

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4605



Introduced by Rep. Doy C. Leachon

EXPLANATORY NOTE

The 1987 Constitution mandates that "The state shall 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 cost."

In the pursuit of a National Health Insurance Program (NHIP), Republic Act No. 7875, as amended, adopts the principles of *Universality* wherein the program shall provide all citizens with the mechanism to gain financial access to health services, in combination with other government health programs. The National Health Insurance Program shall give the highest priority to achieving coverage of the entire population with at least a basic minimum package of health insurance benefits; and *Compulsory coverage* wherein all citizens of the Philippines shall be required to enroll in the National Health Insurance Program in order to avoid adverse selection and social inequity.

In line with these constitutional and legal provisions, this measure seeks to strengthen the mandatory PhilHealth coverage to all employees particularly in the private sector by putting more teeth to the obligation of their private employers to

register and/or enroll them in the NHIP so that access to Philippine Health Insurance Coverage will be truly universal and compulsory.

This measure ultimately strengthens the amendatory laws (RAs 9241 and 10606) to RA 7875 by adding a penalty on the refusal or failure to register/enroll by employers in the private sector of their employees to the NHIP.

Hence, the necessity and urgency of approving this bill is of high importance.



ATTY. PAULINO SALVADOR "DOY" C. LEACHON

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AN ACT PROVIDING FOR AN ADDITIONAL PENALTY TO THE PENAL PROVISIONS OF REPUBLIC ACT NO. 10606, OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE LAW, THE AMENDATORY LAW TO REPUBLIC ACT NOS. 7875 AND 9241, AND FOR OTHER PURPOSE.

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

Section 1. It shall be mandatory for all employers in the private sector to register and/or enroll their employees under the compulsory coverage of the Philippine Health Insurance Program. The employee's share represents half of the total monthly premium while the other half is shouldered by the employer. Such premium contribution is subject to the PhilHealth Corporation's issued regulations.

Section 2. Definition of Terms. - For the purpose of this Act, the following terms shall be defined as follows:

1. Employer- Any person, national or juridical, domestic or foreign, who carries on in the Philippines any trade, business, industry, undertaking or activity of any kind and uses the services of another person who is under his orders as regards the employment, except the Government and any of its political subdivisions, branches or

instrumentalities, including corporation owned or controlled by the Government and employers or establishments regularly employing not more than five (5) employees.

2. *Employee*- Any person who performs services for an employer in which either or both mental or physical efforts are used and who receives compensation for such services, where there is an employer – employee relationships, except in the case of domestic helpers.

Section 3. Penal Clause. – In addition to existing applicable penal laws, any employer or establishment as defined in the preceding section, who refuses or fails to register and/or enroll their employees to the compulsory coverage of the National Health Insurance Program (NHIP) of the PhilHealth, after due notice and hearing, shall not be allowed issuance of business license or permit by the concerned Local Government Unit (LGU) which has territorial jurisdiction over the place where the employer or establishment was situated.

Furthermore, the concerned LGU has the authority to close the business operation of an employer or establishment in addition to the aforesaid penalty for the above described unlawful or wrongful acts.

Section 4. Implementing Agency. - The Local Government Units are mandated to monitor and oversee the faithful compliance by all employers or establishments situated in their localities of their obligation under this act.

Section 6. Repealing Clause. - All Laws, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Section 5. Effectivity. -This act shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation.

Approved,