

Republic of the Philippines
House of Representatives
Quezon City



SIXTEENTH CONGRESS
First Regular Session

H.B. No. 227

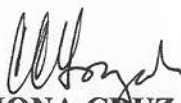
Introduced by **HONORABLE CINCHONA CRUZ-GONZALES**

EXPLANATORY NOTE

It is the policy of the State to "adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all people at affordable costs". Although Republic Act 7875, otherwise known as the "National Health Insurance Act of 1995", mandates that an affordable and accessible health care coverage should be made available to all citizens, access to health care remains to be a problem, most specially to the poor segments of the population.

This bill aims to hasten the process of identifying the indigent Filipinos through the use of a means test set by the national government. In doing so, this will allow the national government to effectively use funds to provide health insurance coverage for the said group. Finally, the bill seeks to establish a roadmap towards universal health care through a refocused and strengthened PhilHealth.

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


HON. CINCHONA CRUZ-GONZALES
Representative, CIBAC Party list

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Introduced by **HONORABLE CINCHONA CRUZ-GONZALES**

AN ACT AMENDING REPUBLIC ACT NO. 7875 OTHERWISE KNOWN AS "THE
NATIONAL HEALTH INSURANCE ACT OF 1995" AS AMENDED AND FOR OTHER
PURPOSES

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

SECTION 1. Sub-paragraph (q) of Paragraph (a), Section 4, Article II of Republic Act
No. 7875 as amended, is hereby further amended to read as follows:

"Sec. 4. Definition of Terms.- For the purpose of this act, the following terms shall be
defined as follows:

- a) Beneficiary – Any person entitled to health care benefits of this Act.
- b) X x x
- c) X x x
X x x

q) *Indigent* – A person who has no visible means of income, or whose income is sufficient
for the subsistence of his family [,as identified by the Local Health Insurance Office and] based
on specific criteria set by the [Corporation] NATIONAL GOVERNMENT in accordance with
the guiding principles set forth in Article I of this Act."

X x x

SEC. 2. Paragraph (z), Section 4, Article II of the same Act is further amended by
adding one (1) sub-paragraph to be denominated as paragraph (MM) to read as follows:

"(z) Philippine National Drug Formulary – The essential drugs list for the Philippines
which is prepared by the National Drug Committee of the Department of Health in consultation
with experts and specialists...

aa) x x x

bb) x x x

cc) x x x

x x x

MM) *INFORMAL SECTOR*- REFERS TO THAT SECTOR CONSISTING OF ECONOMIC UNITS ENGAGED IN THE PRODUCTION OF GOODS AND SERVICES WITH THE PRIMARY OBJECTIVE OF GENERATING EMPLOYMENT AND INCOMES TO THE PERSONS CONCERNED IN ORDER TO EARN A LIVING, INCLUDING HOUSEHOLD UNINCORPORATED ENTERPRISES THAT ARE MARKET AND NON-MARKET PRODUCERS OF GOODS AS WELL AS MARKET PRODUCERS OF SERVICES. TO THIS SECTOR BELONG, AMONG OTHERS, STREET HAWKERS, MARKET VENDORS, PEDICAB AND TRICYCLE DRIVERS, SMALL CONSTRUCTION WORKERS AND HOME-BASED INDUSTRIES AND SERVICES.”

SEC. 3. Sec. 16, Article IV of the same Act is hereby amended to read as follows:

“Section 16. *Powers and Functions.* – The Corporation shall have the following powers and functions:

- a) To administer the national Health Insurance Program
- b) x x x
- c) x x x
- x x x

(m) [to supervise the provision of health benefits with the power] to VISIT, ENTER AND inspect FACILITIES OF HEALTH CARE PROVIDERS AND EMPLOYERS AND TO SECURE COPIES OF THEIR medical, [and] financial AND OTHER records PERTINENT TO THE CLAIMS, ACCREDITATION, PREMIUM CONTRIBUTION AND THAT OF THEIR PATIENTS OR EMPLOYEES, WHERE APPLICABLE, [health care providers and patients] who are [participants in] members or DEPENDENTS of the Program; [and the power to enter and inspect accredited health care institutions, subject to the rules and regulations to be promulgated by the Corporation;]”

X x x

SEC. 4. Sec. 16, Article IV of the same Act is also hereby further amended by inserting two (2) paragraphs to be denominated as paragraphs (Q) and (R) and the subsisting paragraph (q) be denominated as paragraph (S) to read as follows:

“(Q) TO ENTER INTO AGREEMENTS WITH NATIONAL AGENCIES AND LOCAL GOVERNMENTS TO REQUIRE PROOF OF PHILHEALTH MEMBERSHIP BEFORE TRANSACTING WITH PRIVATE INDIVIDUALS OR GROUPS.

(R) NOTWITHSTANDING THE PROVISIONS OF ANY LAW TO THE CONTRARY, THE CORPORATION MAY IMPOSE INTEREST AND/ OR SURCHARGES OF THREE PERCENT (3%) PER MONTH OR AT ANY RATE AS MAY BE FIXED BY THE CORPORATION IN CASE OF ANY DELAY IN REMITTANCE OF CONTRIBUTIONS WHICH ARE DUE WITHIN THE PRESCRIBED PERIOD. NOTWITHSTANDING THE PROVISIONS OF ANY LAW TO THE CONTRARY, THE CORPORATION MAY ALSO COMPROMISE, WAIVE OR RELEASE, IN WHOLE OR IN PART, SUCH INTERESTS OR SURCHARGES IMPOSED UPON EMPLOYERS REGARDLESS OF THE AMOUNT INVOLVED UNDER SUCH VALID TERMS AND CONDITIONS IT MAY PRESCRIBE.

[q] (S) to perform such other acts as it may deem appropriate for the attainment of the objectives of the corporation and for the proper enforcement of the provisions of this Act.”

SEC. 5 Sec. 18, Article IV of the same Act is hereby further amended to read as follows:

“Sec. 18. *The Board of Directors.*

(a) Composition – The Corporation shall be governed by a Board of Directors hereinafter referred to as the Board, composed of the following members:

The Secretary of Health;

The Secretary of Labor and Employment or his representative;

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

The Secretary of Social Welfare and Development or his representative;

The President of the Corporation;

A representative of the labor sector;

A representative of employers;

The SSS Administrator or his representative;

The GSIS General Manager or his representative;

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

A representative of Filipino overseas workers;

A representative of health care providers to be endorsed by the National associations of health care institutions and medical health professionals;

A representative of the self-employed sector; and

A REPRESENTATIVE OF THE ELECTED LOCAL CHIEF EXECUTIVES

The Secretary of Health shall be the ex-officio Chairperson while the President of the Corporation shall be the Vice Chairperson of the Board.”

SEC. 6. Sec. 28, Article VII of the same Act, is hereby amended read as follows:

“Section 28. Contributions. – ALL ENROLLED members [of the program] WHO CAN AFFORD TO PAY shall contribute to the Fund, in accordance with a reasonable, equitable and progressive contribution schedule to be determined by the Corporation on the basis of applicable actuarial studies and in accordance with the following guidelines:

- a) Formal sector employees and current Medicare members and their employers shall continue paying the same monthly contributions...
- b) Contributions from [self-employed members] THE INFORMAL SECTOR shall be based primarily on household earnings and assets. [; their total contributions for one year shall not, however, exceed three percent (3%) of their estimated actual net income for the preceding year.]

c) X x x

D) NOTWITHSTANDING ANY LAW TO THE CONTRARY, ALL GOVERNMENT AGENCIES ISSUING PROFESSIONAL OR BUSINESS LICENSE OR PERMIT, SHALL REQUIRE ALL APPLICANTS TO SUBMIT CERTIFICATE OR PROOF OF PAYMENT OF PHILHEALTH PREMIUM CONTRIBUTIONS, PRIOR TO THE ISSUANCE OR RENEWAL OF SUCH LICENSE OR PERMIT.”

SEC. 7. Sec. 29, Article VII of the same Act is hereby further amended to read as follows:

“ SECTION 29. *Payment for Indigent Contributions.* – Contributions for [indigent members] THE PHILIPPINE POPULATION BELONGING TO THE POOREST TWENTY PERCENT (20%) OF THE POPULATION AS IDENTIFIED BY A MEANS TEST DETERMINED BY THE NATIONAL GOVERNMENT shall be subsidized [partially by the local government unit where the member resides.] ENTIRELY BY THE NATIONAL GOVERNMENT. [The Corporation shall provide counterpart financing equal to the LGU’s subsidy for indigents: *Provided*, That in the case of fourth, fifth and sixth class municipalities, National Government shall provide up to ninety percent (90%) of the subsidy for indigents until such time that they have been upgraded to first, second or third class municipalities. The share of the LGU’s shall be progressively increased until such time that its share becomes equal to that of the National Government] ALLOCATION FOR THE ENROLLMENT OF THESE INDIGENTS SHALL BE APPROPRIATED IN THE GENERAL APPROPRIATIONS ACT AS A SEPARATE LINE ITEM IN THE BUDGET OF THE DEPARTMENT OF HEALTH AND SHALL BE INCREASED ANNUALLY TO COVER FOR THE PROPORTIONATE INCREASE IN THEIR NUMBER OF THE POOR BASED ON THE POVERTY INCIDENCE RATE. THE NEXT POOREST 20% OF THE POPULATION OR THE POOR AS IDENTIFIED BY THE SAME MEANS TEST SHALL BE SUBSIDIZED ENTIRELY BY THE LOCAL GOVERNMENT UNITS OR BY COST SHARING MECHANISMS BETWEEN THE LOCAL GOVERNMENT AND THE PRIVATE SECTOR.”

SEC. 8. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,