

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11297



Introduced by **Representative Wilbert “Manoy” T. Lee**

AN ACT
AMENDING SECTION 12 OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN
AS THE “UNIVERSAL HEALTH CARE ACT”

EXPLANATORY NOTE

Article XIII, Section 11 of the 1987 Constitution states that “[t]he 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 the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.”

Health is essential in the lives of Filipinos, significantly influencing their ability to work, support their families, and engage in society. However, many face significant barriers to accessing quality healthcare due to financial constraints, which can lead to delays in necessary treatments. These high costs and lack of affordable options exacerbate health issues, perpetuating a cycle of poverty and poor health outcomes. Thus, Philippine Health Insurance Corporation (PhilHealth) was established to ensure all Filipinos can access necessary healthcare services and receive timely medical care, particularly during illness or emergencies.

PhilHealth, as a government agency entrusted with the responsibility of providing healthcare services to the Filipino people, must judiciously balance its duties of premium collection with the enhancement of health benefits and coverage, in strict adherence to the governing laws. Several amendments have been introduced to refine the financial operations and administrative expenditures of PhilHealth, the most recent of which is Section 12 of the Universal Health Care Act. This provision places greater emphasis on premium collection rather than the expansion or enhancement of benefits. However, it is important to recognize that this amendment underscores the critical role of PhilHealth in managing not only the increase of premium collections but also in prioritizing the improvement of benefits for its members. A failure to strike an equitable balance between these responsibilities may lead to a disproportionate, if not unjust allocation of funds, potentially impeding the Corporation’s capacity to improve service delivery and ensure that all Filipinos receive sufficient healthcare coverage. By giving equal attention to both the generation of premiums and the enhancement

of benefits, PhilHealth can adopt a more balanced and sustainable approach to its operations, thereby addressing the evolving healthcare needs of the population while remaining within the fiscal constraints established by law. This approach will ultimately safeguard the long-term viability and effectiveness of the national health insurance program.

In light of these points, the approval of this bill is earnestly sought.


HON. WILBERT “MANOY” T. LEE
Representative
AGRI PARTYLIST

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

1 **SECTION 1.** Section 12 of Republic Act No. 11223, as amended is hereby amended as
2 follows:

3
4 ~~“Section 12. Administrative Expense. No more than seven and one-half percent~~
5 ~~(7.5%) of the actual total premium collected from direct and indirect contributory~~
6 ~~members during the immediately preceding year shall be allotted for the~~
7 ~~administrative cost of implementing the Program.~~

8
9 **FINANCIAL MANAGEMENT. THE USE, DISPOSITION, INVESTMENT,**
10 **DISBURSEMENT, ADMINISTRATION AND MANAGEMENT OF THE**
11 **NATIONAL HEALTH INSURANCE FUND, INCLUDING ANY SUBSIDY,**
12 **GRANT OR DONATION RECEIVED FOR PROGRAM OPERATIONS**
13 **SHALL BE GOVERNED BY APPLICABLE LAWS AND IN THE ABSENCE**
14 **THEREOF, EXISTING RESOLUTIONS OF THE BOARD OF DIRECTORS**
15 **OF THE CORPORATION, SUBJECT TO THE FOLLOWING**
16 **LIMITATIONS:**

17
18 **THE CORPORATION IS AUTHORIZED TO CHARGE TO THE VARIOUS**
19 **FUNDS UNDER ITS CONTROL THE COSTS OF ADMINISTERING THE**

1 **PROGRAM. SUCH COSTS MAY INCLUDE ADMINISTRATION,**
2 **MONITORING, MARKETING AND PROMOTION, RESEARCH AND**
3 **DEVELOPMENT, AUDIT AND EVALUATION, INFORMATION SERVICES,**
4 **AND OTHER NECESSARY ACTIVITIES FOR THE EFFECTIVE**
5 **MANAGEMENT OF THE PROGRAM. THE TOTAL ANNUAL COSTS FOR**
6 **THESE SHALL NOT EXCEED THE SUM TOTAL OF THE FOLLOWING:**

- 7
- 8 **(I) FIVE PERCENT (5%) OF THE TOTAL CONTRIBUTIONS; AND**
9 **(II) TEN PERCENT (10%) OF THE TOTAL REIMBURSEMENTS**
10 **(III) FIVE PERCENT (5%) OF THE INVESTMENT EARNINGS**
11 **GENERATED DURING THE IMMEDIATELY PRECEDING YEAR."**
- 12

13 **SEC. 2. Continuity of Benefits.** – Nothing in this Act shall be construed to eliminate or
14 diminish any benefits or entitlements already granted to members of PhilHealth.

15

16 **SEC. 3. Separability Clause.** – If any portion or provision of this Act is declared
17 unconstitutional, the remainder of this Act or any provision not affected thereby shall remain
18 in force and effect.

19

20 **SEC. 4. Repealing Clause** – All laws, presidential decrees, executive orders, letters of
21 instructions, proclamations, and administrative regulations that are inconsistent with the
22 provisions of this Act are hereby repealed, amended or modified accordingly.

23

24 **SEC. 5. Effectivity.** – This Act shall take effect immediately following the completion of
25 its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,