

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5203



Introduced by **REP. ALFREDO “ALBEE” B. BENITEZ**

**AN ACT INSTITUTIONALIZING THE ZERO-BALANCE BILLING PROGRAM,
INSERTING NEW SECTIONS 20-1 AND 20-2, AMENDING FOR THE PURPOSE
SECTIONS 3 AND 37 OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS
THE UNIVERSAL HEALTH CARE ACT, AND APPROPRIATING FUNDS
THEREFOR**

EXPLANATORY NOTE

In 2019, Republic Act No. 11223 also known as the “Universal Health Care (UHC) Act” was signed into law in the hopes of finally addressing the many systemic challenges to equitable and accessible health care¹. Through the introduction of various reforms, RA 11223 strengthened the Philippine Health Insurance Corporation (PhilHealth) to expand population coverage and put emphasis on comprehensive primary care and outpatient services. The UHC Act also bolstered sub-national health financing through the introduction of a Special Health Fund meant to encourage local government units (LGUs) to pursue health systems integration. This bill strengthens LGU integration into the province-wide and city-wide health systems (PCWHS) and ensures that the Comprehensive Health Services Program (CHSP) operations are aligned with the Special Health Fund mechanisms under the UHC Law.

In spite of this, free healthcare continues to be out of reach for many Filipinos. A discussion paper by the Philippine Institute for Development Studies (PIDS) in 2022 reported that in the country’s poorest provinces, membership-to-population coverage is only a little over 50%². This is but one of the many identified challenges to the UHC Act implementation. A journal article by Co et al (2024) published on Health Systems and Reform noted how overlapping financing roles, fragmented primary health care services, weak incentives for LGUs, private institution inclusion to healthcare network, changing priorities, politics, and lack of resources all get in the way of genuine universal health care³.

In Bacolod City, the introduction of the Bacolod Comprehensive Health Program (BacCHP) and the complementary establishment of BacCHP Operations Center in 2022 successfully bridged the gap between these remarkable pre-existing national programs and the very people needing them. In three years, BacCHP effectively facilitated medical assistance for 18,448 patients, pooling Php194,748,429.29 worth of financial support. In 2024, the City Government successfully secured Php50,000,000.00 additional funds to ensure the program’s sustainability.

1 Universal Health Care Act, Republic Act No. 11223. (2019). <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/86448>

2 Flaminiano, C. J. A., Puyat, V. A. R., Antonio, V. A. A., Uy, J., & Ulep, V. G. (2022). Spatiotemporal analysis of health service coverage in the Philippines (No. 2022-42). PIDS Discussion Paper Series. <https://www.econstor.eu/bitstream/10419/284579/1/pidsdps2242.pdf>

3 Co, P. A., Vilcu, I., De Guzman, D., & Banzon, E. (2024). Staying the Course: Reflections on the Progress and Challenges of the UHC Law in the Philippines. Health Systems & Reform, 10(3). <https://doi.org/10.1080/23288604.2024.2397829>

With 303,434 registered members as of June 2025, providing preventive and curative health care was streamlined and made efficient through the use of reliable digital health information systems. Distribution of medical supplies and wheelchairs, alongside the conduct of regular consultations complete with diagnostic services, patient screening, and risk assessment, all became commonplace. Proper coordination and aligned goals became the standard for all health facilities, thanks to the introduction of a comprehensive, LGU-led health program.

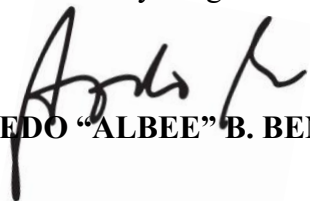
While the model of BacCHP model has undoubtedly shown great success, it was built as a response to the many underlying issues like separate fund sources and shortcomings in the reimbursement of medical expenses; most significantly, it is an idea brought to life from the inability of many Filipinos to access quality health care. Amid these issues, the message cannot be clearer—the Universal Health Care Act needs to be amended.

This bill aims to enhance the delivery of health services by increasing the financial coverage of Philhealth to achieve a so called “zero-balance billing” in public hospitals and a similar coverage in private hospitals, eliminating the need for individuals to concern themselves with paperwork and the process for multiple subsidies just to cover medical expenses.

LGUs are also further empowered to take on a more pro-active role in the delivery health services through the registration of individuals and the referral of patients to healthcare facilities, in coordination with the local government.

Funding from tax revenues have been increased and earmarked to ensure sustained funding for the UHC. Finally, all medical and financial assistance offered across different agencies of the national government as well as PAGCOR and PCSO shall be consolidated and subsumed a single subsidy which shall be referred to as the Zero Balance Billing Assistance Subsidy (ZBBAS) in view of optimizing service delivery.

In view of the abovementioned, the passage of this Bill is earnestly sought.


ALFREDO “ALBEE” B. BENITEZ

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5203

Introduced by **REP. ALFREDO “ALBEE” B. BENITEZ**

**AN ACT INSTITUTIONALIZING THE ZERO-BALANCE BILLING PROGRAM,
INSERTING NEW SECTIONS 20-1 AND 20-2, AMENDING FOR THE PURPOSE
SECTIONS 3 AND 37 OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS
THE UNIVERSAL HEALTH CARE ACT, AND APPROPRIATING FUNDS
THEREFOR**

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

Section 1. Section 3 of Republic Act No. 11223 or the Universal Health Care act is hereby amended to read as follows:

“Section 3. General Objectives. - x x x

(a) Progressively realize **FREE** universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and

x x x;”

SEC. 2. A new section is inserted immediately following Section 20 of the same Act, hereby read as follows:

“Section 20. x x x

SECTION 20-1. ZERO BALANCE BILLING ASSISTANCE SUBSIDY. – SUPPLEMENTARY TO THE PROGRAM, EVERY FILIPINO SHALL BE ELIGIBLE TO A ZERO-BALANCE BILLING ASSISTANCE SUBSIDY (ZBBAS) TO BE CHARGED FROM THE NATIONAL GOVERNMENT ALLOCATIONS TO MEDICAL ASSISTANCE UNDER THE DOH; PROVIDED, FURTHER, THAT CONTRIBUTORS, WHETHER DIRECT OR INDIRECT, SHALL BE ELIGIBLE TO RECEIVE ZBBAS BASED ON

A PROGRESSIVE SUBSIDY SCHEME WHICH SHALL BE DEVELOPED BY THE DOH TOGETHER WITH PHILHEALTH: *PROVIDED, FINALLY*, THAT THE AVAILMENT OF THE ZBBAS SHALL NOT PRECLUDE CONTRIBUTORS FROM RECEIVING MEDICAL ASSISTANCE FROM THE LGUS.

IN PURSUIT OF REDUCING REDUNDANCY AND PROMOTING EFFICIENCY IN THE DELIVERY OF MEDICAL ASSISTANCE, THE ZBBAS SHALL BE THE SINGULAR, CONSOLIDATED MEDICAL ASSISTANCE FROM THE NATIONAL GOVERNMENT AND GOCCS.

SEC. 20-2. *IMPLEMENTATION OF ZBBAS.* –LGUS, IN COORDINATION WITH THE DOH, SHALL BE RESPONSIBLE FOR THE FACILITATION AND IMPLEMENTATION OF THE ZBBAS.

LGUS SHALL ESTABLISH AN ACCESSIBLE, SPECIALIZED, AND SUFFICIENTLY STAFFED AND EQUIPPED OFFICE, WHICH SHALL BE RESPONSIBLE FOR REGISTRATION, PATIENT REFERRAL, DATA COLLECTION, AND OTHER FUNCTIONS NECESSARY FOR THE PURPOSES OF THIS ACT; *PROVIDED*, THAT IN THE PRESENCE OF AN EXISTING MALASAKIT CENTER AS PROVIDED UNDER REPUBLIC ACT NO. 11463, THE EXISTING MALASAKIT CENTER SHALL INSTEAD PERFORM THE RESPONSIBILITIES AND OBLIGATIONS CONTAINED IN THIS SECTION.

x x x.”

SEC. 3. Section 37 of the same Act is amended with additional subsections, and shall read as follows:

“Section 37. *Appropriations.* - x x x

(a) EARMARKED PERCENTAGES OF TOTAL INCREMENTAL TAX REVENUES OF SWEETENED BEVERAGES, ALCOHOL, TOBACCO PRODUCTS, AS PROVIDED FOR IN SECTION 288-A OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, NAMELY:

1. EIGHTY PERCENT (80%) OF TOTAL INCREMENTAL TAX REVENUES COLLECTED FROM THE EXCISE TAX ON SWEETENED BEVERAGES SHALL BE ALLOCATED AND USED EXCLUSIVELY IN THE FOLLOWING MANNER:

i. EIGHTY PERCENT (80%) SHALL BE EARMARKED FOR TRANSFER TO PHILHEALTH: PROVIDED, THAT THE FUNDS SHALL BE USED BY PHILHEALTH TO IMPROVE ITS BENEFIT PACKAGES;

ii. TWENTY PERCENT (20%) SHALL BE ALLOCATED NATIONWIDE, BASED ON POLITICAL AND DISTRICT-SUBDIVISIONS, FOR MEDICAL ASSISTANCE, THE HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP), THE ANNUAL REQUIREMENTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT OF HEALTH (DOH);

2. EIGHTY PERCENT (80%) OF TOTAL INCREMENTAL TAX REVENUES COLLECTED FROM THE EXCISE TAX ON ALCOHOL PRODUCTS SHALL BE ALLOCATED AND USED EXCLUSIVELY IN THE FOLLOWING MANNER:

i. SEVENTY FIVE PERCENT (75%) SHALL BE EARMARKED FOR TRANSFER TO PHILHEALTH: PROVIDED, THAT THE FUNDS SHALL BE USED BY PHILHEALTH TO IMPROVE ITS BENEFIT PACKAGES;

ii. TWENTY FIVE PERCENT (25%) SHALL BE ALLOCATED NATIONWIDE, BASED ON POLITICAL AND DISTRICT-SUBDIVISIONS, FOR MEDICAL ASSISTANCE, THE HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP), THE ANNUAL REQUIREMENTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT OF HEALTH (DOH);

3. EIGHTY PERCENT (80%) OF TOTAL INCREMENTAL TAX REVENUES COLLECTED FROM THE EXCISE TAX ON TOBACCO PRODUCTS SHALL BE ALLOCATED AND USED EXCLUSIVELY IN THE FOLLOWING MANNER:

i. EIGHTY PERCENT (80%) SHALL BE EARMARKED FOR TRANSFER TO PHILHEALTH: PROVIDED, THAT THE FUNDS SHALL BE USED BY PHILHEALTH TO IMPROVE ITS BENEFIT PACKAGES

ii. TWENTY PERCENT (20%) SHALL BE ALLOCATED NATIONWIDE, BASED ON POLITICAL AND DISTRICT-SUBDIVISIONS, FOR MEDICAL ASSISTANCE, THE HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP), THE ANNUAL REQUIREMENTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT OF HEALTH (DOH)

4. EIGHTY PERCENT (80%) OF TOTAL INCREMENTAL TAX REVENUES COLLECTED FROM THE EXCISE TAX ON HEATED TOBACCO PRODUCTS AND VAPOR PRODUCTS SHALL BE ALLOCATED AND USED IN THE FOLLOWING MANNER:

i. SEVENTY FIVE PERCENT (75%) SHALL BE EARMARKED FOR TRANSFER TO PHILHEALTH: PROVIDED, THAT THE FUNDS SHALL BE USED BY PHILHEALTH TO IMPROVE ITS BENEFIT PACKAGES;

ii. TWENTY FIVE PERCENT (25%) SHALL BE ALLOCATED NATIONWIDE, BASED ON POLITICAL AND DISTRICT-SUBDIVISIONS, FOR MEDICAL ASSISTANCE, THE HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP), THE ANNUAL REQUIREMENTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT OF HEALTH (DOH);

(b) Fifty percent (50%) of the National Government share from the income of the Philippine Amusement Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual [~~budgeting,~~] accounting[~~s~~] and auditing rules and regulations: *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages: **PROVIDED, FURTHER, THAT ANY FUNDING THAT SHALL BE ALLOCATED BY PAGCOR UNDER ITS OWN FINANCIAL MEDICAL ASSISTANCE PROGRAM SHALL BE FACILITATED AND COORDINATED WITH DOH IN RELATION TO SECTION 20-1 AND 20-2 OF THIS ACT;**

(c) **FIFTY PERCENT (50%)** of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO) as provided for in Republic Act No. 1169, as

amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual [~~budgeting~~,] accounting[~~ing~~] and auditing rules and regulations: *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages: **PROVIDED, FURTHER, THAT ANY FUNDING THAT SHALL BE ALLOCATED BY PCSO UNDER ITS OWN FINANCIAL MEDICAL ASSISTANCE PROGRAM SHALL BE FACILITATED AND COORDINATED WITH DOH IN RELATION TO SECTION 20-1 AND 20-2 OF THIS ACT;**

x x x”

SEC. 4. *Separability Clause.* – If any provision or part of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 5. *Repealing Clause.* –

(a) Section 288-A (a),(b),(c),(d) of Republic Act No. 8424, otherwise known as the National Internal Revenue Code are hereby amended accordingly.

(b) All laws, executive orders, presidential decrees, or issuances letter of instruction, administrative orders, rules, and regulations as well as local ordinances contrary to or inconsistent with provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,