

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

H. B. No. **6650**



Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

We are all aware of the huge impact on the Philippines of our Overseas Filipino Workers (OFWs), especially on the economy because of their remittances. Without the OFWs' remittances, the Philippine economy might have sunk a long time ago.

As of the year 2011, there are approximately eleven (11) million Filipinos overseas, comprising about eleven percent (11%) of the total population of the Philippines. 45% or 4.32 Million of these are overseas contract workers including seafarers (350,000). The rest are immigrants (47%) and irregulars (less than 2 M).

Remittances sent by OFWs to the Philippines significantly contribute to the country's economy with a value of more than US 18 billion in 2011, higher than in previous years. This makes the country the fourth largest recipient of remittances with India, China, and Mexico on the top list. OFW remittances represent around 13.5 % of the country's Gross Domestic Product (GDP), the largest in proportion to the domestic economy among the four countries. Indeed, remittances have been continuously resilient, providing cushion against external shocks.

Considering their numeric significance and the impact of remittances to the economy, it is of paramount importance that the Philippine Health Insurance Corporation, in pursuit of its mandate to provide social health insurance coverage to all Filipinos, take necessary steps, in ensuring that our countrymen currently based abroad - whether permanent, temporary or irregular, including their families/ dependents left behind, are accorded with appropriate relevant and affordable health care services.

The National Health Insurance program is the country's most strategic resource mobilization scheme for health. The Philippine Health Insurance Corporation (PhilHealth) continuously faces extreme difficulties in covering the OFWs, with less than a billion pesos premium collection as well as benefit payments made last year and the years before that.

At present, the Overseas Workers Program caters only to land-based holders of job contracts and whose residence abroad are temporary in nature. Excluded in the Program are immigrants and Dual Citizens, Seafarers and Irregulars, all of which all under the Voluntary membership category. There are only around 900,000 contributing members under the OWP (Premium

Collection for 2011 is less than PhP 800 Million) and this is equivalent to only 40% of the 2.5 M total registered members (inclusive of those who may have transferred to other Program categories. Majority of them only pay their premium for the initial year, because it is a requirement prior to deployment). This applies to the OWP only, as membership of other Filipinos overseas are not being monitored.

This bill amends further Republic Act. No. 8042, the "Migrant Workers and Overseas Filipinos Act of 1995". It declares as State policy the provision of a mechanism for covering all Overseas Filipino Workers, including all other Filipino citizens overseas, and their families and dependents under the National Health Insurance Program (NHIP), as administered, supervised and operated by the Philippine Health Insurance Corporation or Philhealth, in a cost-effective and administratively-efficient manner.

The bill mandates that the National Health Insurance Program (NHIP), administered, supervised and operated by Philhealth shall provide all OFWs, including all other Filipino Citizens Overseas (FCOs), and their families and dependents - with a mechanism to gain financial access to health services, in combination with other government health programs.

Aside from giving highest priority to achieving coverage of the entire Philippine population within the Philippines, NHIP shall also include in its highest priority the achieving of coverage of the entire worldwide population of OFWs, including all other FCOs, and their families and dependents, with at least a basic minimum package of health insurance benefits. All OFWs, including FCOs, and their families and dependents shall be required to enroll in the Program to avoid adverse selection and social inequality. The Program builds on existing Overseas Filipino community initiatives for its organization and human resource requirements.

The cost or expenses for the coverage or the entitlement of an OFW, FCO, OFW family member, or FCO family member - as a member, beneficiary or as a dependent - to the benefits of the Program, shall come from a percentage of the remittance fee being charged by remittance service providers - including, banks, telecommunication companies with remittance service, and all other companies engaged in remittance service for OFWs and FCOs. The service providers shall remit to the Bangko Sentral ng Pilipinas (BSP) within a reasonable time, and which shall then be remitted by the BSP to Philhealth, also within a reasonable period.

All Filipinos overseas or abroad, wherever they may be, shall be covered as long as they are still citizens of the Philippines, regardless of whether or not they are permanent residents or immigrants in a foreign country. All Filipinos with dual citizenship are also covered, provided that one (1) of the said dual citizenship is Filipino citizenship;

This proposed measure will be of tremendous benefit, both to our country and to OFWs and their families. For these reasons, the approval of this bill is earnestly sought.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

H. B. No. 6650

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
AMENDING REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995, AS AMENDED, PROVIDING FOR A HEALTH INSURANCE PROGRAM FOR ALL OVERSEAS FILIPINO WORKERS, INCLUDING ALL OTHER FILIPINO CITIZENS OVERSEAS, AND THEIR FAMILIES AND DEPENDENTS UNDER THE PHILIPPINE HEALTH INSURANCE CORPORATION OR PHILHEALTH AND THE MECHANISMS FOR ITS FUNDING AND IMPLEMENTATION, AND FOR OTHER PURPOSES

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

Section 1. Section 2 of Republic Act. No. 8042, as amended, otherwise known as the "Migrant Workers and Overseas Filipinos Act of 1995," is hereby amended by adding a new paragraph - Paragraph (j) - under the said Section to read as follows:

"(J) IT IS LIKEWISE HEREBY DECLARED AS A POLICY OF THE STATE TO PROVIDE A MECHANISM FOR COVERING ALL OVERSEAS FILIPINO WORKERS, INCLUDING ALL OTHER FILIPINO CITIZENS OVERSEAS, AND THEIR FAMILIES AND DEPENDENTS UNDER THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP), AS ADMINISTERED, SUPERVISED AND OPERATED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION OR PHILHEALTH, IN A COST-EFFECTIVE AND ADMINISTRATIVELY-EFFICIENT MANNER."

Section 2. A new Section - Section 22-A - of Republic Act No. 8042, as amended, is hereby added to read as follows:

"SECTION 22-A. HEALTH SERVICES FOR ALL OFWS, INCLUDING ALL OTHER FILIPINO CITIZENS OVERSEAS, AND THEIR FAMILIES AND DEPENDENTS. - THE FOLLOWING SHALL GOVERN THE ESTABLISHMENT AND IMPLEMENTATION OF THE HEALTH INSURANCE PROGRAM FOR ALL OVERSEAS FILIPINO WORKERS, INCLUDING ALL OTHER FILIPINO CITIZENS OVERSEAS, AND THEIR FAMILIES AND DEPENDENTS UNDER THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP) AS ADMINISTERED, SUPERVISED AND OPERATED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION OR PHILHEALTH:

"(A) THE PROGRAM. THE NATIONAL HEALTH INSURANCE PROGRAM (NHIP) OF THE GOVERNMENT, HEREINAFTER REFERRED TO AS THE "PROGRAM," WHICH IS BEING ADMINISTERED, SUPERVISED AND OPERATED BY THE PHILIPPINE HEALTH INSURANCE CORPORATION

OR PHILHEALTH, SHALL ALSO PROVIDE - ALL OVERSEAS FILIPINO WORKERS (OFWS), INCLUDING ALL OTHER FILIPINO CITIZENS OVERSEAS (FCOS), AND THEIR FAMILIES AND DEPENDENTS - WITH A MECHANISM TO GAIN FINANCIAL ACCESS TO HEALTH SERVICES, IN COMBINATION WITH OTHER GOVERNMENT HEALTH PROGRAMS. HENCEFORTH, ASIDE FROM GIVING THE HIGHEST PRIORITY TO ACHIEVING COVERAGE OF THE ENTIRE PHILIPPINE POPULATION WITHIN THE PHILIPPINES, THE NHIP SHALL ALSO INCLUDE IN ITS HIGHEST PRIORITY THE ACHIEVING OF COVERAGE OF THE ENTIRE WORLDWIDE POPULATION OF OFWS, INCLUDING ALL OTHER FCOS, AND THEIR FAMILIES AND DEPENDENTS, WITH AT LEAST A BASIC MINIMUM PACKAGE OF HEALTH INSURANCE BENEFITS. ALL OFWS, INCLUDING ALL OTHER FCOS, AND THEIR FAMILIES AND DEPENDENTS SHALL BE REQUIRED TO ENROLL IN THE PROGRAM IN ORDER TO AVOID ADVERSE SELECTION AND SOCIAL INEQUALITY. THE PROGRAM SHALL BUILD ON EXISTING OVERSEAS FILIPINO COMMUNITY INITIATIVES FOR ITS ORGANIZATION AND HUMAN RESOURCE REQUIREMENTS;

“(B) PREMIUM. THE COST OR EXPENSES FOR THE COVERAGE OR THE ENTITLEMENT OF AN OFW, FCO, OFW FAMILY MEMBER, OR FCO FAMILY MEMBER - AS A MEMBER, BENEFICIARY OR AS A DEPENDENT - TO THE BENEFITS OF THE PROGRAM, SHALL COME FROM A PERCENTAGE OF THE REMITTANCE FEE BEING CHARGED BY REMITTANCE SERVICE PROVIDERS - INCLUDING, BUT NOT LIMITED TO, BANKS, TELECOMMUNICATION COMPANIES WITH REMITTANCE SERVICE, AND ALL OTHER COMPANIES ENGAGED IN REMITTANCE SERVICE FOR OFWS AND FCOS - WHICH SUCH ENTITIES OR SERVICE PROVIDERS SHALL REMIT TO THE BANGKO SENTRAL NG PILIPINAS (BSP) WITHIN A REASONABLE TIME PERIOD, AND WHICH SHALL THEN BE REMITTED BY THE BSP TO THE PHILIPPINE HEALTH INSURANCE CORPORATION OR PHILHEALTH, LIKEWISE WITHIN A REASONABLE TIME PERIOD AS MAY BE PROVIDED UNDER THE IMPLEMENTING RULES AND REGULATIONS OF THE PROVISIONS OF THIS SECTION;

“(C) DEVOLUTION. THE PROVISIONS OF THIS SECTION SHALL BE IMPLEMENTED LIKEWISE IN CONSULTATION WITH THE LOCAL GOVERNMENT UNITS (LGUS), ESPECIALLY IN RELATION TO THE HEALTH NEEDS OF THE FAMILIES OF OFWS, INCLUDING THE FAMILIES OF ALL OTHER FCOS, WHO ARE RESIDING IN DIFFERENT LOCALITIES IN THE PHILIPPINES, SUBJECT TO THE OVER-ALL POLICY DIRECTIONS SET BY THE NATIONAL GOVERNMENT;

“(D) COVERAGE. ALL FILIPINOS OVERSEAS OR ABROAD, WHEREVER THEY MAY BE, SHALL BE COVERED BY THE PROVISIONS OF THIS SECTION AS LONG AS THEY ARE STILL CITIZENS OF THE REPUBLIC OF THE PHILIPPINES, REGARDLESS OF WHETHER OR NOT THEY ARE PERMANENT RESIDENTS OR IMMIGRANTS IN A FOREIGN COUNTRY. ALL FILIPINOS WITH DUAL CITIZENSHIP ARE ALSO COVERED BY THE PROVISIONS OF THIS SECTION, PROVIDED THAT ONE (1) OF THE SAID DUAL CITIZENSHIP IS FILIPINO CITIZENSHIP;

“(E) APPLICABILITY OF THE NATIONAL HEALTH INSURANCE ACT. ALL THE PROVISIONS OF THE NATIONAL HEALTH INSURANCE

ACT (NHIA) OR REPUBLIC ACT NO. 7875, AS AMENDED, OTHERWISE KNOWN AS THE PHILHEALTH LAW, WHICH ARE NOT INCONSISTENT WITH THE PROVISIONS OF THIS SECTION SHALL LIKEWISE BE APPLICABLE TO THE PROVISIONS OF THIS SECTION. THE PROVISIONS OF THE NHIA, AS AMENDED, WHICH NEED TO BE AMENDED OR ADJUSTED IN ORDER TO MAKE THEM MORE SUITED OR APPROPRIATE FOR IMPLEMENTATION AMONG OFWS, ALL OTHER FCOS, AND THEIR FAMILIES AND DEPENDENTS - INCLUDING, BUT NOT LIMITED TO, THE DEFINITION OF A "DEPENDENT" - SHALL BE AMENDED OR ADJUSTED ACCORDINGLY UNDER THE IMPLEMENTING RULES AND REGULATIONS OF THE PROVISIONS OF THIS SECTION. PROVIDED, HOWEVER, THAT THE SAID PROVISIONS OF THE NHIA, AS AMENDED, WHICH SHALL BE AMENDED OR ADJUSTED UNDER THE IMPLEMENTING RULES AND REGULATIONS OF THE PROVISIONS OF THIS SECTION, SHALL ONLY BE APPLICABLE TO OFWS, ALL OTHER FCOS, AND THEIR FAMILIES AND DEPENDENTS."

Section 3. *Implementing Rules and Regulations.* - The departments and agencies charged with carrying out the provisions of this Act, in consultation with the Senate Committee on Labor and Employment and the House of Representatives Committee on Overseas Workers Affairs, shall, within sixty (60) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

Section 4. *Funding.* - The departments, agencies, instrumentalities, bureaus, offices and government-owned and controlled corporations charged with carrying out the provisions of this Act shall include in their respective programs the implementation of this Act, the funding of which shall be included in the General Appropriations Act.

Section 5. *Separability Clause.* - If, for any reason, any portion of this Act is declared unconstitutional or invalid, the same shall not affect the validity of the other provisions not affected thereby.

Section 6. *Repealing Clause.* - All laws, decrees, executive orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 7. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,