

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6803



Introduced by **REP. JAVIER MIGUEL "JAVI" L. BENITEZ**

EXPLANATORY NOTE

It is a policy of the State to protect and promote the right to health of the people and instill health consciousness among them.¹ Section 11, Article XIII of the 1987 Philippine Constitution serves as the backbone of all laws addressing the country's need for an effective, accessible health care system for all Filipinos, regardless of age, sex, gender, race, or creed. The Constitution explicitly mandates that:

*"The State shall adopt an integrated and comprehensive approach to health development, which shall endeavor to make the essential goods, health and other social services available to all the people at an affordable cost."*²

The birth of the Republic Act ("R.A.") 11223 (2019), otherwise known as the Universal Health Care Act ("UHC Act"), affirmed the State's commitment to this Constitutional mandate by ensuring equitable access to quality and affordable health care for Filipinos. However, several years into its implementation, practical challenges and emerging fiscal and policy issues have driven relevant agencies to call for structural reforms and specific adjustments in the current health care law. This proposed measure seeks to address these challenges by amending existing law, thereby strengthening the Philippine healthcare system for the benefit of all citizens.

Among the most pressing issues are a lack of clarity in fund management, inconsistent benefit delivery, and the need for stronger public health emergency preparedness. One critical gap in the current framework is the absence of a comprehensive, independent mechanism to evaluate the performance of PhilHealth's benefit delivery and actuarial processes. While the Commission on Audit ("COA") plays an essential role in ensuring legal and financial compliance, it does not assess whether

¹ 1987 Philippine Constitution, Article II, Section 15

² 1987 Philippine Constitution, Article XIII, Section 11

benefit spending results in actual health gains, cost efficiency, or equitable access. Recent implementation studies and stakeholder consultations indicate that this has led to delayed reforms and missed opportunities for more responsive, data-driven policy decisions.

A 2025 qualitative study on the Philippines' UHC workforce challenges highlighted governance and financing inefficiencies as key barriers to implementation, recommending stronger oversight and better financial management.³ Meanwhile, health expenditure in the Philippines continues to rise sharply, reaching ₱1.44 trillion in 2023, a 17% increase from the previous year.⁴ This further underscores the urgency of institutionalizing mechanisms to prevent inefficiencies and ensure every peso contributes to measurable health outcomes.

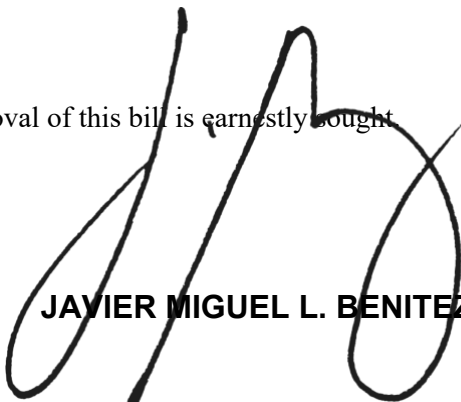
This bill aims to address legislative gaps in R.A. 11223 and reinforce the State's policy to protect the right to health of every Filipino. To further strengthen the healthcare system, this bill introduces measures to improve governance and accountability by establishing the Universal Health Care Coordinating Council ("UHC-CC") to oversee implementation and foster a whole-of-government approach.

Moreover, an annual third-party audit shall be conducted by an impartial technical body designated by the UHC-CC. This audit covers not only fiscal accuracy but also the effectiveness and sustainability of the PhilHealth Benefit Packages, with the aim of developing a more feasible and targeted benefit design that truly reflects the actual health and economic needs of Filipinos.

To further enhance the UHC Act's effectiveness, this proposed amendment clarifies the definitions of vital terms to provide more precise guidance for implementation. It also revises entitlement benefits to ensure immediate eligibility for emergency and essential health services.

By reinforcing data-driven, transparent governance, this amendment strengthens the foundation of universal health care for all Filipinos.

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



JAVIER MIGUEL L. BENITEZ

³ Ramirez et al., *Health Workforce Issues and Recommended Practices in the Implementation of Universal Health Coverage in the Philippines: A Qualitative Study*, Hum. Res. Health (2025), <https://link.springer.com/article/10.1186/s12960-025-00988-3>. (last visited: July 2, 2025).

⁴ Philippine Statistics Authority, *Philippine National Health Accounts (PNHA)*, <https://psa.gov.ph/statistics/pnha> (last visited July 2, 2025).

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AN ACT STRENGTHENING THE PHILIPPINE HEALTHCARE SYSTEM TO ACHIEVE EFFICIENCY AND EQUITY, AND TO IMPROVE PUBLIC HEALTH EMERGENCY PREPAREDNESS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE “UNIVERSAL HEALTH CARE ACT”

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

SECTION 1. *Short Title.* – This Act shall be known as the “*HEAL (Health Efficiency and Access Law)*”.

SEC. 2. Section 4 of Republic Act No. 11223, otherwise known as the “Universal Health Care Act”, is hereby amended to read as follows:

“SEC. 4. *Definition of Terms.* - As used in this Act:

(a) Abuse of Authority - xxx;

(b) **ACCUMULATED REVENUE - IS EQUIVALENT TO BOTH SURPLUS AND RESERVE FUNDS. THE ACCUMULATED REVENUE IS THE ACCUMULATED NET INCOME INCLUDING THE CURRENT YEAR’S EXPENDITURES**

(c) Amenities - xxx;

(d) Basic of ward accommodation refers to the provision of regular meals, a bed in a shared room, ~~fan-ventilation~~, and shared toilet and bath;

- (e) **BENEFIT-RISK ASSESSMENT OR EVALUATION REFERS TO A METHOD OF EVALUATING THE USEFULNESS OF A DRUG FOR A SPECIFIC INDICATION, TAKING INTO ACCOUNT THE BENEFITS AND RISKS ASSOCIATED WITH THAT DRUG UNDER NORMAL CONDITIONS OF USE;**
- (f) **THE CEILING EQUIVALENT TO THE AMOUNT ACTUARIALLY ESTIMATED FOR TWO (2) YEARS PROJECTED PROGRAM EXPENDITURES REFERS TO THE MAXIMUM AMOUNT OF THE RESERVE FUND, FROM ACCUMULATED REVENUES, WHICH IS TO BE DETERMINED BY THE BOARD OF PHILHEALTH.**
- (g) *Co-insurance - xxx;*
- (h) *Co-payment - xxx;*
- (i) **CURRENT YEAR'S EXPENDITURES ARE EQUIVALENT TO THE CORPORATE OPERATING BUDGET OF THE CURRENT YEAR**
- (j) **DEPENDENTS OF A MEMBER REFER TO:**
 - (1) **THE LEGITIMATE SPOUSE WHO IS NOT A MEMBER;**
 - (2) **THE TWENTY-TWO (22) YEARS OF AGE AND BELOW WHO ARE UNMARRIED AND UNEMPLOYED, LEGITIMATE, LEGITIMATED, ILLEGITIMATE, ACKNOWLEDGED CHILDREN AS APPEARING IN THE BIRTH CERTIFICATE, LEGALLY ADOPTED, OR STEPCHILDREN, OR CHILDREN OF SOLO OR FOSTER PARENTS;**
- (k) *Direct Contributors - xxx;*
- (l) *Emergency - xxx;*
- (m) *Entitlement - xxx;*
- (n) **EQUITY REFERS TO THE FAIR AND JUST OPPORTUNITY TO BE 18 AS HEALTHY AS POSSIBLE. IT ALSO REFERS TO REDUCING AND 19 ULTIMATELY ELIMINATING DISPARITIES IN HEALTH AND IN THE 20 DETERMINANTS OF HEALTH THAT ADVERSELY AFFECT EXCLUDED 21 OR MARGINALIZED GROUPS;**
- (o) **ESSENTIAL HEALTH BENEFIT PACKAGE REFERS TO A SET OF INDIVIDUAL-BASED ENTITLEMENTS COVERED BY THE NATIONAL HEALTH INSURANCE PROGRAM ("NHIP") WHICH INCLUDES PRIMARY CARE; MEDICINES, DIAGNOSTICS AND LABORATORY; AND PREVENTIVE, CURATIVE, ~~[AND]~~ REHABILITATIVE SERVICES; AND DENTAL SERVICES;**

- (p) **EXCESS OF THE ACTUAL RESERVE FUND REFERS TO THE EXCESS OF THE ACTUAL RESERVE FUND OVER THE CEILING EQUIVALENT TO THE AMOUNT ACTUARIALLY ESTIMATED FOR TWO (2) YEARS' PROJECTED PROGRAM EXPENDITURES**
- (q) *Fraudulent act - xxx;*
- (r) **GOVERNMENT FINANCIAL INSTITUTIONS ("GFIS") REFER FINANCIAL INSTITUTIONS OR CORPORATIONS IN WHICH THE GOVERNMENT DIRECTLY OR INDIRECTLY OWNS MAJORITY OF THE CAPITAL STOCK AND WHICH ARE EITHER: (1) REGISTERED WITH OR DIRECTLY SUPERVISED BY THE BANGKO SENTRAL NG PILIPINAS; OR (2) COLLECTING OR TRANSACTING FUNDS OR CONTRIBUTIONS FROM THE PUBLIC AND PLACES THEM IN FINANCIAL INSTRUMENTS OR ASSETS SUCH AS DEPOSITS, LOANS, BONDS, AND EQUITY INCLUDING, BUT NOT LIMITED TO, THE GOVERNMENT SERVICE INSURANCE SYSTEM AND THE SOCIAL SECURITY SYSTEM. (RA NO. 10149)**
- (s) *Health care provider - xxx;*
- (t) *Health care provider network - xxx;*
- (u) *Health Maintenance Organization ("HMO") - xxx;*
- (v) *Health Technology Assessment ("HTA") refers to the systematic evaluation of properties, effects, or impact of health technologies utilizing a multidisciplinary process to evaluate ITS CLINICAL, social, economic [and] ethical, AND COMPATIBILITY TO HEALTH SYSTEM issues [of a health intervention or health technology] TO INFORM POLICY-DECISION MAKING, ESPECIALLY ON HOW TO BEST ALLOCATE LIMITED FUNDS TO HEALTH INTERVENTIONS AND TECHNOLOGIES;*
- (w) **IMMEDIATE ELIGIBILITY REFERS TO THE ENTITLEMENT OF ALL FILIPINO CITIZENS TO ACCESS THE PHILHEALTH BENEFITS AT THE POINT OF CARE, PARTICULARLY EMERGENCY AND ESSENTIAL HEALTH SERVICES, WITHOUT DELAY AND PRIOR CONTRIBUTION. ACCESS TO THE FULL ARRAY OF PHILHEALTH BENEFITS, INCLUDING NON-EMERGENCY SERVICES, SHALL FOLLOW THE ELIGIBILITY VERIFICATION AND REGISTRATION CRITERIA SET BY PHILHEALTH, PROVIDED SUCH PROCESSES DO NOT RESULT IN THE DENIAL OR DELAY OF NECESSARY CARE.**
- (x) *Indirect contributors - xxx;*
- (y) *Individual-based health services - xxx;*

- (z) **MIGRANT WORKERS AND OVERSEAS FILIPINOS IN DISTRESS REFER TO OVERSEAS FILIPINOS WHO HAVE MEDICAL, PSYCHO-SOCIAL, OR LEGAL PROBLEMS REQUIRING TREATMENT, HOSPITALIZATION, COUNSELING, LEGAL REPRESENTATION, OR ANY OTHER KIND OF INTERVENTION BY THE AUTHORITIES IN THE COUNTRY WHERE THEY ARE FOUND;**
- (aa) Population-based health services - xxx;
- (bb) Primary care - xxx;
- (cc) Primary care provider - xxx;
- (dd) Private health insurance refers to coverage of a defined set of health services financed through private payments in the form of a premium to the insurer; [and]
- (ee) **REAL-WORLD EVIDENCE REFERS TO CLINICAL EVIDENCE ON A MEDICAL PRODUCT'S SAFETY AND EFFICACY THAT IS GENERATED USING SEVERAL SOURCES OF DATA, INCLUDING ELECTRONIC HEALTH RECORDS, REGISTRIES, CLAIMS/BILLING DATA, AND PATIENT-GENERATED DATA, INCLUDING THOSE FROM MOBILE HEALTH APPLICATIONS AND WEARABLE DEVICES; AND**
- (ff) **RESERVE FUND REFERS TO A PORTION OF THE ACCUMULATED REVENUES WHICH IS TO BE DETERMINED BY THE BOARD OF PHILHEALTH.**
- (gg) *Unethical act* - Unethical act refers to any action, scheme, or ploy against the NHIP, such as overbilling, upcoding, ~~harboring ghost patients or~~ recruitment practice, or any act contrary to the Code of Ethics of the responsible persons' profession or practice, or other similar, analogous acts that put or tend to put in disrepute the integrity."

SEC. 3. Section 9 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 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 the DOH and PhilHealth shall regulate co-payments and co-insurance for amenities in public hospitals: **PROVIDED, FURTHERMORE, THAT THE PHILHEALTH BOARD, IN CONSULTATION WITH THE INSURANCE COMMISSION, SHALL CONDUCT PERIODIC REVIEW AND ADJUSTMENT OF BENEFIT PACKAGES NOT LATER THAN THREE (3) YEARS FROM THE**

EFFECTIVITY OF THIS ACT AND EVERY THREE (3) YEARS THEREAFTER AND SHALL BE HARMONIZED WITH THE ANNUAL THIRD-PARTY AUDIT. FOR THIS PURPOSE, THE PHILHEALTH BOARD SHALL:

- a. UTILIZE THE FINDINGS AND RECOMMENDATIONS OF THE THIRD-PARTY AUDIT, INCLUDING THE BENEFIT PACKAGE REVIEW CONDUCTED BY AN AUDITOR RECOGNIZED BY INDUSTRY EXPERTS;
- b. ENSURE THAT THE SCOPE OF THE TRIENNIAL REVIEW REFLECTS AND INTEGRATES THE RESULTS OF THE MOST RECENT ANNUAL AUDITS; AND
- c. ADOPT NECESSARY POLICY AND FINANCING ADJUSTMENTS INFORMED BY SAID AUDITS TO ENSURE ALIGNMENT WITH THE HEALTH CARE FINANCING STRATEGY (“HCFS”), THE UNIVERSAL HEALTH CARE ACT, AND THE PHILIPPINE DEVELOPMENT PLAN.

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%) **SIMPLE INTEREST MONTHLY** for self-earning, professional practitioners, and migrant workers.”

SEC. 4. Section 10 of Republic Act No. 11223 is hereby amended to read as follows:

“SEC. 10. Premium Contributions. – For direct contributors, premium rates shall be in accordance with the following schedule, and the monthly income floor and ceiling:

YEAR	PREMIUM RATE	INCOME FLOOR	INCOME CEILING
2019	2.75%	P10,000.00	P50,000.00
2020	3.00%	P10,000.00	P60,000.00
2021	3.50%	P10,000.00	P70,000.00
2022	4.00%	P10,000.00	P80,000.00
2023	4.50%	P10,000.00	P90,000.00
2024	5.00%	P10,000.00	P100,000.00
2025	5.00%	P10,000.00	P100,000.00

PREMIUM CONTRIBUTIONS FOR DIRECT AND INDIRECT CONTRIBUTORS SHALL BE DERIVED FROM ACTUARIALLY-ADJUSTED RATES, CONSIDERING BUT NOT LIMITED TO THE PROJECTED HEALTHCARE UTILIZATION, COST TRENDS, AND DEMOGRAPHIC AND ECONOMIC FACTORS. FOR THIS PURPOSE, AN ANNUAL ACTUARIAL REPORT SHALL BE PREPARED BY PHILHEALTH, PROVIDED, THAT A NON-GOVERNMENT, IMPARTIAL, AND CREDIBLE INDEPENDENT BODY TO BE DETERMINED BY THE UNIVERSAL HEALTH CARE COORDINATING COUNCIL ("UHC-CC"), ESTABLISHED UNDER SECTION 10 OF THIS ACT, SHALL REVIEW THE ANNUAL ACTUARIAL REPORT TO ENSURE TRANSPARENCY AND ACCURACY IN THE FINDINGS.

THE ACTUARIALLY-ADJUSTED PREMIUM RATES, AS DETERMINED BY THE ANNUAL ACTUARIAL REVIEW, SHALL BE IMPLEMENTED BY PHILHEALTH IN ACCORDANCE WITH SECTION 11 OF THIS ACT, SUBJECT TO PROGRAM SUSTAINABILITY AND FISCAL VIABILITY: PROVIDED, THAT THE PREMIUM RATE SHALL BE SET AT THREE AND ONE-HALF PERCENT (3.5%), AND THE PREMIUM FLOOR AND PREMIUM CEILING SHALL REMAIN THE SAME UNTIL THE ACTUARIAL REPORT HAS BEEN REVIEWED AND VALIDATED BY THE INDEPENDENT BODY AND SUBMITTED TO CONGRESS, PRIMARILY FOR BENEFITS EXPANSION AND SOCIAL SOLIDARITY CONSIDERATIONS: PROVIDED, FURTHER, THAT UPON COMPLETION OF ACTUARIAL REVIEW AND PROPER CONGRESSIONAL NOTICE, ADJUSTMENTS TO PREMIUM RATES SHALL BE IMPLEMENTED AT THE COMMENCEMENT OF THE FOLLOWING FISCAL YEAR.

FOR MIGRANT WORKERS, PREMIUM CONTRIBUTIONS SHALL BE BASED ON THE INCOME FLOOR, AND THEY SHALL REMAIN UNDER THE CATEGORY OF DIRECT CONTRIBUTORS IN ACCORDANCE WITH RULES GOVERNING EMPLOYED SOLO PARENTS: PROVIDED, THAT PREMIUM CONTRIBUTION OF LAND-BASED MIGRANT WORKERS WITH FOREIGN EMPLOYERS SHALL BE COLLECTED BEFORE THEIR DEPLOYMENT. PROVIDED, FURTHER, THAT EMPLOYER OF SEAFARERS, THROUGH THE LOCAL MANNING AGENCIES, SHALL CONTINUE TO SHOULD FIFTY PERCENT (50%) OF THE PREMIUM CONTRIBUTION OF THE SEAFARERS: PROVIDED, FURTHERMORE, THAT FOR LAND-BASED MIGRANT WORKERS WITH EMPLOYERS ABROAD, THE SHARING OF PREMIUM CONTRIBUTIONS BETWEEN EMPLOYERS AND MIGRANT WORKERS SHALL BE PURSUED IN ACCORDANCE WITH APPLICABLE LAWS, RULES, AND BILATERAL AGREEMENTS: PROVIDED, FURTHERMORE, THAT THE NATIONAL GOVERNMENT MAY, SUBJECT TO THE AVAILABILITY OF FUNDS AND EXISTING FISCAL POLICIES, PROVIDE FINANCIAL SUBSIDY TO COVER A PORTION OF THE

PREMIUM CONTRIBUTIONS OF MIGRANT WORKERS: PROVIDED, FURTHERMORE, THAT UNPAID PREMIUM CONTRIBUTIONS OF MIGRANT WORKERS AND OVERSEAS FILIPINOS IN DISTRESS UNDER REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE 'MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995', AS AMENDED BY REPUBLIC ACT NO. 10022, SHALL NOT BE COLLECTED UPON THEIR ARRIVAL IN THE COUNTRY: PROVIDED, FINALLY, THAT FAILURE TO PAY PHILHEALTH CONTRIBUTIONS SHALL NOT BE A GROUND FOR THE NON-ISSUANCE OF AN OVERSEAS EMPLOYMENT CERTIFICATE OF A MIGRANT WORKER.

FILIPINOS WITH DUAL CITIZENSHIP ("FDC"), OR THOSE WHO HAVE RETAINED AND RE-ACQUIRED FILIPINO CITIZENSHIP BY VIRTUE OF REPUBLIC ACT NO. 9225, OR THE 'CITIZENSHIP RETENTION AND RE-ACQUISITION ACT OF 2003', SHALL CONTRIBUTE TO THE NATIONAL HEALTH INSURANCE PROGRAM ("NHIP") AS DIRECT CONTRIBUTORS AND SHALL BE ENTITLED TO ENJOY THE BENEFITS PROVIDED BY THE STATE HEALTH INSURER: PROVIDED, THAT FAILURE TO PAY PREMIUMS SHALL NOT PREVENT THE FDC AND THEIR LEGAL DEPENDENTS FROM ENJOYING ANY PROGRAM BENEFIT: PROVIDED, FURTHER, THAT ANY UNPAID PREMIUM CONTRIBUTIONS SHALL BE SETTLED IN ACCORDANCE WITH RULES PRESCRIBED BY PHILHEALTH, INCLUDING THE PAYMENT OF APPLICABLE INTEREST.

~~[Provided, That]~~ For indirect contributors, premium subsidy shall be gradually adjusted and included annually in the General Appropriations Act ("GAA"): *Provided, [further,]* That the funds shall be released to PhilHealth: *Provided, further[more:],* That the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act: *Provided, [finally]* **FURTHERMORE,** 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: **PROVIDED, FINALLY, THAT ANY UNUSED PORTION OF THE PREMIUM SUBSIDY OF INDIRECT CONTRIBUTORS SHALL BE USED EXCLUSIVELY FOR AN INCREASE IN BENEFITS OR DECREASE IN FORTHCOMING PREMIUM SUBSIDIES, THE PROVISIONS OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING.**

THE PRESIDENT OF THE PHILIPPINES MAY, UPON THE RECOMMENDATION OF THE PHILHEALTH BOARD, SUSPEND AND ADJUST THE PERIOD OF IMPLEMENTATION OF THE SCHEDULED INCREASE OF PREMIUM RATES DURING NATIONAL EMERGENCIES OR CALAMITIES, OR WHEN PUBLIC INTEREST SO REQUIRES; PROVIDED, THAT THE PREVIOUSLY SUSPENDED PREMIUM ADJUSTMENTS MADE TO COPE WITH THE IMPACT OF COVID-19 PANDEMIC, AND ANY

FUTURE SUSPENSION OF PREMIUM ADJUSTMENTS MADE BY THE PRESIDENT OF THE PHILIPPINES AS PROVIDED HEREIN, SHALL NOT BE SUBJECT TO COLLECTION”

SEC. 5. Section 11 of Republic Act No. 11223 is hereby amended to read as follows:

“SEC. 11. *Program Reserve Funds.* – PhilHealth shall set aside a portion of its accumulated revenues **AS MENTIONED IN SECTION 37 OF THIS ACT AND ANY OTHER INCOME FROM ANY SOURCE** not needed to meet the cost of the current year’s expenditures as reserve funds: *Provided,* That the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two (2) years’ projected Program expenditures: *Provided, further,* That whenever actual reserves exceed the required ceiling at the end of the fiscal year, the excess of the PhilHealth reserve fund shall be used to increase the Program’s benefits **[and] OR** to decrease the ~~[amount of members’ contributions]~~ **PREMIUM CONTRIBUTION RATES OF MEMBERS: PROVIDED, FINALLY, THAT THE DOH AND PHILHEALTH SHALL INCLUDE A MECHANISM FOR LOWERING PREMIUM CONTRIBUTION IN THE IMPLEMENTING RULES AND REGULATIONS OF THIS ACT.**

xxx

(f) In bonds, securities, promissory notes, or other evidences of indebtedness of accredited and financially sound ~~[medical]~~ **GOVERNMENT FINANCIAL** institutions exclusively to finance the construction, improvement and maintenance of hospitals and other medical facilities, **INCLUDING PURCHASE AND MAINTENANCE OF CLINICAL EQUIPMENT AND DEVICES:** *Provided,* That such securities and instruments shall be guaranteed by the Republic of the Philippines or the issuing ~~[medical]~~ **GOVERNMENT FINANCIAL** institution and the issued securities are both rated triple ‘A’ by authorized accredited domestic rating agencies: *Provided, further,* That said investments shall not exceed ten percent (10%) of the total reserve fund; and

(g) In debt instruments and other securities traded in the secondary markets with the same intrinsic quality as those enumerated in paragraphs (a) to (e) hereof, subject to the approval of the PhilHealth Board.

~~[No portion of the reserve fund or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including government-owned or controlled corporations.]~~

As part of its investment operations, PhilHealth may hire institutions with valid trust licenses as its external local fund managers to manage the reserve fund, as it may deem appropriate, through public bidding. The fund manager shall submit an annual report on investment performance to PhilHealth.

xxx

The PhilHealth shall manage the supplemental benefits fund to the minimum required to ensure that the supplemental benefit payments are secure.

NOTWITHSTANDING ANY LAW TO THE CONTRARY, NO PORTION OF THE RESERVE FUND OR ANY FUND OR INCOME OF PHILHEALTH, INCLUDING THE PROVIDENT FUND UNDER SECTION 16 (C) AND THE SPECIAL HEALTH FUND UNDER SECTION 20 OF THIS ACT, SHALL ACCRUE TO THE GENERAL FUND OF THE NATIONAL GOVERNMENT OR TO ANY OF ITS AGENCIES OR INSTRUMENTALITIES, INCLUDING GOVERNMENT-OWNED OR-CONTROLLED CORPORATIONS."

SEC. 6. Section 12 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 12. Administrative Expense. - [No more than seven and one-half percent (7.5%) of the actual total premium collected from direct and indirect contributory members during the immediately preceding year shall be allotted for the administrative cost of implementing the Program.] THE CORPORATION IS AUTHORIZED TO CHARGE THE COSTS OF ADMINISTERING THE PROGRAM. SUCH COSTS MAY INCLUDE ADMINISTRATION, MONITORING, MARKETING AND PROMOTION, RESEARCH AND DEVELOPMENT, AUDIT AND EVALUATION, INFORMATION SERVICES, AND OTHER NECESSARY ACTIVITIES FOR THE EFFECTIVE MANAGEMENT OF THE PROGRAM. THE TOTAL ANNUAL COSTS FOR THESE SHALL NOT EXCEED SEVEN AND ONE-HALF PERCENT (7.5%) OF THE TOTAL REIMBURSEMENTS OR TOTAL COST OF HEALTH SERVICES PAID BY THE CORPORATION IN THE IMMEDIATELY PRECEDING YEAR."

SEC. 7. Section 13 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC.13. PhilHealth Board of Directors. -

(a) xxx

(b) The Secretary of Health shall be an ex officio [nonvoting] VOTING Chairperson of the Board.

(c) xxx.

SEC. 8. A new section is hereby added to Republic Act No. 11223, immediately after Section 16 thereof, to read as follows:

"SEC. 16-A. - COMPETITION AND INNOVATION IN THE PHILHEALTH BENEFIT DELIVERY SYSTEM. - THE PHILHEALTH BENEFIT DELIVERY SYSTEM SHALL BE OPEN TO COMPETITION AND INNOVATION, WHERE MANAGEMENT MAY ALLOW ALTERNATIVE SUPPLY ARRANGEMENTS SUCH AS PUBLIC, PRIVATE, OR CONSORTIA OF PUBLIC AND PRIVATE ENTITIES TO COMPETITIVELY BID FOR THE PROVISION OF PHILHEALTH BENEFITS TO SELECT MEMBERSHIP GROUPS: PROVIDED, THAT THE SELECTION OF MEMBERSHIP GROUPS MUST RESULT IN COST-EFFECTIVE BENEFIT SPENDING: PROVIDED, FURTHER, THAT THE ADMINISTRATIVE COSTS OF SUCH THIRD-PARTY PROVIDERS ARE INCLUDED IN THE OVERALL CAP LEGISLATED FOR THE PROGRAM: PROVIDED, FINALLY, THAT THE FOLLOWING SHALL BE KEY CONSIDERATIONS IN THE COMPETITIVE SELECTION OF BIDDERS:

(I) MAXIMUM COVERAGE FOR A GIVEN PESO VALUE OF PREMIUM;

(II) THE PROVIDER HAS A SUFFICIENT NETWORK OF OWN FACILITIES AND PARTNERS THAT CAN SUPPORT PORTABILITY OF BENEFITS; AND

(III) CONCESSION PERIOD TO ALLOW PROVIDERS TO RECOVER INVESTMENTS."

SEC. 9. Section 20 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 20. Special Health Fund. - The province-wide or city-wide health system shall pool and manage, through a special health fund, all resources intended for health services to finance population-based and individual-based health services, health system operating costs, capital investments, and remuneration of [additional] health workers and incentives for all health workers: PROVIDED, THAT COMPONENT CITIES AND MUNICIPALITIES SHALL ESTABLISH AND/OR MAINTAIN THEIR OWN SPECIAL HEALTH FUNDS FOR THE SAME PURPOSE AS PROVIDED FOR IN THIS ACT: PROVIDED, THAT THE OVERALL MANAGEMENT THEREOF SHALL REMAIN UNDER THE PROVINCIAL OR CITY HEALTH BOARD OF THE PROVINCE-WIDE OR CITY-WIDE HEALTH SYSTEM WHERE SUCH COMPONENT CITY OR MUNICIPALITY IS LOCATED. Provided, FURTHER, That the DOH, in consultation with the UHC-CC, DBM, and the LGUs, shall develop guidelines for the use of the Special Health Fund."

SEC. 10. Section 21 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 21. ~~Income Derived from~~ PhilHealth Payments. - All income derived from PhilHealth payments shall accrue to the Special Health Fund OF THE PROVINCE

WIDE OR CITY-WIDE HEALTH SYSTEMS AS ESTABLISHED OR MAINTAINED ABOVE: PROVIDED, THAT SUCH PAYMENT SHALL BE APPORTIONED BETWEEN AND AMONG THE VARIOUS SPECIAL HEALTH FUNDS ACCORDING TO A FORMULA TO BE DETERMINED BY THE UHC COORDINATING COUNCIL: PROVIDED, FURTHER, THAT ALL SPECIAL HEALTH FUNDS ARE to be allocated by the LGUs exclusively for the improvement of the LGU health system: Provided, **FURTHERMORE**, That PhilHealth payments shall be credited to the ~~annual regular income (ARI)~~ of the LGU THAT OWNS THE HEALTH CARE INSTITUTION FOR WHICH IT IS DUE: PROVIDED, FINALLY, THAT HEALTH FACILITIES OPERATING AS LOCAL ECONOMICENTERPRISES ("LEE") SHALL BE ALLOWED TO RETAIN THEIR INCOME DERIVED FROM PHILHEALTH AND THAT LGUS MAY CONTINUE TO SUBSIDIZE LEE."

SEC. 11. SEC. 6. Section 25 of Republic Act No. 11223 is hereby amended to read as follows:

"Sec. 25. Scholarship and Training Program.

(a) xxx

(b) xxx

(c) xxx

(d) The CHED, PRC, and DOH, in coordination with duly-registered medical and allied professional societies, shall reorient medical and allied medical professional education, and health professional certification and regulation towards producing health workers with competencies in the provision of primary care services **AND PUBLIC HEALTH.**"

SEC. 12. A new Section 30 - A shall be inserted before Section 30 of Republic Act No. 11223, which shall in turn be renumbered to Section 30-B. The new Section 30-A shall read as follows:

THE UNIVERSAL HEALTH CARE COORDINATING COUNCIL ("UHC-CC"). - THE UHC-CC IS HEREBY CREATED AS A NATIONAL GOVERNANCE BODY THAT PRIMARILY MONITORS THE IMPLEMENTATION OF UNIVERSAL HEALTH CARE IN LOCAL GOVERNMENT UNITS AND FOSTERS THE WHOLE-OF-GOVERNMENT APPROACH IN EXPEDITING POLICIES AND UNDERTAKING OF PROGRAMS AND PROJECTS RELATING TO UHC AT THE NATIONAL AND SUBNATIONAL LEVELS.

FOR THE PURPOSES MENTIONED ABOVE, THE UHC-CC SHALL BE COMPOSED OF THE FOLLOWING MEMBERS OR THEIR ALTERNATES WITH RANK NOT BELOW ASSISTANT SECRETARY:

- 1) THE SECRETARY OF HEALTH AS CHAIR;
- 2) THE SECRETARY OF THE INTERIOR AND LOCAL GOVERNMENT AS CO-CHAIR;
- 3) THE SECRETARY OF BUDGET AND MANAGEMENT;
- 4) THE SECRETARY OF FINANCE;
- 5) THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE PHILIPPINE HEALTH INSURANCE CORPORATION; AND
- 6) OTHER MEMBERS, AS MAY BE DETERMINED BY THE PRESIDENT THROUGH THE ISSUANCE OF AN EXECUTIVE ORDER.

FURTHER, THE UHC-CC SHALL PROVIDE MULTI-AGENCY POLICY AND OPERATIONAL DIRECTION, INCLUDING THE FORMATION OF PROVINCE- AND CITY-WIDE HEALTH SYSTEMS, ALLOCATION OF THE SPECIAL HEALTH FUND, DETERMINATION OF APPROPRIATE APPORTIONMENT FORMULA FOR INCOME DERIVED FROM PHILHEALTH PAYMENTS, AND IDENTIFICATION OF THE INDEPENDENT BODY TO REVIEW PHILHEALTH'S ACTUARIAL REPORT AND THE PRIVATE AUDITING FIRM FOR PHILHEALTH'S EXTERNAL AUDIT. OTHER FUNCTIONS SHALL BE FULFILLED AS MAY BE DIRECTED BY THE PRESIDENT THROUGH THE ISSUANCE OF AN EXECUTIVE ORDER."

SEC. 13. Section 32 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 32. Monitoring [and], Evaluation, AND ACCOUNTABILITY. -

(a) xxx

(b) xxx

(C) IN ADDITION TO AUDITS BY THE COMMISSION ON AUDIT ("COA") AS MANDATED BY LAW AND RELEVANT REGULATIONS, PHILHEALTH SHALL BE SUBJECT TO EXTERNAL AUDIT AT LEAST ONCE EVERY FISCAL YEAR BY AN ACCREDITED PRIVATE-SECTOR AUDITING FIRM TO BE IDENTIFIED BY THE UHC-CC.

THE THIRD-PARTY AUDIT SHALL ASSESS THE FINANCIAL INTEGRITY, OPERATIONAL EFFICIENCY, COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS, AND PERFORMANCE OF PHILHEALTH'S BENEFITS DELIVERY SYSTEMS. THE AUDIT SHALL BE EVIDENCE-BASED, USING INTERNATIONALLY ACCEPTED STANDARDS ON PERFORMANCE AUDITS, HEALTH PROGRAM EVALUATIONS, AND ACTUARIAL REVIEWS. IT SHALL BE COORDINATED WITH THE COMMISSION ON AUDIT ("COA") TO AVOID DUPLICATION AND CONFLICT IN AUDIT FUNCTIONS.

THE AUDIT PARAMETERS SHALL INCLUDE:

- (1) FINANCIAL SUSTAINABILITY AND ACTUARIAL SOUNDNESS OF THE PROGRAM;
- (2) EFFICIENCY AND COST-EFFECTIVENESS OF BENEFIT PACKAGE IMPLEMENTATION;
- (3) ACCURACY AND TRANSPARENCY OF FUND MANAGEMENT AND CLAIMS PROCESSING; AND
- (4) PROGRAM RESPONSIVENESS TO MEMBER HEALTH OUTCOMES AND SERVICE ACCESSIBILITY.

THE UHC-CC MAY FURTHER DIRECT THE CONDUCT OF SECTORAL AUDITS FOCUSING ON SPECIFIC BENEFIT PACKAGES, POPULATION GROUPS, GEOGRAPHIC AREAS, OR SERVICE PROVIDERS, BASED ON EMERGING ISSUES AND POLICY PRIORITIES: PROVIDED, THAT THE AUDIT COST FOR SECTORAL AUDIT SHALL BE BORNE BY THE AUDITEE: PROVIDED, FURTHER, THAT IN CASE THE AUDITEE IS AN LGU, THE PAYMENT FOR AUDIT COST SHALL BE DETERMINED BY THE DILG UNDER EXISTING LAWS AND REGULATIONS.

(D) THE PHILHEALTH PRESIDENT AND CEO SHALL SUBMIT TO THE PHILHEALTH BOARD, THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, AND CONGRESS, A REPORT ON THE MEASURES TAKEN BY THE CORPORATION TO ADDRESS ISSUES RAISED IN AUDIT REPORTS BY THE COA AND IN THE THIRD-PARTY AUDIT."

SEC. 14. Section 34 of Republic Act No. 11223 is hereby amended to read as follows:

"SEC. 34. *Health Technology Assessment ("HTA")*. – (a) The HTA process shall be institutionalized as a fair and transparent priority setting mechanism that shall be recommendatory to the DOH and PhilHealth for [the development of policies and programs, regulation, and the determination of a range of entitlements such as drugs, medicines, pharmaceutical products, and other devices, procedures and services] **THE FINANCING OF A SPECIFIC HEALTH TECHNOLOGY USED AS A HUMAN INTERVENTION AS PART OF BENEFITS OR PROGRAM IMPLEMENTATION** as provided for under this Act: Provided, that, ~~investments~~ **GOVERNMENT FINANCING** of any health technology **BY THE DOH OR APPROVAL OF** any benefit package **BY PHILHEALTH SHALL PROCEED WHENEVER THE APPROPRIATE AUTHORIZATIONS BY THE FDA FOR THE HEALTH TECHNOLOGIES ARE AVAILABLE, THERE ARE CLINICAL PRACTICE GUIDELINES IN ACCORDANCE WITH SEC. 27(C) OF THIS ACT, AND THERE IS NO NEGATIVE RECOMMENDATION FROM THE HEALTH TECHNOLOGY ASSESSMENT COUNCIL:** *Provided, further,* That despite having undergone the HTA process, all health technology, intervention or benefit

package shall still be subjected to periodic review: *Provided, furthermore,* That a health technology assessment may be conducted as new evidence emerges which may have substantial impact on the initial coverage decision by the DOH or PhilHealth: *Provided, finally,* That the HTA process shall adhere to the principles of ethical soundness, inclusiveness and preferential regard for the underserved, evidence-based and scientific defensibility, transparency and accountability, efficiency, enforceability and availability of remedies, and due process.

(b) The following criteria must be observed in the conduct of HTA:

(1) Responsiveness to **DISEASE Magnitude, AND Severity** [~~and Equity~~]. – The health interventions must address the top medical conditions that place the heaviest burden on the population, including dimensions of magnitude or the number of people affected by a health problem, and severity or health loss by an individual as a result of disease, such as death, handicap, disability, or pain, and conditions of the poorest and most vulnerable population;

(2) Safety and Effectiveness. – Each intervention must have undergone [~~Phase IV~~] **APPROPRIATE** clinical trial. [~~and systematic review and meta-analysis must be readily available.~~] The interventions must also not pose any harm to the users and health care providers. **IN CASES WHERE THE INTERVENTION MAY CAUSE HARM, SUCH AS RADIATION DOSES, THE INTERVENTION MUST INCLUDE PRECAUTIONS OR MEASURES TO MINIMIZE THE RISK TO THE USER AND HEALTH CARE PROVIDERS.**

ALL DRUGS MUST HAVE UNDERGONE PHARMACOVIGILANCE STUDIES, SUCH AS BUT NOT LIMITED TO PHASE IV CLINICAL TRIAL OR REAL-WORLD EVIDENCE. THERE MUST BE A BENEFIT-RISK ASSESSMENT: PROVIDED, THAT FOR THE FOLLOWING HEALTH TECHNOLOGIES WHERE PHASE IV CLINICAL TRIALS MAY NOT BE CONSISTENTLY AVAILABLE, REAL-WORLD EVIDENCE, INCLUDING ALL RELEVANT AND DEPENDABLE SOURCES OF EVIDENCE, SHALL BE CONSIDERED:

(i) **TRADITIONAL MEDICINE;**

(ii) **PREVENTIVE AND PROMOTIVE HEALTH;**

(iii) **MEDICAL AND SURGICAL PROCEDURES;**

(iv) **CLINICAL EQUIPMENT AND DEVICES; AND**

(v) **DIGITAL AND OTHER HEALTH TECHNOLOGIES. PROVIDED, THAT IN CASE OF A PANDEMIC OR UPON THE DECLARATION OF A STATE OF PUBLIC HEALTH EMERGENCY, THE REQUIREMENT FOR POST MARKETING SURVEILLANCE STUDIES FOR DRUGS AND VACCINES**

MAY BE DISPENSED WITH: PROVIDED, FURTHER, THAT SUCH DRUGS OR VACCINES RECEIVE EMERGENCY USE AUTHORIZATION (EUA) FROM THE FOOD AND DRUG ADMINISTRATION WHILE THE RESULTS OF RANDOMIZED TRIALS, WHETHER PRELIMINARY OR FINAL RESULTS, ARE NOT AVAILABLE.

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(6) ETHICAL, LEGAL, SOCIAL, AND HEALTH SYSTEMS IMPLICATIONS. - THE HTAC MUST BE GIVEN THE FLEXIBILITY TO MODIFY ITS EVALUATION FRAMEWORK DURING PUBLIC HEALTH EMERGENCIES WHEREIN THERE ARE LIMITATIONS IN TERMS OF TYPES OF EVIDENCE AND URGENCY IN PRODUCING RECOMMENDATIONS.

EACH INTERVENTION MAY BE ASSESSED FOR THE FOLLOWING:

(i) ETHICAL CONSIDERATIONS - SITUATIONS WHERE THE USE OR ABSENCE OF THE TECHNOLOGY MAY RUN COUNTER TO THE PRINCIPLE OF JUSTICE, EQUITY, OR FAIRNESS OF HEALTHCARE, SUCH AS RISKS OF THE TECHNOLOGY WITH RESPECT TO BASIC HUMAN RIGHTS;

(ii) LEGAL CONSIDERATIONS - LOCAL AND INTERNATIONAL LAWS CONCERNING REGULATION OF PARTICULAR HEALTH TECHNOLOGIES, SUCH AS PATENT, MARKET ENTRY, OFF-LABEL USE, DATA PROTECTION, PRODUCT LIABILITY, PATIENT RIGHTS, DISEASE-SPECIFIC LAWS AND POLICIES; IMPACT OF DECISIONS ON OTHER EXISTING POLICIES;

(iii) SOCIAL IMPLICATIONS - CONSIDERATION OF PATIENT EXPERIENCE, PREFERENCES, AND VALUES SUCH AS MORAL, RELIGIOUS, AND CULTURAL; ACCOUNTING OF HEALTH DISPARITIES BASED ON ETHNICITY, AGE, GENDER IDENTITY, SEXUAL ORIENTATION, SOCIOECONOMIC STATUS, OR GEOGRAPHICAL LOCATION; AND

(iv) HEALTH SYSTEM IMPLICATIONS - EFFECTS ON THE CURRENT HEALTH SYSTEM AND SERVICE DELIVERY; CHANGE IN CLINICAL PRACTICE GUIDELINES AND IMPACT ON THE VARIATION IN PRACTICE; INFRASTRUCTURE AND HUMAN RESOURCE NEEDS; HEALTH SYSTEM ISSUES THAT MAY IMPACT ACCESS TO THE TECHNOLOGY.

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(c) The HTAC, to be composed of health experts, shall be ~~[created within the DOH]~~ **CONSTITUTED WITHIN THE DOST** and supported by a Secretariat and a Technical Unit for Policy, Planning, and Evaluation with evidence generation and validation capacity **IN ITS TRANSITION INTO AN INDEPENDENT AGENCY ATTACHED TO THE DOST UPON ESTABLISHMENT AND EFFECTIVE OPERATION UNDER THE DOH**. The HTAC shall: (1) facilitate provision of financing and/or coverage recommendations on health technologies to be financed by DOH and PhilHealth; (2) oversee and coordinate the HTA process with DOH and PhilHealth; and (3) review and assess existing DOH and PhilHealth benefit packages. ~~[Within five (5) years after the establishment and effective operation of the HTAC, it shall transition into an independent entity separate from the DOH, attached to DOST].~~

(d) The HTAC shall conduct the HTA in accordance with the principles, criteria, and procedures of this Act and ensure that its process is transparent and conducted with reasonable promptness. The result of its deliberations is made public. The HTAC shall consist of a core committee and subcommittees. The core committee, which shall elect from among themselves its Chairperson, shall be composed of nine (9) voting members, namely: a public health epidemiologist; a health economist; an ethicist; a citizen's representative; a sociologist or anthropologist; a clinical trial or research methods expert; a clinical epidemiologist or evidence-based medicine expert; a medico-legal expert; and a public health expert.

The subcommittees to be constituted shall include, among others: Drugs, Vaccines, Clinical Equipment and Devices, Medical and Surgical Procedure, Preventive and Promotive Health Services, and Traditional Medicine, AND DIGITAL AND OTHER HEALTH TECHNOLOGIES. Each subcommittee shall have a minimum of ~~[one (1) and maximum of]~~ three (3) ~~[non-voting]~~ members ~~[for each subcommittee]~~.

The HTAC may call upon technical resource persons from the DOH, PhilHealth, Food and Drug Administration ("FDA"), patient groups, ~~[and clinical medicine]~~ HTA-RELATED experts [as regular resource persons]; and representatives from the private sector and health care providers ~~[as by invitation]~~ resource persons. **THESE RESOURCE PERSONS EXCEPT GOVERNMENT REPRESENTATIVES SHALL RECEIVE AN HONORARIUM IN ACCORDANCE WITH EXISTING BUDGETARY LAWS, RULES, AND REGULATIONS.**

(e) The HTAC's core committee and subcommittee members shall be appointed by the Secretary of ~~[Health]~~ **SCIENCE AND TECHNOLOGY FOLLOWING ITS TRANSITION FROM DOH INTO AN ATTACHED AGENCY UNDER DOST** for a term of ~~[three (3)]~~ **FOUR (4)** years except for the medico-legal expert, ethicist,

and the sociologist or anthropologist who shall serve for a term of [four (4)] **FIVE (5)** years: Provided, That no member shall serve for more than three (3) consecutive terms: Provided, further, That the members of the HTAC **AND ANY INVITED RESOURCE PERSONS EXCEPT GOVERNMENT REPRESENTATIVES** shall receive an honorarium in accordance with existing [~~policies~~] **BUDGETARY LAWS, RULES AND REGULATIONS.**: Provided, furthermore, That the DOH shall promulgate the nomination process for all HTAC members with a clear set of qualifications, credentials, and recommendations from the sectors concerned [∴ ~~Provided, finally, That the Secretary of the DOST shall appoint the members of the HTAC upon its transition into an attached agency under DOST.~~].”

SEC. 15. Section 36 of Republic Act No. 11223 is hereby amended to read as follows:

“SEC. 36. Health Information System. – All health service providers and insurers shall each maintain a health information system consisting of enterprise resource planning, human resource information, electronic health records, and an electronic prescription log consistent with DOH standards, which shall be electronically uploaded on a regular basis through interoperable systems: Provided, That the health information system shall be developed and funded by the DOH and PhilHealth: Provided, further, That patient privacy and confidentiality shall at all times be upheld, in accordance with the Data Privacy Act of 2012.

PHILHEALTH SHALL MAINTAIN AN ELECTRONIC NATIONAL HEALTH RECORDS SYSTEM WHERE PATIENT DATA, INCLUDING ALL REQUESTED, ACTUALLY GRANTED, AND PAID CLAIMS AND BENEFITS SHALL BE STORED, AND MAY BE OBTAINED UPON REQUEST BY THE PATIENT. THE DICT SHALL PROVIDE SUPPORT IN DESIGNING A SECURE DATABASE WITH MECHANISMS FOR DETECTING PROBABLE FRAUD: PROVIDED, THAT THE DATABASE SHALL ABIDE BY THE ‘ONE-PATIENT, ONE-RECORD’ PRINCIPLE.”

SEC. 16. *PHILHEALTH VAT EXEMPTION* - PHILHEALTH, AS A TAX-EXEMPT GOVERNMENT CORPORATION, SHALL ALSO BE EXEMPT FROM DIRECT AND INDIRECT VALUE ADDED TAX.

SEC. 17. Section 38 of Republic Act No. 11223 is hereby amended to read as follows:

“SEC. 38. Penal Provisions. –

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(F) ANY LGU OFFICIAL WHO MISAPPROPRIATES, DIVERTS, OR USES FUNDS ALLOCATED UNDER THIS ACT FOR NON-HEALTH-RELATED

EXPENDITURES, OR PERMITS SUCH MISUSE KNOWINGLY, SHALL BE SUBJECT TO THE FOLLOWING PENALTIES:

(1) A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (₱100,000.00) AND NOT MORE THAN FIVE HUNDRED THOUSAND PESOS (₱500,000.00) PER VIOLATION;

(2) IMPRISONMENT FOR A TERM OF NOT LESS THAN ONE (1) YEAR AND NOT MORE THAN SIX (6) YEARS; AND

(3) DISQUALIFICATION FROM HOLDING ANY PUBLIC OFFICE FOR A PERIOD OF NOT LESS THAN FIVE (5) YEARS."

SEC. 18. *Non-diminution of Benefits.* – Nothing in this Act shall be construed to eliminate or diminish any benefits or entitlements already granted to members of PhilHealth.

SEC. 19. *IMPLEMENTING RULES AND REGULATIONS.* – THE DOH AND THE PHILHEALTH, IN CONSULTATION WITH THE UHC-CC, SHALL PROMULGATE THE NECESSARY RULES AND REGULATIONS FOR THE EFFECTIVE IMPLEMENTATION OF THIS ACT NO LATER THAN ONE HUNDRED EIGHTY (180) DAYS UPON THE EFFECTIVITY OF THIS ACT.

SEC. 20. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

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

SEC. 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in 43 the Official Gazette or in a newspaper of general circulation.

Approved,