

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



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 4785

Introduced by Honorable Representative
SARAH JANE I. ELAGO (Gabriela Women's Party)

**AN ACT REPEALING PHILIPPINE HEALTH INSURANCE CORPORATION'S
(PHILHEALTH) COMPULSORY COVERAGE OF MIGRANT WORKERS,
MANDATORY PAYMENT WITH INTEREST FOR ALL MISSED CONTRIBUTIONS,
AND AUTOMATIC INCREASE OF PREMIUM CONTRIBUTIONS, AMENDING FOR
THIS PURPOSE REPUBLIC ACT NO. 11223 OR THE UNIVERSAL HEALTH CARE
ACT**

EXPLANATORY NOTE

Under Republic Act (R.A.) No. 11223, otherwise known as the Universal Health Care Act, currently states that contributors' "failure to pay premiums shall not prevent the enjoyment of any Program benefits."¹ However, the same law still requires members to pay all missed contributions with interest before being entitled to benefits. Prior to the enactment of R.A. 11223, members of the Philippine Health Insurance Corporation (PhilHealth) were already entitled to benefits if they had paid the premium contributions of at least three months within the six months preceding the availment.

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 were required to pay all missed contributions before they were able to receive their benefits.

¹Section 9. Entitlement to Benefits –

XXX

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.

Filipinos also faced another problem when PhilHealth implemented the new contribution rate. As mandated by Section 10 of R.A. 11223, the premium contributions increased from 2.75% of the member's monthly basic salary in 2019 to 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% of their income as a mandatory premium contribution, with the premium rate increasing annually by 0.5% until 2024.

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 Php 15 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 divulged to Congress that over Php 10 billion was lost due to fraud in 2019.

With the current economic situation and unresolved PhilHealth corruption issues, it is unacceptable and unjust on the part of the toiling Filipino people to be burdened with the inability to access benefits and higher premium contributions due to the unfair enactment of policies and provisions.

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



REP. SARAH JANE I. ELAGO
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AN ACT REPEALING PHILHEALTH'S COMPULSORY COVERAGE OF MIGRANT WORKERS, MANDATORY PAYMENT WITH INTEREST FOR ALL MISSED CONTRIBUTIONS, AND AUTOMATIC INCREASE OF PREMIUM CONTRIBUTIONS, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 11223 OR THE UNIVERSAL HEALTH CARE ACT

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 WHOSE PREMIUM CONTRIBUTIONS FOR AT LEAST THREE (3) MONTHS HAVE BEEN PAID WITHIN THE SIX (6) MONTHS PRIOR TO THE FIRST DAY OF AVAILMENT, SHALL BE ENTITLED TO THE BENEFITS OF THE PROGRAM.**

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 THE ENACTMENT OF CONGRESS, AFTER DUE CONSULTATION AND 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 issuances, 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,