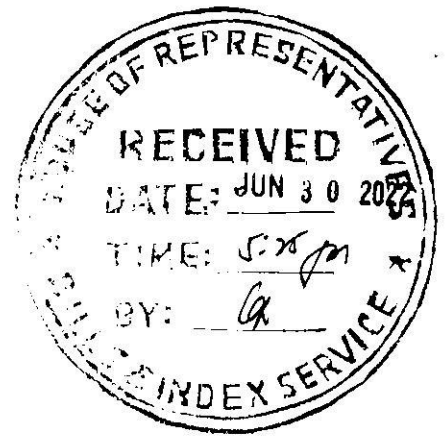


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 408



Introduced by Honorable Representatives
ARLENE D. BROSAS (Gabriela Women's Party),
FRANCE L. CASTRO (ACT Teachers Partylist),
and **RAOUL DANNIEL A. MANUEL (Kabataan Partylist)**

**AN ACT AMENDING REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE
UNIVERSAL HEALTH CARE ACT, REPEALING PROVISIONS ON
COMPULSORY COVERAGE OF MIGRANT WORKERS, MANDATORY PAYMENT
FOR MISSED CONTRIBUTION, AND AUTOMATIC INCREASE OF PREMIUM
CONTRIBUTIONS**

EXPLANATORY NOTE

Prior to the enactment of Republic Act 11223 or the Universal Health Care Act in 2019, PhilHealth members were already entitled to the benefits if they had paid the premium contributions of at least three months within the six months preceding the availment. Currently, Section 9 of RA 11223 stated, "failure to pay premiums shall not prevent the enjoyment of any program benefits," but it is contrary to what the law enforced that all missed contributions shall be required to pay with interest.

Since its implementation, the aforementioned provision has burdened members, employers, and self-employed direct contributors, especially when the COVID-19 pandemic resulted in millions of people losing their jobs because they are required to pay all missed contributions before a member receives the benefits.

Filipinos also faced another problem when Philippine Health Insurance Corp. (PhilHealth) implemented, beginning in June 2022, the new contribution rate of 4 percent for those with an income floor of P10,000 and income ceiling of P80,000, from the previous contribution rate of 3 percent. This translates to higher deductions from the wages and salaries of workers already bearing the brunt of nonstop price hikes. As mandated by Section 10 of Republic Act No. 11223, otherwise known as the Universal Health Care Act, the premium contributions will be increased by 0.5% every year from 2021 to 2025. This will effectively increase the current premium rate from 3% of the member's monthly basic salary in 2020 to 3.5% and 5% in 2025.

On April 16, 2020, PhilHealth also released Circular 2020-0014, which directs overseas Filipino workers (OFWs), including land-based and sea-based workers, to pay a hefty 3% percent of their income, with premium rate increasing annually by 0.5% until 2024, as a mandatory premium contribution.

Moreover, in 2020, several corruption issues involving PhilHealth were exposed to the public, including its irregular implementation of the Interim Reimbursement Mechanism (IRM). According to PhilHealth's former anti-fraud legal officer Thorsson Montes Keith, around P15 billion was corrupted through unauthorized releases of IRM and proposed overpriced information technology systems. In addition, former PhilHealth president retired Brig. Gen. Ricardo Morales also previously revealed to Congress that over P10 billion was lost due to fraud in 2019.

With the current economic situation and unresolved PhilHealth corruption issues, it is unacceptable, unjust, and insensitive to the Filipino people to be burdened with failure to access benefits and higher premium contributions.

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



ARLENE D. BROSAS
Gabriela Women's Party



FRANCE L. CASTRO
Act Teachers Partylist



RAOUL DANNIEL A. MANUEL
Kabataan Partylist

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CONTRIBUTIONS**

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

SECTION 1. Section 4 (f) is hereby amended to read as follows:

xxx

(f) Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, **[migrant workers]**, including their qualified dependents, and lifetime members;

SECTION 2. Section 9 of Republic Act No. 11223 is hereby amended to read as follows:

Section 9. Entitlement to Benefits –

Every member shall be granted immediate eligibility for health benefit package under the Program: *Provided*, That PhilHealth Identification Card shall not be required in the availment of any health service: *Provided, further*, That no co-payment shall be charged for services rendered in basic or ward accommodation: *Provided*, furthermore, That co-payments and co-insurance for amenities in public hospitals shall be regulated by the DOH and PhilHealth: *Provided, finally*, That the current PhilHealth package for members shall not be reduced.

PhilHealth shall provide additional program benefits for direct contributors, where applicable: *Provided*, That failure to pay premiums

shall not prevent the enjoyment of any Program benefits: *Provided, further, That* ~~[employers and self-employed direct contributors shall be required to pay all missed contributions with an interest, compounded monthly, of at least three percent (3%) for employers and not exceeding one and one-half percent (1.5%) for self-earning, professional practitioners, and migrant workers.]~~ **A MEMBER WITH PAID PREMIUM CONTRIBUTIONS OF AT LEAST THREE (3) MONTHS WITHIN THE SIX (6) MONTHS PRIOR TO THE FIRST DAY OF AVAILMENT IS ENTITLED TO AVAIL OF PROGRAM BENEFITS.**

SECTION 3. Section 10 of Republic Act No. 11223 is hereby amended to read as follows:

Section 10. Premium Contributions —

~~[for direct contributors, premium rates shall be in accordance with the following schedule, and monthly income floor and ceiling:~~

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75 %	P 10,000	P50,000
2020	3.00 %	P 10,000	P60,000
2021	3.50 %	P 10,000	P70,000
2022	4.00 %	P 10,000	P80,000
2023	4.50 %	P 10,000	P90,000
2024	5.00 %	P 10,000	P100,000
2025	5.00 %	P 10,000	P100,000

—]

FOR DIRECT CONTRIBUTORS, PREMIUM RATES SHALL BE FIXED AND ADJUSTED FROM TIME TO TIME THROUGH ENACTMENT OF CONGRESS, TAKING INTO CONSIDERATION ACTUARIAL CALCULATIONS, RATE OF BENEFITS, AND THE CAPACITY OF THE MAJORITY OF CONTRIBUTORS TO PAY.

Provided, that for indirect contributors, premium subsidy shall be gradually adjusted and included annually in the General Appropriations Act (GAA): Provided, further, that funds shall be released to PhilHealth: Provided, furthermore; that the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act: Provided, finally, that for every increase in the rate of contribution of direct contributors and premium subsidy of indirect contributors, PhilHealth shall provide for a corresponding increase in benefits.

SECTION 4. Separability Clause. If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 5. Repealing Clause. All laws, decrees, executive orders and other presidential issuance, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SECTION 6. Effectivity. This Act Shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,