

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7725



Introduced by **ANG PROBINSYANO**
Party-List Representative Alfred Delos Santos

EXPLANATORY NOTE

While WHO data show that out-of-pocket share in health expenditure has decreased between 2014 to 2019, 2019 data from the World Bank shows that 48% of household medical expenses in the Philippines are still paid for out of pocket. Approximately 42% of health care expenses is paid for by government and compulsory contributory schemes and the remaining 10% is co-paid through voluntary healthcare payment schemes.

According to a study by the Ateneo de Manila University Development Studies Program, the health financing experiences of ordinary Filipinos can be summed up in 4 “Ps” —*pagtitiis*, *pangungutang*, *pagmamakaawa* and *PhilHealth*.

Participants to the said study said that not seeking medical attention was the “rational” thing to do since they’d rather use these funds to pay off debts. Thus, high out-of-pocket expenditure for healthcare is associated with negative health outcomes such as impoverishment, poor habits on consumption spending, and decision making that can lead to failure to comply with prescribed treatment plans and discourages health seeking behaviors¹.

The problem of shocks due to catastrophic medical expenses is amplified by the lack of transparency in the prices of healthcare services and supplies. Despite comprehensive coverage of PhilHealth benefits, the prices of services and fees are easily inflated due to the lack of price transparency. As a result, Filipinos are almost always “surprised” by unexpected medical bills that more often than not push them further into debt.

¹ Analysis of Out-of-Pocket Expenditures in the Philippines, by Ulep, V. and N.A. dela Cruz, 2013, *Philippine Journal of Development*.

This bill seeks to address the problem of surprise medical billing and ultimately, high out-of-pocket expenditure, by introducing public and transparency provisions to deter private healthcare institutions from inflating the prices for their services and other fees at will.

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



ALFRED C. DELOS SANTOS

Representative, Ang Probinsyano Party-List

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AN ACT
ENHANCING THE PATIENT'S RIGHT TO MEDICAL EXPENSE
TRANSPARENCY AND PREVENTING UNEXPECTED MEDICAL BILLS,
AND FOR OTHER PURPOSES.

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

SECTION 1. *Short Title.* – This Act shall be known as the “Medical Bill Transparency Act.”

SECTION 2. *Objective.* – This Act aims to allow patients and their families to make better informed decisions when it comes to their healthcare by making available to them the prices of medical goods and services in advance. This Act also aims to address the problem of surprise billing wherein patients are charged with hospital and medical bills in unexpectedly high amounts, thus subjecting them to financial shocks.

SECTION 3. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right to health of the people and instill health consciousness among them. The State shall guarantee equitable access to quality and affordable health care goods and services to all Filipinos. Further, the State shall undertake measures to ensure that patients are provided with accurate and sufficient information to help them make informed healthcare decisions. The State shall ensure price and quality transparency of healthcare goods and services and shall introduce safeguards to prevent the abuse of asymmetric information to the prejudice of patients and their families.

SECTION 4. *Informing Patients About Actual Prices.* – Within sixty (60) days from date of effectivity of this Act, the Secretary of Health shall craft regulations consistent with applicable laws, to require hospitals to publicly

post standard charge information, including charges and information based on negotiated rates for general medical supplies and services. These shall be presented in an easy-to-understand, consumer-friendly, and machine-readable format using consensus-based data standards that will meaningfully inform patients' decision making and allow patients to compare prices across hospitals.

SECTION 5. *Barriers to Health Transparency.* – Within one hundred and twenty (120) days from the effectivity of this Act, the Secretary of Health, in consultation with relevant government agencies, shall issue a report describing the manners in which government rules and practice, or the private sector, are impeding healthcare price and quality transparency for patients, and providing recommendations for eliminating these impediments in a way that promotes competition.

Furthermore, the Secretary of Health shall also submit recommendations to the President and Congress on measures that can be taken to address surprise medical billing.

SECTION 6. *Non-Impairment Clause.* – Nothing in this Act shall be construed to impair or otherwise affect the authority granted by law to an executive department or agency,

SECTION 7. *Implementing Rules and Regulations.* – The Department of Health, in consultation with the Department of Finance, the Department of Trade and Industry, the Philippine Competition Commission, and other relevant government agencies, shall formulate the implementing rules and regulations for this Act.

Such implementing rules shall include matters including but not limited to:

- a. Guidelines to expand the ability of patients to select health insurance plans that cover low-cost preventive care and/or medical care that helps maintain health status for individuals with chronic conditions; and
- b. Increased access to claims data from taxpayer-funded healthcare programs, including those of the Philippine Health Insurance Corporation, for researchers, innovators, providers, and entrepreneurs, in a manner that is consistent with applicable laws and ensures patient privacy and security.

SECTION 8. *Separability Clause.* – If any provision of this Act shall be declared unconstitutional or invalid, such declaration shall not invalidate other parts thereof which shall remain in full force and effect.

SECTION 9. *Repealing Clause.* – All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 10. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,