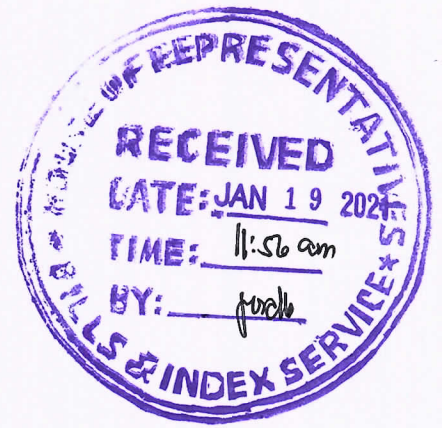




Republic of the Philippines
House of Representatives
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8421

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

Republic Act No. 11223, otherwise known as the Universal Health Care Act was passed in 2018 which prescribes a schedule of increasing PhilHealth premium rates from 2.75% in 2019 to 5% in 2025 for its direct contributors.

The year 2020 came and the world was wrecked and worn out by the Covid-19 global pandemic that stalled nations and brought down to their knees. Massive economic downturns were the result. To remedy the situation, lockdowns had to be imposed by various countries - the Philippines included - to curb the spread of the virus. Businesses closed down one by one and thousands of people were furloughed or, even worse, got laid off from their jobs permanently. As a result, many people have lost their primary sources of income and are struggling to make ends meet.

This Bill which seeks to suspend the increase of Philhealth contribution rate to 3.50% for the year 2021, as provided for in RA 11223, is being proposed in light of the urgent and important considerations mentioned above. Right now, the most humane thing to do is to keep the Philhealth contribution rate at bay at least for the year 2021 to allow millions of Filipinos to recover first from the economic downturn and financial hardships they suffered from last year due to this extraordinary crisis.

Further, this Bill seeks to unload the people of additional financial burden, no matter how small, in order to help them get up and stand on their feet once more. In this regard, it can be said that this Bill shares the very objective of the Bayanihan Acts 1 and 2 which were enacted in 2020 to provide partial economic relief and assistance to those who were affected by the Covid-19 pandemic.

Furthermost, corruption allegations recently rocked the Philippine Health Insurance Corporation and this matter is not to be taken lightly at all. Thus, it is only proper to suspend the application of the increased contribution rate for 2021 until this issue is fully investigated and resolved, if only to gain back the sacred trust of the public for the aforesaid institution.

For these reasons, the approval of this Bill is sought earnestly.


ERIC OLIVAREZ



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1 **AN ACT SUSPENDING THE INCREASE IN PHILHEALTH**
2 **CONTRIBUTION RATE FOR THE YEAR 2021, AMENDING FOR**
3 **THE PURPOSE SECTION 10 OF REPUBLIC ACT (RA) NO. 11223,**
4 **ENTITLED, “AN ACT INSTITUTING UNIVERSAL HEALTH**
5 **CARE FOR ALL FILIPINOS, PRESCRIBING REFORMS**
6 **IN THE HEALTH CARE SYSTEM, AND**
7 **APPROPRIATING FUNDS THEREFOR”**

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

10 **Section 1. Amendment.** Section 10 of RA No. 11223, entitled “An Act
11 Instituting Universal Health Care for all Filipinos, Prescribing Reforms in the
12 Health Care System, and Appropriating Funds Therefor”, is hereby amended
13 to read as follows:

14 *“Section 10. Premium Contributions. - For direct contributors,*
15 *premium rates shall be in accordance with the following schedule,*
16 *and monthly income floor and ceiling:*

17 X X X;”

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75%	₱10,000.00	₱50,000.00
2020	3.00 %	₱10,000.00	₱60,000.00
2021	~~3.50%~~ 3.00%	₱10,000.00	~~₱70,000.00~~ ₱60,000.00
2022	4.00 %	₱10,000.00	₱80,000.00
2023	4.50 %	₱10,000.00	₱90,000.00
2024	5.00 %	₱10,000.00	₱100,000.00
2025	5.00 %	₱10,000.00	₱100,000.00

Sec. 2. Appropriations. The shortfall in contributions collected by the Philippine Health Insurance Corporation (PhilHealth) for the year 2021 as a result of this amendment shall be covered by the corporation's reserve funds to the extent viable. In the case that the PhilHealth reserve funds prove to be insufficient to cover the difference, the remaining amount shall be charged against the current budget of the Department of Health.

Sec. 3. Separability Clause. If, for any reason, any part, section or provision of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in force and effect.

Sec. 4. Repealing Clause. All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or part or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 5. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or at least two (2) newspapers of general circulation, whichever comes earlier.

Approved.