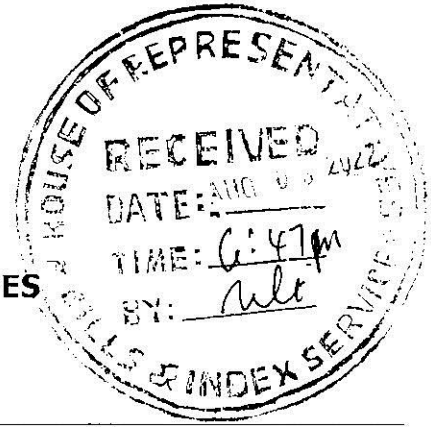


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

H. B. No. **3189**



Introduced by Representative Ralph G. Recto

AN ACT
DESIGNATING THE SECRETARY OF HEALTH AS THE EX-OFFICIO
CHAIRPERSON AND VOTING MEMBER OF THE PHILIPPINE HEALTH
INSURANCE CORPORATION (PHILHEALTH) BOARD OF DIRECTORS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBER 11223,
OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE (UHC) ACT

EXPLANATORY NOTE

Ensuring that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk is one of the primordial objectives of Republic Act No. 11223, otherwise known as the Universal Health Care (UHC) Act. When the UHC Act was enacted in 2019, the landmark law carried with it high hopes of implementing comprehensive and progressive reforms to ensure that all Filipinos will have access to affordable, quality, and readily available health service that is responsive to their needs.

One of these reforms is the clear definition of the roles of the Philippine Health Insurance Corporation (PhilHealth) in the attainment of universal health care goals. PhilHealth's primary mandate is to ensure that all Filipinos are granted automatic membership, therefore, making them eligible to claim benefits provided under the National Health Insurance Program. The Corporation is responsible for financing universal health care as well as ensuring that the National Health Insurance Fund is managed properly and will be actuarially viable. To this end, the UHC Act mandated the composition of its Board of Directors, a balance between government officials and expert and sectoral members to represent all key stakeholders. It also provided for

the minimum qualification standards for the members of the Board as well as its top management officials.

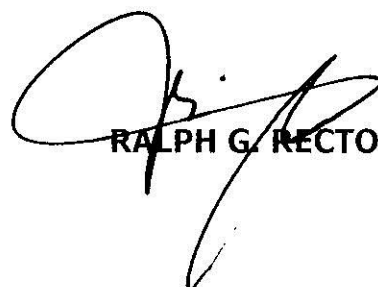
The coronavirus pandemic, however, showed some loopholes in the UHC Act as far as PhilHealth's Board of Directors is concerned. Several policy issues during the onset of the pandemic drew flak for PhilHealth. Incoherent policies between PhilHealth and the Department of Health (DOH) specifically governing COVID-19 testing early in the pandemic were red-flagged. The Interim Reimbursement Mechanism (IRM) which was supposed to expedite the payment of PhilHealth by frontloading funds to accredited health facilities also became a policy controversy. Private hospitals also reported huge outstanding balances or account receivables from PhilHealth and payment or claims processing was said to have taken too long during the pandemic.

While these problems were surfacing one by one, Congress' initial intervention was to call on the Secretary of Health (SOH) to explain during the congressional hearings on COVID-19. It was apparent, however, during those hearings that the SOH was not fully knowledgeable nor responsible for many of the policies issued by the PhilHealth Board. It was later pointed out that the SOH is an *ex-officio nonvoting* Chairperson of the PhilHealth Board of Directors, making it difficult to pinpoint accountability in a period of a public health emergency.

Harmonizing the policies of DOH and PhilHealth is imperative to realize the goals and maximize the gains of the UHC Act. The DOH and PhilHealth as the main implementors of the law must always be in sync as far as policies are concerned. Only then can the UHC Act be implemented efficiently and effectively.

This bill aims to designate the SOH as the *ex-officio voting* Chairperson of the PhilHealth Board of Directors and require the said official to be present in all meetings that need Board actions. By doing so, coherence and harmonization of policies can be ensured. More importantly, accountability is clearer and guaranteed.

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



RALPH G. RECTO

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

1 SECTION 1. Section 13 of Republic Act No. 11223 is hereby amended to read as
2 follows:

3 Section 13. PhilHealth Board of Directors. –

4 (a) The PhilHealth Board of Directors, hereinafter referred to as the Board,
5 is hereby reconstituted to have a maximum of thirteen (13) members,
6 consisting of the following: (1) five (5) *ex-officio* members, namely: the
7 Secretary of Health, Secretary of Social Welfare and Development, Secretary
8 of Budget and Management, Secretary of Finance, Secretary of Labor and
9 Employment; (2) three (3) expert panel members with expertise in public
10 health, management, finance, and health economics; and (3) five (5)
11 sectoral panel members representing the direct contributors, indirect
12 contributors, employers group, health care providers to be endorsed by their
13 national associations of health care institutions and health care professionals,
14 and representative of the elected local chief executives to be endorsed by
15 the League of Provinces of the Philippines, League of Cities of the Philippines
16 and League of Municipalities of the Philippines: *Provided, That at least one*

(1) of the expert panel members and at least two (2) of the sectoral panel members are women.

The sectoral and expert panel members must be Filipino citizens and of good moral character.

The expert panel members must: (i) be of recognized probity and independence and must have distinguished themselves professionally in public, civic or academic service; (ii) be in the active practice of their professions for at least seven (7) years; and (iii) not be appointed within one (1) year after losing in the immediately preceding elections, whether general or special.

(b) The Secretary of Health shall be an *ex-officio* [nonvoting] **VOTING** Chairperson of the Board. **THE SECRETARY OF HEALTH OR HIS/HER REPRESENTATIVE MUST BE PRESENT AND ACT AS THE CHAIRPERSON IN ALL MEETINGS THAT REQUIRE BOARD ACTIONS OR RESOLUTIONS.**

(c) All appointive members in the Board shall be required to undergo training in health care financing, health systems, costing health services and HTA prior to the start of their term. Noncompliance shall be a ground for dismissal.

Within thirty (30) days following the effectivity of this act, the Governance Commission for Government-Owned or – Controlled Corporations (GCG) shall, in accordance with the provisions of Republic Act No. 10149, promulgate the nomination and selection process for appointive members of the Board with a clear set of qualifications, credentials, and recommendation from the concerned sectors.

SEC. 2. *Separability Clause.* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions, which are not affected thereby, shall continue to be in full force and effect.

SEC. 3. *Repealing Clause.* — All laws, decrees, orders, rules, and regulations or other issuances or parts thereof which are contrary to and inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

1 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its
2 publication in the *Official Gazette* or in at least two (2) national newspapers of general
3 circulation.

Approved,