



REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Manila

FIFTEENTH CONGRESS
FIRST REGULAR SESSION



COMMITTEE REPORT NO. 690

Submitted by the Committee on Health on 02 MAR 2011

Re : House Bill No. 4308

Recommending its approval in substitution of House Bill No. 3560

Sponsors : Representatives Alfredo D. Marañon III and Roman T. Romulo

Mr. Speaker:

The Committee on Health to which was referred House Bill No. 3560 introduced by Rep. Roman T. Romulo, entitled:

AN ACT REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST OF ITS
HEALTHCARE SERVICES INCLUDING INCIDENTAL EXPENSES AND MEDICAL SUPPLIES
THAT CAN BE CHARGED IN THE MEDICAL BILL

has considered the same and recommends that the attached House Bill No. 4308 entitled:

AN ACT REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST OF THEIR
HEALTHCARE SERVICES INCLUDING INCIDENTAL EXPENSES AND MEDICAL SUPPLIES
THAT CAN BE CHARGED IN THE MEDICAL BILL

be approved in substitution of House Bill No. 3560 with Rep. Roman T. Romulo, Christopher S. Co, Mary Mitzi M. Cajayon, Rodel Batocabe and Alfredo Garbin Jr. as authors thereof.

Respectfully submitted,


HON. ALFREDO D. MARAÑON III
Chairperson
Committee on Health

THE HONORABLE SPEAKER
House of Representatives
Quezon City

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

15th CONGRESS

HOUSE BILL NO. 4308

Introduced by Representative Roman T. Romulo

AN ACT

REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST OF THEIR HEALTHCARE SERVICES INCLUDING INCIDENTAL EXPENSES AND MEDICAL SUPPLIES THAT CAN BE CHARGED IN THE MEDICAL BILL

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

1 **SECTION 1. Short Title** - This Act shall be known as the "Healthcare Services Price
2 Disclosure Act of 2011."

3
4 **SEC. 2. Declaration of Policy** - It is the policy of the State to protect and promote the
5 right to health of the people and instill health consciousness among them. The State
6 shall enforce a compulsory posting of the price list of healthcare services, including
7 incidental expenses and medical supplies that can be charged in the medical bill, to
8 enable the public to obtain accurate and adequate information that would facilitate and
9 guide them in making a conscious choice of healthcare facility.

10
11 **SEC. 3. Definition of Terms** – For the purposes of this Act, the term:

12
13 a. *Diagnostic and Laboratory Clinic* refers to a health facility for X-ray, CT scans,
14 blood chemistry exams, histopathology and immunopathology, hematology, urine
15 analysis, parasitology and bacteriology test, serology, blood banking, and other
16 diagnostic examinations that are necessary for the diagnosis and/or treatment of an
17 illness and injury.

18
19 b. *Healthcare Services* refer to the services for the diagnosis, treatment and
20 other forms of healthcare of individuals suffering from deformity, disease, illness or
21 injury, or in need of surgical, obstetrical, medical or nursing care that are offered,
22 available and provided by the hospitals, ambulatory surgical centers, diagnostic and
23 laboratory clinics and other medical clinics.
24

1 For purposes of this Act, the term healthcare services shall include dental
2 services to perform oral examination, cleaning, permanent and temporary filling,
3 extractions and gum treatments, restoration, replacement or repositioning of teeth, or
4 alteration of the alveolar or periodontium process of the maxilla and the mandible that
5 are necessary for the diagnosis and/or treatment of a dental illness or injury.

6
7 c. *Healthcare Facilities* refer to the hospitals, ambulatory surgical centers,
8 diagnostic and laboratory clinics, medical clinics and/or facilities which provide
9 healthcare services, as defined under this Act, whether or not there is an operating
10 room equipment and installed bassinets or beds for the use of patients in the
11 management of deformities, diseases, injuries, abnormal physical and mental
12 conditions, and maternity cases.

13
14 d. *Incidental Expenses* refer to the other services provided by the healthcare
15 facility incidental and in connection with the healthcare services provided such as, but
16 not limited to, charges for room and amenities, meals, drugs and medicines, and
17 payments for use of medical equipment and technology.

18
19 e. *Medical Bill* refers to the costs of healthcare services rendered by the
20 healthcare facility including incidental expenses and medical supplies charged to the
21 patient.

22
23 f. *Medical Equipment and Technology* refer to the equipment designed to aid in
24 providing healthcare services.

25
26 g. *Medical Supplies* refer to all healthcare materials and articles used for
27 providing healthcare services and can be charged in the medical bill.

28
29 h. *Patient* refers to a person seeking admission or who is admitted and has
30 availed of healthcare services in a healthcare facility.

31
32 i. *Room and amenities* refer to an occupancy room or a ward room where a
33 patient is admitted for healthcare services, including detailed list of its amenities.

34
35 **SEC. 4. Price List of Healthcare Services and Incidental Expenses Including Medical**
36 **Supplies Offered and Charged by a Healthcare Facility** - Healthcare facilities shall make
37 a price list of its healthcare services, incidental expenses and medical supplies that can
38 be charged in the medical bill, available to any patient, or patient's representative, so
39 that the patient or patient's representative, may adequately exercise the option to
40 choose a healthcare facility. The price list shall likewise be easily accessible to the
41 general public and without need of any further inquiry by posting the pricelist in a
42 conspicuous place within the premises of the healthcare facility.

43
44 All medical bills shall list and itemize all healthcare services, incidental expenses
45 and medical supplies availed or used by the patient with their corresponding prices
46 charged to the patient.

1 **SEC. 5. Price List of Healthcare Services, Incidental Expenses and Medical Supplies**
2 **Binding On Healthcare Facility** – The price list of healthcare services, incidental
3 expenses and medical supplies shall be binding on the healthcare facility upon the
4 admission of the patient. Any increase in the price of healthcare services, incidental
5 expenses and medical supplies shall take effect only after proper posting as required in
6 this Act; *Provided*, That the increase shall not affect patients admitted prior to posting of
7 increase in price.

8
9 **SEC. 6. Penalties** - a) Any person who shall violate Section 4 or Section 5 of this Act, or
10 its implementing rules and regulations shall be subject to an administrative fine of not
11 less than Five Thousand Pesos (P5,000.00) but not more than Twenty Five Thousand
12 Pesos (P25,000.00) per instance of violation without prejudice to administrative
13 sanctions such as suspension or cancellation of license to practice profession for a
14 period not exceeding sixty (60) days.

15 b) Any juridical person which violates the provisions of this Act shall
16 be subject to administrative fine of not less than Ten Thousand Pesos (P10,000) nor
17 more than Fifty Thousand Pesos (P50,000.00) per instance of violation without
18 prejudice to suspension or revocation of license to operate such healthcare facility for a
19 period not exceeding sixty (60) days; *Provided*, That its officers directly responsible for
20 the violation shall likewise be subject to administrative fine of not less than Five
21 Thousand Pesos (P5,000.00) but not more than Twenty Five Thousand Pesos
22 (P25,000.00) per instance of violation without prejudice to suspension or revocation of
23 license to practice profession for a period not exceeding sixty (60) days. *Provided*,
24 *further*, That if the guilty party is an alien, he shall be *ipso facto* deported after payment
25 of fine without need of further proceedings.

26 The Secretary of Health shall have the authority to impose the administrative
27 fines and sanctions provided herein including suspension or revocation of license to
28 operate such healthcare facility or recommend suspension of license to practice
29 profession to the Professional Regulation Commission as the case may be for the
30 violation of this Act.

31 **SEC. 7. Implementing Rules and Regulations** - Within ninety (90) days from the
32 effectivity of this Act, the Department of Health, in coordination with the Department of
33 Interior and Local Government, shall issue the rules and regulations to effectively
34 implement the provisions of this Act.

35
36 **SEC. 8. Implementing Agency** - The Department of Health shall enforce the provisions
37 of this Act and its implementing rules and regulations.

38
39 **SEC. 9. Separability Clause** - If any part or provision of this Act shall be held
40 unconstitutional or invalid, other provisions hereof that are not affected thereby shall
41 continue to be in full force and effect.

42
43 **SEC. 10. Repealing Clause** – All other laws, decrees, executive orders, proclamations
44 and administrative regulations, or parts thereof inconsistent with the provisions of this
45 Act are hereby repealed or modified accordingly.

1 **SEC. 11. *Effectivity Clause*** - This Act shall take effect fifteen (15) days after its
2 publication in any newspaper of general circulation,
3
4 *Approved,*

FACT SHEET

House Bill No.

(In substitution of HB No. 3560)

(As approved by the Committee on Health on January 26, 2011)

AN ACT

REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST OF THEIR HEALTHCARE SERVICES INCLUDING INCIDENTAL EXPENSES AND MEDICAL SUPPLIES THAT CAN BE CHARGED IN THE MEDICAL BILL

Introduced by: REP. ROMULO T. ROMAN

Committee Referral: COMMITTEE ON HEALTH (Primary)

Committee Chairperson: REP. ALFREDO D. MARAÑON III

OBJECTIVE:

- To enable the public to obtain accurate and adequate information that would facilitate and guide them in making conscious choice of healthcare facility.

KEY PROVISIONS:

- Mandates the healthcare facilities to make a price list available to any patient or representative on its healthcare services, incidental expenses and medical supplies that can be charged in the medical bill
- Requires the posting of said price list in a conspicuous place within the premises of the healthcare facilities
- Stipulates that price list shall be binding on the healthcare facility upon admission of the patient and that any increase in the price shall take effect only after proper posting
- Penalizes the violator with a fine per instance of violation without prejudice to administrative sanctions such as suspension or cancellation of license to practice profession or revocation of license to operate in case the violator is a juridical person
- Authorizes the Secretary of Health to impose the administrative fines and sanctions including the suspension or revocation of license to operate the healthcare facility.

RELATED LAW:

Section 15, Article II of the 1987 Constitution

W/ 1000-10000

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

15th CONGRESS

HOUSE BILL NO. 3560

**Introduced by Representative Roman T. Romulo
Lone District of Pasig City**

EXPLANATORY NOTE

This proposed bill seeks to provide for transparent, accessible and reliable information on the prices of healthcare services, including incidental expenses and all items that can be found in the medical bill of a patient by requiring healthcare facilities to provide a price list of the said services and items.

Health is a basic human right as provided for in Section 15, Article 2 of the 1987 Philippine Constitution, which states:

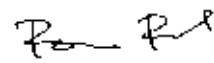
"The State shall protect and promote the right to health of the people and instill health consciousness among them."

Given the high costs of availing healthcare services and due to lack of information, most of the public opts to do home medication. This happens without them knowing that there are quality services and yet reasonable charges being imposed by some healthcare facilities. If the prices of these services are readily accessible to the public, it would encourage them to at least compare, assess and consider getting professional medication and care.

Knowing the prices in advance would also enable the public to make an intelligent estimate of the medical bills that they would incur once they get admitted and avoid surprises of the huge amount they have to pay once the patient bills out.

Through the passage of this Bill, the public is empowered to choose the healthcare facility where they would avail medical services especially during times of economic downturn and ultimately, achieve the national goal of establishing a responsible and efficient healthcare delivery.

For these reasons, the passage of this bill is earnestly sought.


HON. ROMAN T. ROMULO

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

15th CONGRESS

HOUSE BILL NO. 3560

Introduced by Representative Roman T. Romulo
Lone District of Pasig City

**AN ACT REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST
OF ITS HEALTHCARE SERVICES INCLUDING INCIDENTAL EXPENSES
AND MEDICAL SUPPLIES THAT CAN BE CHARGED IN THE MEDICAL BILL**

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

1 **Section 1. Short Title** - This Act shall be known as the "Healthcare Services
2 Price Disclosure Act."

3 **Section 2. Declaration of Policy** - It is the policy of the State to protect and
4 promote the right to health of the people and instill health consciousness among
5 them. The State shall enforce a compulsory posting of the price list of healthcare
6 services, including incidental expenses and medical supplies that can be charged
7 in the medical bill, to enable the public obtain accurate and adequate information
8 that would facilitate and guide him in making a conscious choice of healthcare
9 facility.

10 **Section 3. Definition of Terms** – For the purposes of this Act, the term:

11 3.1 "*Diagnostic And Laboratory Clinics*" means a health facility for X-ray,
12 CT scans, blood chemistry exams, histopathology and immunopathology,
13 hematology, urine analysis, parasitology and bacteriology test, serology, blood
14 banking, and other diagnostic examinations that are necessary for the diagnosis
15 and/or treatment of an illness and injury.

16 3.2 "*Healthcare Services*" means the services for the diagnosis, treatment
17 and other forms of healthcare of individuals suffering from deformity, disease,
18 illness or injury, or in need of surgical, obstetrical, medical or nursing care that
19 are offered, available and provided by the hospitals, ambulatory surgical centers,
20 diagnostic and laboratory clinics and other medical clinics.

21 For the purposes of this Act, the term healthcare services shall include
22 dental services to perform oral examination, cleaning, permanent and temporary
23 filling, extractions and gum treatments, restoration, replacement or repositioning
24 of teeth, or alteration of the alveolar or periodontium process of the maxilla and
25 the mandible that are necessary for the diagnosis and/or treatment of a dental
26 illness or injury

27 3.3 "*Healthcare Facilities*" means the hospitals, ambulatory surgical
28 centers, diagnostic and laboratory clinics, medical clinics and/or facilities which
29 provide healthcare services, as defined under this Act, whether or not there is an

operating room equipment and installed bassinets or beds for the use of patients in the management of deformities, diseases, injuries, abnormal physical and mental conditions, and maternity cases.

3.4 *"Incidental expenses"* means other services provided by the healthcare facility incidental and in connection with the healthcare services provided such as, but not limited to, charges for room and amenities, meals, drugs and medicines, and payments for use of medical equipment and technology

3.5 *"Medical Bill"* means costs of healthcare services rendered by the healthcare facility including incidental expenses and medical supplies charged to the patient.

3.6 *"Medical Equipment and Technology"* means the equipment designed to aid in providing healthcare services.

3.7 *"Medical Supplies"* means all healthcare materials and articles used for providing healthcare services and can be charged in the medical bill.

3.8 *"Patient"* means a person seeking admission or who is admitted and availed of healthcare services in a healthcare facility.

3.9 *"Room and amenities"* means an occupancy room or a ward room where a patient is admitted for healthcare services, including detailed list of its amenities.

Section 4. Price List of Healthcare Services and Incidental Expenses Including Medical Supplies Offered and Charged by a Healthcare Facility - Healthcare Facilities shall make a price list of its healthcare services, incidental expenses and medical supplies that can be charged in the medical bill, available to any patient, or patient's representative, so that the patient or patient's representative, may adequately exercise the option to choose a healthcare facility. The price list shall likewise be easily accessible to the general public and without need of any further inquiry by posting the pricelist in a conspicuous place within the premises of the healthcare facility.

All medical bills shall list and itemize all healthcare services, incidental expenses and medical supplies availed or used by the patient with their corresponding prices charged to the patient.

Any violation of the provisions of this Act shall be unlawful.

Section 5. Penalties - a) Any person who shall violate the provisions of this Act, or its implementing rules and regulations shall be subject to a fine of not less than Five Thousand pesos (P5,000.00) but not more than Twenty Five thousand pesos (P25,000.00) per instance of violation without prejudice to administrative sanctions such as suspension or cancellation of license to practice profession. Any juridical person which violates the provisions of this Act shall suffer the penalty of a fine of not less than ten thousand pesos (P10,000) nor more than fifty thousand pesos (P50,000.00) per instance of violation and suspension or revocation of license to operate such healthcare facility; *Provided*, that its officers directly responsible for the violation shall suffer the penalty of fine of not less than Five Thousand pesos (P5,000.00) but not more than Twenty Five thousand pesos (P25,000.00) per instance of violation and suspension or revocation of license to practice profession, if applicable, and by imprisonment of not less than six (6) months nor more than one (1) year or both fine and imprisonment at the

1 discretion of the Court; and *Provided, further* that if the guilty party is an alien, he
2 shall be *ipso facto* deported after service of sentence without need of further
3 proceedings. The Secretary of Health shall have the authority to impose the
4 administrative fines and penalties, and administrative sanctions provided herein
5 including suspension or revocation of license to operate such healthcare facility.

6 b) A second violation under this paragraph shall also carry with it the penalty of
7 revocation of license to operate.

8 **Section 6. *Implementing Rules and Regulations*** - Within ninety (90) days from
9 the effectivity of this Act, the Department of Health, in coordination with the
10 Department of Interior and Local Government, shall promulgate the rules and
11 regulations to effectively implement the provisions of this Act.

12 **Section 7. *Implementing Agency*** - The Department of Health shall enforce the
13 provisions of this Act and its implementing rules and regulations.

14 **Section 8. *Separability Clause*** - If any part or provision of this Act shall be held
15 unconstitutional or invalid, other provisions hereof that are not affected thereby
16 shall continue to be in full force and effect.

17 **Section 9. *Repealing Clause*** - All other laws, decrees, executive orders,
18 proclamations and administrative regulations, or parts thereof inconsistent
19 herewith are hereby repealed or modified accordingly.

20 **Section 10. *Effectivity Clause*** - This Act shall take effect fifteen (15) days after its
21 publication in at least two (2) national newspapers of general circulation,

Approved.



Republic of the Philippines
HOUSE OF REPRESENTATIVES
COMMITTEE ON HEALTH
Quezon City, Metro Manila

MINUTES OF MEETING OF THE COMMITTEE ON HEALTH HELD ON JANUARY 26, 2011 AT 9:00 A.M, CONFERENCE ROOMS 9 AND 10 OF THE RAMON V. MITRA BLDG, HOUSE OF REPRESENTATIVES, BATASAN, QUEZON CITY.

AUTHORS PRESENT:

- | | |
|-------------------------------|---------------------|
| 1. Hon. Roman Romulo | House Bill No. 3560 |
| 2. Hon. Mary Mitzi Cajayon | House Bill No. 367 |
| 3. Hon. Susan Yap | House Bill No. 937 |
| 4. Hon. Rufus Rodriguez | House Bill No. 1566 |
| 5. Hon. Maximo Rodriguez, Jr. | - same - |
| 6. Hon. John Victor Ejercito | House Bill No. 2547 |
| 7. Hon. Loreto Leo Ocampos | House Bill No. 3921 |
| 8. Hon. Bernadette Herrera-Dy | House Bill No. 1083 |

GUESTS/RESOURCE PERSONS IN ATTENDANCE:

- | | |
|------------------------------|---|
| 1. Mr. Oscar Abadu Jr. | OIC Senior Manager, Marketing and Collection, Philhealth |
| 2. Ms. Nerissa Santiago | Vice President for Actuary, Philhealth |
| 3. Dr. Israel Pargas | Senior Manager, Philhealth |
| 4. Prof. Emmanuel Leyco | Asian Institute of Management |
| 5. Dr. Larry Cedro | Department Manager, Philippine Charity Sweepstakes Office (PCSO) |
| 6. Dr. Bu Castro | Commission on Legislation, Philippine Medical Association (PMA),
Philippine Hospital Association (PHA) |
| 7. Dr. Rustico Jimenez | President, Private Hospitals Association of the Philippines (PrHAP) |
| 8. Dr. Gerardo Bayugo | Asst. Secretary, Department of Health (DOH) |
| 9. Atty. Alecon Gloria-Rubio | Legal Officer, Philippine Amusement and Gaming Corporation (PAGCOR) |
| 10. Dr. Reinelda Raffinian - | Division Chief, Department of Interior and Local Government (DILG) |
| 11. Ms. Rhodora Alday - | Department of Social Welfare and Development (DSWD), NHTSPR |

I. CALL TO ORDER/ ROLL CALL

Rep. Alfredo D. Marañon III, Chairperson of the Committee on Health, called the meeting to order at 9:25 p.m. Upon motion of Rep. Roman Romulo, duly seconded and there being no objection, the calling of the roll was dispensed with.

II. APPROVAL OF THE MINUTES

Upon motion of Rep. Mary Mitzi Cajayon, duly seconded by Rep. Imelda Calixto-Rubiano and there being no objection, the minutes of November 10 and December 14, 2010 meetings were approved.

III. PRELIMINARY REMARKS OF THE CHAIRPERSON

The Chair informed the Members and resource persons that the meeting is the start of a series of meetings to deliberate on the 35 amendatory measures to Republic Act No. 7875, better known as the National Health Insurance Act. With the commitment of the Aquino administration to push for the mandatory universal healthcare coverage for all Filipinos as declared during the State of the Nation Address (SONA), the Chair said that it is high time to revisit the present law and ensure that its provisions are responsive to present-day realities. The Chair also stated that it is imperative that the Philhealth Corporation, as the implementing agency, be strengthened to enable it to deliver healthcare benefits and to ensure the viability of the program in partnership with the Department of Health. The Chair then thanked the Members and the resource persons for their presence.

IV. APPROVAL OF THE DRAFT COMMITTEE REPORTS ON THE FOLLOWING MEASURES:

1. House Bill No. 3660 entitled, AN ACT CONVERTING THE NORTHERN SAMAR PROVINCIAL HOSPITAL IN CATARMAN, NORTHERN SAMAR, INTO SAMAR ISLAND MEDICAL CENTER UNDER THE SUPERVISION, CONTROL AND MANAGEMENT OF THE DEPARTMENT OF HEALTH, introduced by Rep. Raul R. Daza;
2. House Bill No. 3088 entitled, AN ACT TO PROMOTE AND SUPPORT BREASTFEEDING AS AN ESSENTIAL COMPONENT OF FAMILY PLANNING AND RESPONSIBLE PARENTHOOD AND FOR OTHER PURPOSES, INTRODUCED BY Rep. Anna York P. Bondoc, and
3. House Bill No. 590 entitled, AN ACT ESTABLISHING A PROGRAM FOR PUBLIC EDUCATION ON PROSTATE CANCER, introduced by Reps. Rufus B. Rodriguez, Maximo B. Rodriguez Jr., and Augusto Boboy Syjuco

Upon motion of Rep. Cajayon, duly seconded by Rep. Calixto-Rubiano and there being no objection, the above stated draft Committee Reports were approved.

V. DELIBERATION ON HB NO. 3560, Re: REQUIRING HEALTHCARE FACILITIES TO PROVIDE A PRICE LIST OF ITS HEALTHCARE SERVICES AND OTHER EXPENSES THAT CAN BE CHARGED IN THE MEDICAL BILL

Rep. Roman Romulo, principal author of HB No. 3560, explained that his proposal seeks to require healthcare facilities to have the price list of diagnostic procedures services and supplies posted at conspicuous areas in the health facility for the awareness of the citizens. He added that his bill seeks to provide the citizenry with a full disclosure of all healthcare services as well as medicines and supplies being provided for by the healthcare facilities for purposes of transparency. Considering that his bill is a non-controversial measure, he urged the Body to approve his proposal.

As a reaction to the proposed measure, Dr. Bu Castro, representing the Philippine Medical Association (PMA) and Philippine Hospitals Association (PHA), lauded the noble intents of HB No. 3560. He however suggested that they be given leeway in the posting of the prices of healthcare services because some complications may occur that would affect the cost of services of a particular confinement. For his part, Dr. Rustico Jimenez, President of the Private Hospitals Association of the Philippines (PriHAP), echoed the statement of Dr. Castro that there must be a room for flexibility so as to protect the doctors and the hospitals against possible suits should they fail to protect the welfare of the patient.

Dr. Israel Pargas of Philhealth informed the Body that as part of the Corporation's accreditation requisites, the hospitals are required to post the cost of services, medicines, laboratory and diagnostic procedures. However, he clarified that said requirement does not cover professional fees of doctors. Reacting to this, Rep. Romulo informed Dr. Pargas that there is a Philhealth accredited hospital in his district which does not have any posting at all.

At this juncture, Rep. Loreto Leo Ocampos inquired whether the Department of Trade and Industry (DTI) has a representative in the meeting considering that said Department has something to do with the regulation on the prices of medicines. In response, Rep. Romulo explained that his bill does not intend to control the prices of hospitals or penalize the same but rather requires transparency on the part of the hospitals relative to the prices of their services. Sharing her own observation on the matter, Rep. Cajayon averred that indeed, there are hospitals that are really complying with the posting requirement. But, at the bottom of the price list, a phrase "*subject to change without prior notice*" can also be found. She then asked the proponent of the possible remedy to this condition that hospitals can easily change their prices without prior notice. In response, Rep. Romulo said that at the most appropriate and immediate time, hospitals must do away with such warning which serves as their safety net.

Responding to the query of Rep. Ocampos on the penalty for violations of this requirement, the author specifically cited Section 5, the penal clause of the bill, where there are corresponding administrative sanctions, fines and penalty for violators.

At this point, Dr. Pargas informed the Body that Philhealth has actually increased its benefits to members. However, he explained that immediately after said increase, the hospitals and healthcare providers also increased the prices of their services so that the increase in benefits given by Philhealth was not felt by its members. He then expressed the same observation made by Rep. Cajayon.

At this juncture, Rep. Herminia Roman called the attention of Dr. Pargas and informed him of the common practice of some doctors who overcharge private patients after knowing that they are Philhealth members. In response, Dr. Pargas admitted that they are aware of the fact that some doctors are really charging excessive amounts for services given especially to private patients. He clarified though that the Corporation reimburses up to the allowable limit set by Philhealth only and that the excess in the hospital bill will have to be shouldered by the patient. But for ward type of accommodation, Dr. Pargas made clear that doctors are not allowed to charge beyond the amount set by Philhealth.

Having heard all the views on the subject, Rep. Ocampos moved for the approval of the bill which was duly seconded by Rep. Cajayon. There being no objection, House Bill No. 3560 was approved subject to the amendment proposed by Rep. Cajayon.

The chair then instructed the Committee Secretary to prepare the corresponding Committee Report.

**VI. DELIBERATION ON HB NOS. 367, 937, 1566, 2547, 3921 AND 1083,
Re: MANDATORY UNIVERSAL HEALTHCARE COVERAGE BILLS**

Rep. Cajayon, principal author of House Bill No. 367, underscored the particular provision in her bill which provides that premium payment for the indigent families shall be fully subsidized by the national government based on the Poverty Incidence set by the National Statistics Coordination Board (NSCB). She said that at times, quality healthcare for the public was severely affected because the politicians were the ones deciding who the beneficiaries of Philhealth should be. She stressed that providing mandatory universal healthcare coverage bill for all Filipinos is one of the most effective ways of bridging the inequity in the healthcare system that is prevailing in Philippine society. She expressed the view that bridging the inequity in the provision of healthcare can only be realized if the required premium payment will be fully subsidized by the national government.

Rep. Herrera-Dy, principal author of House Bill No. 1083, explained the merits of her proposal. She said that it intends to amend several laws such as Republic Act 7875 or the National Health Insurance Act, Republic Act 7392 or the Midwifery Act and Republic Act 7600 or the Rooming-In Act. She averred that healthcare services should be made universally applicable to all people regardless of their economic and social status. She added that it is imperative upon the government to focus on providing holistic healthcare, giving emphasis on health promotion and disease prevention. Finally, she stressed that the passage of the universal healthcare bills will result in affordable quality healthcare. She then urged the Committee for the immediate passage of her proposal.

Dr. Gerardo Bayugo, Assistant Secretary of the Department of Health, reported that one of the goals of the Department is to have available resources for the healthcare of all Filipinos. He cited particularly the improvement of the health of the mothers, especially the child-bearing mothers, as among their paramount concerns. Dr. Pargas for his part said that Philhealth offers newborn care under the essential newborn care package. As to the other concerns of House Bill No. 1083, Dr. Pargas promised to submit the Corporation's position on the matter.

Regarding Malacañang's pronouncement prioritizing the passage of a mandatory universal healthcare coverage, Rep. Nograles asked Dr. Pargas whether or not the Palace has given concrete instruction to Philhealth on the matter. He also asked whether or not the amendatory bills jive with the administrations healthcare programs. Dr. Pargas informed the Body that the DOH, Philhealth, DSWD, DBM and DOF are currently discussing the universal healthcare policy of the Aquino administration. He said that there was an Administrative Order that came out identifying the administration's health agenda. On the other hand, Dr. Bayugo explained that universal healthcare proposal is the main strategy of Secretary Enrique Ona of the Department of Health (DOH) in reforming the healthcare system that focuses on three aspects, namely: 1. universal coverage for healthcare insurance, 2. providing assistance to enhance health facilities, and 3. addressing the Millenium Development Goals of providing better health for mothers and children and controlling emerging and common infectious diseases. He added that the proposal pushing for Philhealth mandatory universal healthcare coverage is very much in line with the thrust of the administration.

Should the proposal become a law, Rep. Nograles inquired as to the role played by the legislators in identifying potential Philhealth beneficiaries using the Priority Development Assistance Fund (PDAF). Dr. Bayugo explained that the formal sector consisting of private and public employees are already covered by Philhealth by virtue of their employment. The indigents are also being covered by sponsored programs. It is the poor members of the informal sector that are left out. Dr. Bayugo pointed out that this particular group can now be the target of support by the legislators, LGUs and private individuals.

Ms. Rhodora Alday of the DSWD reported to the Body that they are closely working with the DOH and Philhealth in identifying who among the poor households identified by the National Household Targeting System for Poverty Reduction (NHTS-PR) are already covered by health insurance. Corollary to this information given by the DSWD representative, Rep. Cajayon inquired whether or not DSWD is coordinating with the LGUs and congressmen in identifying the poorest of the poor. Rep. Cajayon further pointed out that legislators are not being consulted in the identification of the target beneficiaries. In response, Ms. Alday claims that all their field activities are coordinated with the LGUs. Reps. Cerafica and Herrera-Dy shared the sentiment of Rep. Cajayon in that the identification of the beneficiaries should be coordinated with the District Representatives and not only with the LGUs. Reacting to the comments made by Reps. Cajayon, Cerafica and Herrera-Dy, Rep. Roman suggested to the DSWD not to pass through the LGUs anymore and instead, coordinate directly with the social workers in the area.

At this point, the Chair inquired whether or not the budget for universal Philhealth coverage is partly included in the budget given to the DSWD for the Conditional Cash Transfer (CCT) which amounted to P21B. Ms. Alday answered in the negative. The Chair also inquired if the DSWD list for universal Philhealth coverage the same as the list being used in identifying the poor beneficiaries under the CCT program. Ms. Alday said that for the Pantawid Pamilya Pilipino Program (4 Ps), they are using the list of the NHTS.

At this point, Rep. Rufus Rodriguez, author of House Bill No. 1566, said that if Congress has increased the DSWD budget and solidly supported the CCT program, the move for mandatory universal healthcare coverage must also be supported considering that there are 5 million poor Filipinos that are not yet covered by Philhealth. He then asked the Philhealth representative to confirm the accuracy of the figure he cited. Responding to the query, Mr. Abadu, Philhealth Senior Manager, said that under the LGU identified list, there are 6.6 million families not yet covered by Philhealth compared to 9.3 million under the NHTS list of which 4.7 million are identified as poor. He said that based on the current data, only 20% or around 870,000 poor families that are currently enrolled as identified by the LGUs matched with the NHTS list of the DSWD. Surprised with the conflicting figures, Rep. Rodriguez inquired on the steps being undertaken to reconcile the data, adding that the 5 million poor families in his bill was based on the actual pronouncement of Philhealth. Mr. Abadu said that their proposal is for the NHTS list as identified by the DSWD to be fully subsidized by the national government and for the Community-Based Monitoring System (CBMS) list identified by the LGUs to be partially subsidized by either the legislators and the LGUs. Rep. Rodriguez also asked whether or not the P9 billion as provided for in House Bill No. 1566 would be enough to attain full Philhealth coverage of poor Filipinos. Mr. Abadu answered in the affirmative.

At this juncture, Rep Rodriguez directed Mr. Abadu to submit in the next hearing the data regarding the conflicting figures between the list of DSWD and LGUs for purposes of proper computation of the actual amount needed for universal healthcare coverage.

The Chair then requested Philhealth to submit a reconciled list classified into a per district basis. Mr. Abadu promised to comply with such request.

Still on the listing issue, Rep. Romeo Acop narrated that during the last budget hearing, no less than the Secretary of the DOH, when asked about the \$40 million grant for healthcare coverage, admitted that they are having a problem reconciling the different lists of the DWSD and LGUs. Mr. Abadu explained that such grant was specifically intended for the NHTS list which can cover 1.8 million poor families. Rep. Acop asked the reason for having two sets of list. Mr. Abadu clarified that during the last administration, the adoption of the NHTS was particularly intended for the poverty alleviation program of the national government and that the identification process under NHTS may not be the same with that of the LGUs. Rep. Acop asked which among the two lists will prevail. Mr. Abadu said that Philhealth can use both, with the NHTS list being fully subsidized by the national government and the LGUs list on a partial subsidy scheme.

On the assets of Philhealth, Rep. Acop inquired whether or not there is truth to the report that the Corporation has a total of P110 billion in its coffers. Ms. Nerisa Santiago, Philhealth's Vice President for Actuary, reported that as of November 2010, the Corporation has a total assets of around P105 billion which consisted of around P97 billion investments in government securities and about P6 billion liabilities as accounts payable of the Corporation. Responding to the query of Rep. Acop, Ms. Santiago admitted that Philhealth is earning. This admission prompted Rep. Acop to state that there might be no need for the P9 billion subsidy as provided for in House Bill No. 1566. Ms. Santiago clarified to the Body that the mandate of the Corporation is to use the funds for the benefit payments of the members. At this point, Rep. Acop informed the Body that he has filed a resolution calling for an inquiry into the P110 billion assets of Philhealth.

Rep. Randolph Ting inquired on the total membership for universal Philhealth coverage in the entire country, taking into account those children that are listed as dependents of their parents. Mr. Abadu explained that technically, universal coverage means 85% coverage out of the estimated 94 million Filipinos. He said that with the 22 million registered members of Philhealth, their estimate is that 85% of the population are already covered. He admitted that they are having some problems with the estimated number of dependents per member because of the multipliers being used. As to the ideal number of families to be enrolled, the estimate is around 25 million families, he said. Rep. Ting expressed doubt over the 25 million families estimated target, pointing to the earlier statement of Mr. Abadu that 22 million enrollees already represent 85% coverage. He then suggested to Philhealth to review its own statistics in order to come up with a real number that needs to be enrolled, taking into account those children below 18 years old who are dependents of their parents and the senior citizens who are dependents of their working children.

At this juncture, Rep. Lani Mercado-Revilla inquired from Rep. Rufus Rodriguez the source of P9 billion appropriations he cited under House Bill No. 1566. Rep. Rufus Rodriguez explained that such amount was based from the statement of the President during the SONA where it was cited that P9 billion was needed to enroll 5 million poor Filipino families. Upon clarification by the Chair, Mr. Abadu admitted that at P1,200.00 annual premium per family, only P6 billion is actually needed to cover 5 million families and that with P9 billion, both list from NHTS and LGUs can be covered.

Rep. Maximo Rodriguez Jr., at this point inquired regarding Philhealth's policy of giving premium discounts for calamity stricken areas. Mr. Abadu explained that for 2008 until 2010 there was 50% discount on premium being given to LGUs with national

government counterpart. However for 2011, being a transition year in adopting the NHTS list, he said that the Corporation is having difficulty giving the same discount without the national government counterpart. He however clarified that in the next Philhealth Board meeting, the issue on premium discounts will be settled. Rep. Rufus Rodriguez for his part inquired why he was billed a non-discounted rate for the premium of his constituents that were victims of calamity considering the fact that his request for such discount had been approved. He then suggested to Mr. Abadu that other flood stricken areas of Mindanao be also considered in the Philhealth Board meeting. Mr. Abadu promised to include the same in the Board's agenda.

At this juncture, Rep. Ting inquired regarding the breakdown of the 22 million Philhealth enrollees. Mr. Abadu gave the breakdown as follows: 3.7 million self employed, 2.3 million overseas workers, 7.8 million private sector employees, 1.9 million government employees, 6 million sponsored members and around half million retirees who are lifetime members. Mr. Abadu assured Rep. Ting that the full report on the matter will be submitted next hearing.

Rep. Anthony Golez inquired whether or not the 6 million poorest of the poor are really warm bodies, saying that in his district, none of those who live in the slum area would say that they are members of Philhealth. He also asked whether or not Philhealth has already identified the informal sector considering that the working sector both in private and public, OFW, retirees and those under the sponsored program have already been identified. Mr. Abadu explained that under the present set up, the national government subsidy can only be accessed by Philhealth once the LGUs or the sponsors will be able to identify their indigent families, adding that the law mandates the LGUs to identify who should be included in the list. Given the situation, Rep. Golez was surprised why some Mayors in his district are still complaining because Philhealth is not giving cards to the already identified poorest of the poor. He asked why the LGUs have to spend for the premium considering that Philhealth has the obligation for it. Rep. Golez also asked why in the present set up, the DSWD is the one identifying the poorest of the poor. Mr. Abadu clarified that originally, the national government has no role in identifying the poorest of the poor and that it is the LGUs who are actually mandated by law to do so. The DSWD came in only when the NHTS was introduced, he added. Rep. Golez averred that there is now duplication of functions where the legislators are using their PDAF to subsidize the poor while the national government is doing the same thing. He stressed that PDAF could be used for other purposes instead.

Regarding the socialized payment of premium, Rep. Golez wondered why a member of the informal sector who could be super rich is paying only P1,200.00 annually which is just exactly the same with the premium being paid by an ordinary Filipino. He opined that rich members may not mind even if they pay as high as P20,000.00 a year because it can be part of their social obligation to the country. He said that the top 10% of such sector may be able to subsidize the needed amount and that the government might not even have to shell out money. He then asked whether or not Philhealth has an actuarial study on the matter. Mr. Abadu informed the Body that since last October 2010, Philhealth has been collecting a minimum amount of P200.00 on a monthly basis from the professionals and that the Corporation intends to increase this amount to P300.00 per month. Rep. Golez then suggested that Philhealth should conduct a national survey to determine up to how much the professionals and the rich people under the informal sector would be willing to pay as premium contribution to their membership.

On the benefit payments, Rep. Golez inquired regarding the percentage that Philhealth is paying to private and government hospitals, saying that based on this, it could be

determined whether or not the poorest of the poor, even if they are already covered by Philhealth, can afford to go to a hospital. Mr. Pargas promised to submit the data regarding the matter.

At this juncture, Rep. John Victor Ejercito, author of House Bill No. 2547, explained the merits of his proposal. He said that the government's lack of focus on the health sector is evident as the total budget for health only accounted for less than 3% of the national budget. He said that the National Health Insurance Act failed to fulfil its mission. Thus, his bill seeks to provide mandatory universal healthcare to every Filipino citizen by their immediate and automatic inclusion to Philhealth.

For House Bill No. 937, Rep. Susan Yap, author of the proposal, stated that because of government's lack of prioritization of the health sector, the government falls short of its objective to provide universal quality healthcare. However, with the current administration's advocacy for universal healthcare coverage for all Filipinos specially the indigents, she expressed optimism that the long time problem of inability of the government to provide healthcare for all can now be addressed with the passage of House Bill No. 937 along with the other similar proposals.

At this juncture, Rep. Eleanor Bulut-Begtang brought to the attention of the Body the current situation in her district in the Province of Apayao where her constituents could not maximize the use of Philhealth's benefits because they have to buy the medicines outside of the hospital. She also aired the problem regarding the list of the DSWD where the LGUs are not being consulted. On this, Dr. Pargas acknowledged that such situation is a perennial problem especially in government hospitals where there is usually lack of supplies and medicines. However, he pointed out that Philhealth is doing reimbursements for the purchases of medicines outside the hospital. Corollary to this, Rep. Maximo Rodriguez Jr. inquired how the capitation fund is being utilized, saying that one of the purposes of capitation fund is to assist in providing medicines to patients. In response, Dr. Pargas explained that such fund is being paid back to the LGUs to be given to authorized hospitals and Rural Health Units (RHUs) to provide drugs and medicines for indigent members. He said that the policy right now is to allocate a minimum of 40% of the capitation fund for drugs and medicines. Rep. M. Rodriguez then suggested that 50% of the capitation fund be allocated for medicines. Dr. Pargas expressed no objection to the suggestion of Rep. Maximo Rodriguez, Jr.

At this juncture, Rep. Peter Unabia said that there is a need to organize a separate Body to review the list under the NHTS because there are personalities in his district that are not indigents but were included under the NHTS list. Responding to this, Ms. Alday said that they have already organized Committees at the local level to receive, resolve complaints and to validate and verify if indeed the poorest of the poor in the municipality have been identified. In relation to this, Rep. Jose Aquino II inquired as to how long it would take before an unqualified person could be taken out from the NHTS list. To this query, Ms. Alday said that it takes a maximum of thirty (30) days to correct the mistake because the household being complained of will have to be revisited and there will be re-assessment following certain protocols.

Concerned about the financial viability and projected life of the Corporation that might be reduced due to uncollected premiums, Rep. Philip Pichay asked how much the national government owes Philhealth. According to Mr. Abadu, the national government owes P5.8 billion based on the current billing. On the other hand, Ms. Santiago clarified that such amount represents only the arrears for the premium payments of the indigents and there is still an accumulated differential on the premiums of government employees from 2001-2008 in the amount of P9 billion. Given the huge amount of uncollected premiums from the national government even

without its obligation yet to subsidize the premiums under the mandatory universal healthcare coverage, Rep. Pichay expressed his apprehension as to the viability of the program and the life of the Corporation in the years to come after the passage of these bills into law.

At this point, the Chair asked for the submission of an actuarial computation based on the observations of Rep. Pichay.

Still on the financial aspect, Dr. Leyco of the Asian Institute of Management said that in terms of current funding status, Philhealth is "overly reserved" by around P44 billion based on his study on the subject. He opined that the focus of legislation should not be on who should be covered because it is already provided for by law but rather, the universal healthcare should be geared in providing appropriate healthcare for inpatients and outpatients as well. He stressed that the initiative should result into a more equitable access to healthcare instead of employing more administrative interventions. The Chair requested Mr. Leyco to submit his position on the matter.

Reacting to the statements made by Prof. Leyco, Ms. Santiago asserted that Philhealth is not over reserved having paid P26 billion in benefits for 2009 and around P30 billion in 2010. She added that due to the benefit reforms being undertaken by the Corporation, they intend to pay double the previous amount in the succeeding years. Nonetheless, Rep. Acop maintained that currently, Philhealth is really over reserved by around P44 billion, pointing to the statements of Mr. Leyco which was based on a specific period in the past as compared to that of Ms. Santiago which, according to him, is futuristic.

At this juncture, Rep. Pichay inquired on the amount of receipts in premium of Philhealth in relation to the total benefit payments. Ms. Santiago said that as of November 2010, the total premium receipts amounted to P26.4 billion as compared to the benefit payments of P27 billion. She said that the operating cost of the Corporation for the same period amounted to P3.4 billion. Rep. Pichay also inquired regarding the income on money market placements of Philhealth. Ms. Santiago said that investment income as of November 2010 is around P5.7 billion. All told, Rep. Pichay concluded that there is no such thing as over reserved considering that Philhealth is almost just on a break even status. He stressed that whatever reserved for now, it is intended for the future when the premium receipts will be much less than the benefit payments because more retirees will be coming in. Rep. Pichay expressed the view that under such situation, and if the Corporation is still going to increase benefits, Philhealth could have a negative cash flow. Nonetheless, Rep. Pichay added that if the national government will pay its obligations to Philhealth, the Corporation would not run out of cash. After listening from Ms. Santiago regarding the "no balance scheme", Rep. Rufus Rodriguez for his part said that probably it is a misconception to say that Philhealth is over reserved. He inquired whether or not the Corporation intends to increase its premium within the next two years. In response, Ms. Santiago said that based on law, R.A. 7875 as amended, Philhealth is limited to collect only up to a maximum premium of 3% of the member's salary. She added though that they are considering to propose some amendments to said law.

Due to the time constraint, the Chair, at this point, requested the representatives of the DILG, PCSO and PAGCOR to submit their respective position regarding the proposals.

VII. ADJOURNMENT

Upon motion duly seconded and there being no objection, the meeting was adjourned at 12:30 p.m.

I hereby certify to the correctness of the forgoing minutes.



MA. LOURDES M. SANCHEZ
Acting Committee Secretary

Approved by:



REP. ALFREDO D. MARAÑON III
Chairperson
Committee on Health