONTHS TO THE WHOLE  
5 TERM OF ACCREDITATION OR REVOCATION OF  
6 ACCREDITATION, OR BOTH SUCH FINE AND SUSPENSION/  
7 REVOCATION, AT THE DISCRETION OF THE CORPORATION,  
8 EXCEPT WHEN SUCH SERVICES WERE DONE IN AN  
9 EMERGENCY SITUATION / CONDITION TO SAVE LIFE AND  
10 REFERRAL TO A HIGHER CATEGORY PROVIDER IS  
11 PHYSICALLY IMPOSSIBLE.

12

13 **SEC. 44-I. FABRICATION OR POSSESSION OF**  
14 **FABRICATED FORMS AND SUPPORTING DOCUMENTS** – ANY  
15 HEALTH CARE PROVIDER WHO IS FOUND PREPARING CLAIMS  
16 WITH MISREPRESENTATIONS OR FALSE ENTRIES, OR TO BE IN  
17 POSSESSION OF CLAIM FORMS AND OTHER DOCUMENTS  
18 WITH FALSE ENTRIES, SHALL SUFFER A FINE OF NOT LESS  
19 THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE  
20 THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) OR  
21 SUSPENSION OF ACCREDITATION FROM THREE (3) MONTHS  
22 TO THE WHOLE TERM OF ACCREDITATION OR REVOCATION  
23 OF ACCREDITATION, OR BOTH SUCH FINE AND SUSPENSION /  
24 REVOCATION, AT THE DISCRETION OF THE CORPORATION.

25

26 **SECTION 44-J. ABUSES AND UNETHICAL PRACTICES** –  
27 ANY HEALTH CARE PROVIDER SHALL BE LIABLE FOR THE  
28 FOLLOWING ABUSES AND UNETHICAL PRACTICES:

29

- 30 A. UNSAFE OR DANGEROUS PRACTICES AS MAY BE  
31 DETERMINED BY THE CORPORATION;
- 32 B. IRRATIONAL OR UNNECESSARY DRUG USE;
- 33 C. UNNECESSARY PERFORMANCE OF DIAGNOSTIC OR  
34 THERAPEUTIC PROCEDURES;
- 35 D. CHARGING OR COLLECTING FROM A MEMBER AN  
36 AMOUNT IN EXCESS OF THE BENEFITS INCLUDING

1           THOSE COVERED BY CAPITATION OR GLOBAL  
2           BUDGETS FOR PHILHEALTH-COVERED SERVICES  
3           AND SUPPLIES WHICH PROHIBITS CHARGING OF  
4           OUT-OF-POCKET PAYMENT INCLUDING OUTSIDE  
5           PURCHASES OF MEDICINES, SUPPLIES AND  
6           HEALTH CARE SERVICES THAT ARE INCLUDED IN  
7           THE BENEFIT;

8           E.    ENROLLMENT AND / OR RECRUITMENT OF A  
9           PERSON FOR THE SOLE PURPOSE OF CLAIMING  
10           BENEFITS AND / OR PAYMENT OF PREMIUM OF A  
11           MEMBER BEFORE PROVIDING HEALTH CARE  
12           SERVICES TO HIM / HER, EXCEPT WHEN THE  
13           PATIENT OR MEMBER IS ITS EMPLOYEE OR THE  
14           OWNER'S RELATIVE WITHIN THE FOURTH CIVIL  
15           DEGREE OF CONSANGUINITY OR AFFINITY; AND,

16           F.    ALL SUCH OTHER ABUSES AND UNETHICAL  
17           PRACTICES AS MAY BE DETERMINED BY THE  
18           CORPORATION.

19  
20           SAID HEALTH CARE INSTITUTION SHALL BE PENALIZED  
21           WITH A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS  
22           (P50,000.00) BUT NOT MORE THAN ONE HUNDRED THOUSAND  
23           PESOS (P100,000.00) OR SUSPENSION OF ACCREDITATION  
24           FROM THREE (3) MONTHS TO THE WHOLE TERM OF  
25           ACCREDITATION OR REVOCATION OF ACCREDITATION, OR  
26           BOTH SUCH FINE AND SUSPENSION/REVOCATION, AT THE  
27           DISCRETION OF THE CORPORATION.

28  
29           **SEC. 44-K. OTHER FRAUDULENT ACTS** – ANY HEALTH  
30           CARE PROVIDER SHALL ALSO BE LIABLE FOR THE  
31           FOLLOWING FRAUDULENT ACTS:

32  
33           A.    MAKING IT APPEAR THAT THE PATIENT SUFFERED  
34           FROM COMPENSABLE ILLNESS OR UNDERWENT A  
35           COMPENSABLE PROCEDURE;

- 1 B. FAILURE OR REFUSAL TO GIVE THE BENEFITS  
2 DUE TO QUALIFIED MEMBERS/DEPENDENTS;
- 3 C. CHARGING QUALIFIED PATIENTS FOR MEDICINES  
4 AND/OR SERVICES WHICH ARE LEGALLY  
5 CHARGEABLE TO AND COVERED BY THE NHIP;
- 6 D. FAILURE OR REFUSAL TO REFUND TO THE  
7 MEMBER THE PAYMENT RECEIVED FROM THE  
8 NHIP WHEN THE HOSPITAL CHARGES AND  
9 PROFESSIONAL FEES ARE FULLY PAID IN  
10 ADVANCE BY THE MEMBER WITHIN A PERIOD OF  
11 THIRTY (30) DAYS FROM THE DATE OF RECEIPT OF  
12 REFUND CHECK FROM THE CORPORATION;
- 13 E. FAILURE OR REFUSAL TO ACCOMPLISH AND  
14 SUBMIT THE REQUIRED FORMS IN CONNECTION  
15 WITH LETTER D.;
- 16 F. FAILURE OR REFUSAL TO PROVIDE THE MEMBERS  
17 WITH THE REQUIRED FORMS FOR DIRECT FILING  
18 OF CLAIMS, BILLING STATEMENTS, OFFICIAL  
19 RECEIPTS AND OTHER DOCUMENTS  
20 REQUIRED/NECESSARY FOR FILING OF CLAIMS; OR
- 21 G. DELIBERATE FAILURE OR REFUSAL TO COMPLY  
22 WITH THE REQUIREMENTS UNDER THIS ACT.

23

24 **SEC. 44-L. BREACH OF THE WARRANTIES OF**  
25 **ACCREDITATION** – ANY INSTITUTIONAL HEALTH CARE  
26 PROVIDER WHO COMMITS ANY BREACH OF THE WARRANTIES  
27 OF ACCREDITATION SHALL SUFFER A FINE OF NOT LESS  
28 THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE  
29 THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) OR  
30 SUSPENSION OF ACCREDITATION FROM THREE (3) MONTHS  
31 TO THE WHOLE TERM OF ACCREDITATION OR REVOCATION  
32 OF ACCREDITATION, OR BOTH SUCH FINE AND  
33 SUSPENSION/REVOCATION, AT THE DISCRETION OF THE  
34 CORPORATION.

1           **SEC. 44-M. OTHER VIOLATIONS** – ANY OTHER WILLFUL  
2 OR NEGLIGENT ACT OR OMISSION OF THE INSTITUTIONAL  
3 HEALTH CARE PROVIDER IN VIOLATION OF THIS ACT WHICH  
4 TENDS TO UNDERMINE OR DEFEAT THE OBJECTIVES OF THE  
5 NHIP SHALL BE CONSIDERED AS BREACH OF WARRANTIES.

6  
7           **SEC. 44-N. CRIMINAL LIABILITY** – IN ADDITION, A  
8 CRIMINAL COMPLAINT SHALL BE FILED AGAINST THE  
9 OFFICIALS OF THE ERRING INSTITUTIONAL HEALTH CARE  
10 PROVIDER BEFORE THE APPROPRIATE OFFICE OF THE  
11 PROSECUTOR FOR VIOLATIONS OF THIS ACT AND/OR THE  
12 REVISED PENAL CODE.

13  
14           **SEC. 45. OFFENSES OF HEALTH CARE**  
15 **PROFESSIONALS -**

16  
17           **SEC. 45-A. MISREPRESENTATION BY FALSE OR**  
18 **INCORRECT INFORMATION** - ANY HEALTH CARE  
19 PROFESSIONAL SHALL BE LIABLE FOR FRAUDULENT  
20 PRACTICE WHEN, FOR PURPOSES OF PARTICIPATION IN THE  
21 NHIP OR CLAIMING PAYMENT FROM THE CORPORATION,  
22 FURNISHES FALSE OR INCORRECT INFORMATION  
23 CONCERNING ANY MATTER REQUIRED BY THIS ACT SHALL  
24 SUFFER A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS  
25 (P50,000.00) BUT NOT MORE THAN ONE HUNDRED THOUSAND  
26 PESOS (P100,000.00) OR SUSPENSION OF ACCREDITATION  
27 FROM THREE (3) MONTHS TO THE WHOLE TERM OF  
28 ACCREDITATION OR REVOCATION OF ACCREDITATION, OR  
29 BOTH SUCH FINE AND SUSPENSION/REVOCATION, AT THE  
30 DISCRETION OF THE CORPORATION.

31  
32           **SEC.45-B. BREACH OF THE WARRANTIES OF**  
33 **ACCREDITATION** – ANY HEALTH CARE PROFESSIONAL  
34 FOUND TO HAVE COMMITTED ANY BREACH OF THE  
35 WARRANTIES OF ACCREDITATION SHALL SUFFER A FINE OF  
36 NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT

1 MORE THAN ONE HUNDRED THOUSAND PESOS (P100,000.00)  
2 OR SUSPENSION OF ACCREDITATION FROM THREE (3)  
3 MONTHS TO THE WHOLE TERM OF ACCREDITATION OR  
4 REVOCATION OF ACCREDITATION, OR BOTH SUCH FINE AND  
5 SUSPENSION/REVOCATION, AT THE DISCRETION OF THE  
6 CORPORATION.

7  
8 **SEC. 45-C. ABUSES AND UNETHICAL PRACTICES** – ANY  
9 HEALTH CARE PROVIDER SHALL BE LIABLE FOR THE  
10 FOLLOWING ABUSES AND UNETHICAL PRACTICES:

- 11
- 12 A. PERFORMANCE OF PROCEDURES BEYOND THOSE  
13 ALLOWED BY THE HEALTH CARE PROFESSIONAL'S  
14 QUALIFICATIONS AND TRAINING EXCEPT WHEN  
15 UNDER THE DIRECT SUPERVISION OF A  
16 QUALIFIED HEALTH CARE PROFESSIONAL;
  - 17 B. UNSAFE OR DANGEROUS PRACTICES AS MAY BE  
18 DETERMINED BY THE CORPORATION;
  - 19 C. IRRATIONAL OR UNNECESSARY DRUG USE;
  - 20 D. UNNECESSARY PERFORMANCE OF DIAGNOSTIC OR  
21 THERAPEUTIC PROCEDURES;
  - 22 E. CHARGING OR COLLECTING FROM A MEMBER AN  
23 AMOUNT IN EXCESS OF THE BENEFITS INCLUDING  
24 THOSE COVERED BY CAPITATION OR GLOBAL  
25 BUDGETS FOR PHILHEALTH-COVERED SERVICES  
26 AND SUPPLIES WHICH PROHIBITS CHARGING OF  
27 OUT-OF-POCKET PAYMENT INCLUDING OUTSIDE  
28 PURCHASES OF MEDICINES, SUPPLIES AND  
29 HEALTH CARE SERVICES THAT ARE INCLUDED IN  
30 THE BENEFIT;
  - 31 F. ENROLLMENT AND/OR RECRUITMENT OF A  
32 PERSON FOR THE SOLE PURPOSE OF CLAIMING  
33 BENEFITS AND/OR PAYMENT OF PREMIUM OF A  
34 MEMBER BEFORE PROVIDING HEALTH CARE  
35 SERVICES TO HIM/HER, EXCEPT WHEN THE  
36 PATIENT OR MEMBER IS HIS/HER EMPLOYEE OR

1 RELATIVE WITHIN THE FOURTH CIVIL DEGREE OF  
2 CONSANGUINITY OR AFFINITY; AND,

3 G. ALL SUCH OTHER ABUSES AND UNETHICAL  
4 PRACTICES AS MAY BE DETERMINED BY THE  
5 CORPORATION.  
6

7 SAID HEALTH CARE PROFESSIONAL SHALL BE  
8 PENALIZED WITH A FINE OF NOT LESS THAN FIFTY  
9 THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN ONE  
10 HUNDRED THOUSAND PESOS (P100,000.00) OR SUSPENSION OF  
11 ACCREDITATION FROM THREE (3) MONTHS TO THE WHOLE  
12 TERM OF ACCREDITATION OR REVOCATION OF  
13 ACCREDITATION, OR BOTH SUCH FINE AND  
14 SUSPENSION/REVOCATION, AT THE DISCRETION OF THE  
15 CORPORATION.  
16

17 **SEC. 45-D. OTHER VIOLATIONS** – ANY OTHER WILLFUL  
18 OR NEGLIGENT ACT OR OMISSION OF THE HEALTH CARE  
19 PROFESSIONAL IN VIOLATION OF THIS ACT WHICH TENDS TO  
20 UNDERMINE OR DEFEAT THE OBJECTIVES OF THE NHIP  
21 SHALL BE CONSIDERED AS BREACH OF WARRANTIES.  
22

23 **SEC. 45-E. CRIMINAL LIABILITY** – IN ADDITION, A  
24 CRIMINAL COMPLAINT SHALL BE FILED AGAINST AN ERRING  
25 HEALTH CARE PROFESSIONAL BEFORE THE APPROPRIATE  
26 OFFICE OF THE PROSECUTOR FOR VIOLATIONS OF THIS ACT  
27 AND/OR THE REVISED PENAL CODE.  
28

29 **SEC. 46. OFFENSES OF MEMBERS-**  
30

31 **SEC. 46-A. FRAUDULENT ACTS** – ANY MEMBER WHO,  
32 FOR PURPOSES OF CLAIMING NHIP BENEFITS OR  
33 ENTITLEMENT THERETO, SHALL COMMIT ANY OF THE  
34 OFFENSES PROVIDED FOR BY THIS ACT, INDEPENDENTLY OR  
35 IN CONNIVANCE WITH THE HEALTH CARE PROVIDER, SHALL  
36 SUFFER A FINE OF FIVE THOUSAND PESOS (P5,000) AND

1 SUSPENSION FROM AVAILMENT OF NHIP BENEFITS FOR NOT  
2 LESS THAN THREE (3) MONTHS BUT NOT MORE THAN SIX (6)  
3 MONTHS.

4  
5 **SEC. 46-B. CRIMINAL LIABILITY** - IN ADDITION, A  
6 CRIMINAL COMPLAINT SHALL BE FILED AGAINST THE  
7 MEMBER BEFORE THE OFFICE OF THE PROSECUTOR FOR THE  
8 ABOVE VIOLATIONS WHICH CARRY A PENALTY OF  
9 IMPRISONMENT OF NOT LESS THAN SIX (6) MONTHS BUT NOT  
10 MORE THAN ONE (1) YEAR.

11  
12 “SEC. [44] 47. [*Penal Provisions.* – Any violation of the  
13 provisions of this Act, after due notice and hearing, shall suffer the  
14 following penalties:]-**OFFENSES OF EMPLOYERS-**

15 [A fine of not less than Ten thousand pesos (P 10,000) nor more  
16 than Fifty thousand pesos (P50,000) in case the violation is committed  
17 by the hospital management or provider. In addition, its accreditation  
18 shall be suspended or revoked from three (3) months to the whole term  
19 of accreditation: *Provided, however,* That recidivists may not anymore  
20 be accredited as a participant of the program;

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

25 Where the violations consist of failure or refusal to [deduct  
26 contributions from the employee’s compensation or to remit the same  
27 to the Corporation, the penalty shall be a fine of not less than Five  
28 hundred pesos (P500) but not more than One thousand pesos (P1,000)  
29 multiplied by the total number of employees employed by the firm and  
30 imprisonment of not less than six (6) months but not more than one (1)  
31 year: *Provided, further,* That in the case of self-employed members,  
32 failure to remit one’s own contribution shall be penalized with a fine of  
33 not less than five hundred pesos (P500) but not more than One  
34 thousand pesos (P1,000).] REGISTER EMPLOYEES, OR TO DEDUCT  
35 CONTRIBUTIONS FROM THE EMPLOYEES’ COMPENSATION  
36 AND/OR REMIT THE SAME TO THE CORPORATION, THE

1 PENALTY SHALL BE A FINE OF FIVE THOUSAND PESOS  
2 (P5,000.00) MULTIPLIED BY THE TOTAL NUMBER OF  
3 EMPLOYEES OF THE FIRM AND IMPRISONMENT OF NOT LESS  
4 THAN SIX (6) YEARS AND ONE (1) DAY BUT NOT TO EXCEED  
5 TWELVE (12) YEARS.

6 Any employer or any officer authorized to collect contributions  
7 under this Act who, after collecting or deducting the monthly  
8 contributions from his employee's compensation, fails to remit the said  
9 contributions to the Corporation within thirty (30) days from the date  
10 they become due shall be presumed to have misappropriated such  
11 contribution and shall suffer the penalties provided for in Article 315 of  
12 the Revised Penal Code.

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

21 If the act or omission penalized by this Act be committed by an  
22 association, partnership, corporation or any other institution, its  
23 managing directors or partners or president or general manager, or  
24 other persons responsible for the commission of the said act shall be  
25 liable for the penalties provided for in this Act and other laws for the  
26 offense.

27 Any employee of the Corporation who receives or keeps funds or  
28 property belonging, payable or deliverable to the Corporation, and who  
29 shall appropriate the same, or shall take or misappropriate or shall  
30 consent, or through abandonment or negligence shall permit any other  
31 person to take such property or funds wholly or partially, shall  
32 likewise be liable for misappropriation of funds or property and shall  
33 suffer imprisonment of not less than six (6) years and not more than  
34 twelve (12) years and a fine of not less than Ten thousand pesos  
35 (P10,000) nor more than Twenty thousand pesos (P20,000). Any



1 shortage of the funds or loss of the property upon audit shall be  
2 deemed *prima facie* evidence of the offense.

3 CRIMINAL ACTION ARISING FROM A VIOLATION OF THE  
4 PROVISIONS OF THIS ACT MAY BE COMMENCED BY THE  
5 CORPORATION OR THE EMPLOYEE CONCERNED EITHER  
6 UNDER THIS ACT OR IN APPROPRIATE CASES UNDER THE  
7 REVISED PENAL CODE: PROVIDED, THAT SUCH CRIMINAL  
8 ACTION MAY BE FILED BY THE CORPORATION IN THE CITY OR  
9 MUNICIPALITY WHERE THE VIOLATION WAS COMMITTED OR  
10 IN PROPER COURTS IN METRO MANILA, AT THE OPTION OF  
11 THE CORPORATION.

12  
13 **“SEC. 48. GENERAL PROVISIONS –**

14  
15 **SEC. 48-A. MITIGATING AND AGGRAVATING**  
16 **CIRCUMSTANCES – THE FOLLOWING CIRCUMSTANCES**  
17 **SHALL AFFECT THE GRAVITY OF THE VIOLATION AND THE**  
18 **LIABILITY OF THE ERRING HEALTH CARE PROVIDER,**  
19 **MEMBER, AND EMPLOYER:**

20  
21 **A. MITIGATING CIRCUMSTANCES – THE FOLLOWING**  
22 **CIRCUMSTANCES SHALL MITIGATE THE LIABILITY**  
23 **OF THE RESPONDENT:**

- 24  
25 1. VOLUNTARY ADMISSION OF GUILT;  
26 2. GOOD TRACK RECORD;  
27 3. FIRST OFFENSE; AND  
28 4. SUCH OTHER CIRCUMSTANCES AND  
29 CONSIDERATIONS AS MAY BE DETERMINED BY  
30 THE CORPORATION.

31  
32 **B. AGGRAVATING CIRCUMSTANCES – THE FOLLOWING**  
33 **CIRCUMSTANCES SHALL AGGRAVATE THE LIABILITY**  
34 **OF THE RESPONDENT:**

- 1           1. PREVIOUS CONVICTION OF AN OFFENSE, AS  
2           PROVIDED FOR IN THIS ACT;  
3           2. CONNIVANCE AND/OR CONSPIRACY WITH AN  
4           OFFICER OR EMPLOYEE OF THE CORPORATION TO  
5           FACILITATE OR COVER-UP THE COMMISION OF  
6           THE VIOLATION;  
7           3. GROSS NEGLIGENCE; AND,  
8           4. SUCH OTHER CIRCUMSTANCES AND/OR  
9           CONSIDERATIONS AS MAY BE DETERMINED BY  
10          THE CORPORATION.

11  
12           **SEC. 48-B. APPLICATION OF CIRCUMSTANCES IN THE**  
13 **IMPOSITION OF PENALTIES –**

- 14  
15          A. THE PRESENCE OF MITIGATING CIRCUMSTANCE  
16          WITHOUT ANY AGGRAVATING CIRCUMSTANCE  
17          SHALL LIMIT THE IMPOSABLE PENALTY TO ITS  
18          MINIMUM.  
19          B. WHEN THERE IS NEITHER MITIGATING NOR  
20          AGGRAVATING CIRCUMSTANCE, THE IMPOSABLE  
21          PENALTY SHALL BE BETWEEN THE MINIMUM AND  
22          THE MAXIMUM OF THE APPLICABLE PENALTY FOR  
23          THE OFFENSE COMMITTED, AT THE DISCRETION  
24          OF THE CORPORATION. THE SAME SHALL APPLY  
25          WHEN BOTH MITIGATING AND AGGRAVATING  
26          CIRCUMSTANCE ARE PRESENT.  
27          C. THE PRESENCE OF ANY AGGRAVATING  
28          CIRCUMSTANCE WITHOUT THE MITIGATING  
29          CIRCUMSTANCE SHALL INCREASE THE PENALTY  
30          OF THE OFFENSE TO ITS MAXIMUM.

31  
32           **SEC. 48-C. COMMON PROVISIONS - ALL PENALTIES FOR**  
33 **OFFENSES COMMITTED BY HEALTH CARE PROVIDERS AND**  
34 **MEMBERS SHALL CARRY WITH THEM DENIAL OF PAYMENT**  
35 **OF CLAIM/S IN QUESTION AND/OR REFUND TO THE**  
36 **CORPORATION, IF ALREADY PAID.**

1 IF THE PENALTY OF SUSPENSION IMPOSED AGAINST A  
2 HEALTHCARE PROVIDER EXCEEDS THE VALIDITY OF THE  
3 CURRENT ACCREDITATION, THE RENEWAL OR THE RE-  
4 ACCREDITATION OF THE LATTER SHALL NOT BE ACTED UPON  
5 UNTIL THE FULL TERM OF THE SUSPENSION IMPOSED HAS  
6 BEEN SERVED OR LIFTED. FOR THIS PURPOSE, THE PERIOD  
7 COVERING THE EXPIRATION OF ACCREDITATION AND THE  
8 START OF THE EFFECTIVITY OF THE RENEWAL AND/OR RE-  
9 ACCREDITATION SHALL BE CONSIDERED AS PART OR  
10 CONTINUATION OF THE SUSPENSION. SUSPENSION SHALL  
11 BE CARRIED OUT BY THE TEMPORARY CESSATION OF THE  
12 BENEFITS OR PRIVILEGES UNDER THE NHIP.

13 SHOULD THE AGGREGATE PERIOD OF SUSPENSION TO  
14 BE IMPOSED UPON THE PROVIDER ON ACCOUNTS OF TWO OR  
15 MORE VIOLATIONS EXCEED TWENTY-FOUR (24) MONTHS, THE  
16 MAXIMUM IMPOSABLE PENALTY SHALL BE EXACTED.

17 IN ALL CASES WHEREIN A DECISION IS RENDERED  
18 AGAINST A HEALTH CARE PROVIDER, THE DEPARTMENT OF  
19 HEALTH (DOH), PROFESSIONAL REGULATIONS COMMISSION  
20 (PRC) AND/OR OTHER CONCERNED AGENCIES SHALL BE  
21 FURNISHED WITH A COPY OF THE SAME FOR INFORMATION  
22 AND/OR APPROPRIATE ACTION.

23 A NOTICE OF SUSPENSION FOR THE INFORMATION OF  
24 THE PUBLIC SHALL BE POSTED IN CONSPICUOUS PLACES  
25 AND / OR IN THE INSTITUTION CONCERNED INDICATING THE  
26 PERIOD OF SUSPENSION IN SUCH FORM AND MANNER TO BE  
27 PRESCRIBED BY THE CORPORATION.

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

33  
34 **SEC. 49. FINAL PROVISIONS –**  
35

1           **SEC. 49-A. PROSECUTION OF OFFENSES** - OFFENSES  
2   DEFINED UNDER SECTIONS 44s, 45s, 46s and 47s HEREOF,  
3   SHALL BE PROSECUTED IN REGULAR COURTS OF JUSTICE OF  
4   COMPETENT JURISDICTION WITHOUT PREJUDICE TO  
5   ADMINISTRATIVE ACTION THAT MAY BE INSTITUTED BY THE  
6   CORPORATION UNDER EXISTING LAWS.

7  
8           **SEC. 49-B. FILING OF COMPLAINT** - THE FILING OF  
9   COMPLAINT BEFORE THE CORPORATION SHALL NOT BAR A  
10  SEPARATE INDEPENDENT CRIMINAL ACTION BEFORE ANY  
11  COURT AGAINST THE ERRING HEALTH CARE PROVIDER OR  
12  MEMBER, AND VICE VERSA.

13  
14          **SEC. 49-C. EXECUTION OF PENALTY** - WHEN AN  
15  INSTITUTIONAL HEALTH CARE PROVIDER CEASES  
16  OPERATION OR AN INDEPENDENT HEALTH CARE  
17  PROFESSIONAL STOPS HIS/HER PRACTICE BEFORE SERVING  
18  THE SUSPENSION, EXECUTION OF PENALTY SHALL BE  
19  DEFERRED, TO BE IMPLEMENTED WHEN THE SAME OWNER  
20  OR MEDICAL DIRECTOR OPENS OR OPERATES A NEW  
21  INSTITUTION IRRESPECTIVE OF THE NAME OR LOCATION, OR  
22  WHEN THE HEALTH CARE PROVIDER PRACTICES AGAIN.  
23  *PROVIDED*, THAT THE DISPOSITIVE PART OF THE  
24  RESOLUTION REQUIRING PAYMENT OF FINES,  
25  REIMBURSEMENT OF PAID CLAIM OR DENIAL OF PAYMENT  
26  SHALL BE IMMEDIATELY EXECUTORY.

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

32          DESPITE THE CESSATION OF OPERATION OR PRACTICE  
33  OF A HEALTH CARE PROVIDER WHILE THE COMPLAINT IS  
34  BEING HEARD, THE PROCEEDING SHALL CONTINUE UNTIL  
35  RENDITION OF JUDGMENT FOR PURPOSES OF DETERMINING

1 FUTURE RELATIONSHIPS BETWEEN THE CORPORATION AND  
2 THE ERRING HEALTH CARE PROVIDER.

3  
4 **SEC. 49-D. *APPLICABILITY OF THESE PROVISIONS*** -  
5 COMPLAINTS ALREADY FILED WITH AND UNDER  
6 DELIBERATION BY APPROPRIATE BODIES OF THE  
7 CORPORATION PRIOR TO THE EFFECTIVITY OF THIS ACT  
8 SHALL BE GOVERNED IN ACCORDANCE WITH THE PREVIOUS  
9 ACTS AND THEIR IMPLEMENTING RULES AND REGULATIONS.

10  
11 **SEC. 49-E. *VISITORIAL POWERS*** – THE CORPORATION  
12 SHALL BE VESTED WITH THE FOLLOWING AUTHORITY:

13  
14 A. TO VISIT, ENTER AND INSPECT HEALTH CARE  
15 PROVIDERS' FACILITIES AND TO OBTAIN / SECURE  
16 THEIR MEDICAL, FINANCIAL AND OTHER  
17 NECESSARY AND / OR PERTINENT RECORDS AND  
18 THAT OF THEIR PATIENTS WHO ARE MEMBERS OR  
19 BENEFICIARIES OF THE PROGRAM; AND,

20 B. TO VISIT, ENTER AND INSPECT THE  
21 ESTABLISHMENTS OF EMPLOYERS AND TO  
22 OBTAIN / SECURE NECESSARY AND / OR  
23 PERTINENT RECORDS OF THEIR EMPLOYEES /  
24 PERSONNEL.

25  
26 **SEC. 49-F. *IMPOSITION OF INTEREST AND***  
27 ***SURCHARGES*** – THE CORPORATION MAY IMPOSE INTEREST  
28 AND SURCHARGES OF THREE PERCENT (3%) PER MONTH OR  
29 AT ANY RATE AS MAY BE FIXED BY THE CORPORATION IN  
30 CASE OF ANY DELAY IN THE REMITTANCE OF  
31 CONTRIBUTIONS WHICH ARE DUE WITHIN THE PRESCRIBED  
32 PERIOD. NOTWITHSTANDING THE PROVISION OF ANY LAW  
33 TO THE CONTRARY, THE CORPORATION MAY ALSO  
34 COMPROMISE, WAIVE AND / OR RELEASE, IN WHOLE OR IN  
35 PART, SUCH INTEREST OR SURCHARGES UNDER SUCH TERMS  
36 AND CONDITIONS AS IT MAY PRESCRIBED.

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**SEC. 49-G. OTHER VIOLATIONS** - All other violations [involving funds] of the PROVISIONS OF THIS ACT OR OF THE RULES AND REGULATIONS PROMULGATED BY THE Corporation shall be PUNISHED BY A FINE OF NOT LESS THAN FIVE THOUSAND PESOS (P5,000) NOR MORE THAN TWENTY THOUSAND PESOS (P20,000), OR IMPRISONMENT FOR NOT LESS THAN SIX (6) YEARS AND ONE (1) DAY BUT NOT TO EXCEED TWELVE (12) YEARS OR BOTH, AT THE DISCRETION OF THE COURT.[governed by the applicable provisions of the Revised Penal Code or other laws, taking into consideration the rules on collection, remittances, and investment of funds as may be promulgated by the Corporation.]

**SECTION 3. Implementing Rules & Regulations** - The Philippine Health Insurance Corporation (PhilHealth) shall issue the necessary rules and regulations to implement the provisions of this Act.

**SECTION 4. Repealing Clause** – All laws, issuances or any part thereof inconsistent with this Act are hereby repealed or modified accordingly.

**SECTION 5. Effectivity** - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

*Approved,*