

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



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 6460

EXPLANATORY NOTE

Republic Act 7875, as amended, created the National Health Insurance Program (NHIP) and established the Philippine Health Insurance Corporation (PhilHealth) to administer the said Program and manage the National Health Insurance Fund (NHIF). One of its functions include “*x x x to collect and receive premiums and other payment contributions to the Program x x x*”.

Relatedly, Republic Act 11223 or the Universal Health Care (UHC) Act states that “*x x x 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 x x x*”.

As can be observed from the above policies, PhilHealth imposes stiff interests on missed contributions, which is further aggravated with the compounding of interest. If, for one reason or another, employers and members missed out on the payment of premium contributions, they shall not only pay the missed contributions but also the applicable compounded interest, bringing some of them into bankruptcy.

In the crafting of the above laws, PhilHealth was not granted the power to formulate, adopt, amend rules and regulations for amnesty programs for missed premium contributions, nor condonation of interests. Unlike the SSS and Pag-Ibig Fund, PhilHealth is constrained to use the full force of the law to the detriment of employers and members who may have underlying reasons for missing out on the payment of their premium contributions.

It is therefore proposed that PhilHealth be authorized by law to adopt an Amnesty Program which shall absolve all employers and members from interests and penalties starting from its imposition until the effectivity of this Act, provided that said employers and members pay their missed PhilHealth premium payments. Aligned with the program of the President of the Republic, this program may be dubbed as “*Bagong Simula para sa Bagong Pilipinas: Amnestiya sa PhilHealth Contributions*”.

It is also proposed that existing laws, rules, and regulations be amended to include the authority of PhilHealth to formulate, adopt, amend and/or rescind condonation programs and enter into compromises in relation to the imposition of interests for missed premium contributions.

This bill seeks to support of the progressive realization of universal health care in the country and protect the financial stability of employers and PhilHealth members.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

**AUTHORIZING THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)
TO ADOPT AN AMNESTY AND CONDONATION PROGRAM FOR PREMIUM
CONTRIBUTIONS**

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

SECTION 1. *Short Title* – This Act shall be known as the “PhilHealth Premium Contribution Amnesty and Condonation Act”.

SECTION 2. *Declaration of Principle* – It is the policy of the State to adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all people at affordable cost. There shall be priority for the needs of the under-privileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.

SECTION 3. *Coverage*. – This Act shall cover all employers, self-employed direct contributors, self-earning individuals, professional practitioners, and migrant workers.

SECTION 4. *Definition of Terms*. – The following terms, as used in this Act, shall mean:

Amnesty – Refers to the absolution of administrative, civil, and criminal cases, including interests and penalties, following certain conditions.

Cases – Administrative cases involving health facilities that are filed with PhilHealth.

Civil Cases – Cases filed with the civil courts involving violations the Civil Code of the Philippines and other related special laws.

Condonation – refers to the removal of interests and penalties accrued from the non-payment of premium contributions, following certain conditions.

Criminal Cases – Cases filed with the regular courts involving violations of the Revised Penal of the Philippines and other related special laws.

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.

Employers – Any person, natural or juridical, domestic or foreign, who carries on in the Philippines any trade, business, industry, undertaking, or activity of any kind and uses the services of another person who is under his orders as regards the employment, including

the Government and any of its political subdivisions, branches or instrumentalities, including corporations owned or controlled by the Government: Provided, That a self-employed person shall be both employee and employer at the same time.

SECTION 5. *Amnesty Program of Premium Contributions* – PhilHealth shall absolve all employers and direct contributors from all cases, interests and penalties resulting from missed or late remittances of premium contributions, reckoning from the effectivity of the laws, rules, and regulations imposing such cases, interests and penalties, up to the effectivity of this Act. Provided that employers and direct contributors remit the premium contributions within a limited period of time as may be determined by PhilHealth.

SECTION 6. *Powers to Condone Interests and Penalties* – PhilHealth shall the power to formulate, adopt, revise and/or rescind condonation programs for interests and penalties of missed or late remittances of PhilHealth premium contributions, and enter into compromises for this purpose.

SECTION 7. *Exclusion* – Sections 6 and 7 of this Act shall exclude all gross violations of the Republic Act 7875, as amended, and Republic Act 11223, and violations of other laws that prejudice public interest.

SECTION 8. *Implementing Rules and Regulations* – PhilHealth shall promulgate the necessary rules and regulations for the proper implementation of this Act not later than ninety (90) days from its effectivity.

SECTION 9. *Separability Clause* – If any provision or part of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 10. *Repealing Clause*. – All laws, executive orders, rules and regulations, and issuances or parts thereof which are inconsistent to and contrary with the provisions of this Act are hereby repealed and amended accordingly.

SECTION 11. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,