

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



HOUSE OF REPRESENTATIVES

House Bill No. 7423

Introduced by Hon. Antonio B. Legarda Jr.

AN ACT
AMENDING SECTION 37 OF REPUBLIC ACT NO. 11223, OTHERWISE
KNOWN AS THE "UNIVERSAL HEALTH CARE ACT"

EXPLANATORY NOTE

Republic Act No. 11223, known as the Universal Health Care (UHC) Act, establishes the government's policy to ensure all Filipinos have access to quality and affordable health care services. A key part of this law's success is the Philippine Health Insurance Corporation (PhilHealth), which plays a central role in funding health services under the UHC framework.

However, despite clear legal requirements, PhilHealth has repeatedly not received the full funds it is entitled to under current laws. Revenues designated for PhilHealth from the UHC Act, sin tax laws, and the charters of the Philippine Amusement and Gaming Corporation (PAGCOR) and the Philippine Charity Sweepstakes Office (PCSO) have not been consistently released. These gaps in funding limit PhilHealth's ability to provide benefits, expand coverage, and maintain services, putting the goal of universal health care at risk.

The issue of insufficient funding was highlighted by a recent Supreme Court decision that ordered the return of P60 billion transferred from PhilHealth to the National Treasury and barred similar transfers in the future. The Court's ruling reinforces a key principle: funds intended for PhilHealth should stay with PhilHealth. These funds are meant to protect the health of Filipinos and should not be diverted or withheld for administrative or budgetary reasons.

Despite this ruling, funding allocations for PhilHealth in the National Expenditure Programs still fall short of legal requirements, particularly the earmarked revenues from sin taxes and other statutory sources. This recurring problem shows a structural issue that cannot be solved with temporary budget adjustments or one-time fixes.

This bill aims to address the root cause by ensuring the automatic appropriation and release of all funds due to PhilHealth. By eliminating delays and guaranteeing timely release of earmarked revenues, the bill seeks to provide PhilHealth with stable, predictable funding, in line with the intent of the UHC Act and related laws.

At the same time, the bill emphasizes the importance of transparency and accountability. Ensuring that funds reach PhilHealth without delay will enhance oversight, making it clear how resources are used and how they contribute to improving health services for Filipinos.

Universal health care cannot be achieved if the agency responsible for it is hindered by funding issues. Health care is a right, not a privilege, and every peso allocated for the people's health must be protected and used as intended.

In view of these reasons, the immediate approval of this measure is earnestly sought. This bill also serves as the counterpart measure to that filed in the Senate by Senator Loren Legarda.


HON. ANTONIO B. LEGARDA, JR.

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

1 Section 1. *Short Title.* – This Act shall be known as the "Philippine Health Insurance
2 Corporation Mandatory Automatic Funding Act."

3 Section 2. Section 37 of Republic Act No. 11223 is hereby amended to read as follows:

4 "Section 37. *Appropriations.* – The amount necessary to implement this Act
5 shall be sourced from the following:

6 X X X

7 (c) Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax
8 Payments, and mandatory contributions of the Philippine Charity Sweepstakes
9 Office (PCSO) as provided for in Republic Act No. 1169, as amended: *Provided,*
10 That the funds raised for this purpose shall be transferred to PhilHealth at the
11 end of each quarter subject to the usual budgeting, accounting, and auditing
12 rules and regulations: *Provided, further,* That the funds shall be used by
13 PhilHealth to improve its benefit packages.

14 ***PROVIDED, FINALLY THAT UPON REMITTANCE OF THE AMOUNT***
15 ***IDENTIFIED UNDER ITEMS (A), (B), AND (C) OF THIS SECTION TO***

1 **THE BUREAU OF TREASURY, THE SAID AMOUNTS SHALL BE DEEMED**
2 **AUTOMATICALLY APPROPRIATED AND SHALL BE AUTOMATICALLY**
3 **RELEASED TO THE PHILHEALTH BY THE DEPARTMENT OF BUDGET**
4 **AND MANAGEMENT (DBM).**

5 (d) Premium contributions of members;

6 (e) Annual appropriations of the DOH included in the GAA; and

7 (f) National Government subsidy to PhilHealth included in the GAA.

8 **IN ADDITION TO THE AUTOMATICALLY APPROPRIATED AMOUNT**
9 **HEREIN PROVIDED, THE ADDITIONAL** amount necessary to implement
10 the provisions of this Act shall be included in the GAA and shall be appropriated
11 under the DOH and National Government subsidy to PhilHealth. In addition, the
12 DOH, in coordination with PhilHealth, may request Congress to appropriate
13 supplemental funding to meet targeted milestones of this Act.

14 **THE BUREAU OF INTERNAL REVENUE (BIR), THE PHILIPPINE**
15 **AMUSEMENT AND GAMING CORPORATION (PAGCOR), AND THE**
16 **PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO) SHALL SUBMIT**
17 **QUARTERLY REPORTS ON THE REMITTANCES TO THE BUREAU OF**
18 **TREASURY, THE SENATE COMMITTEE ON HEALTH AND**
19 **DEMOGRAPHY, AND THE HOUSE OF REPRESENTATIVES COMMITTEE**
20 **ON HEALTH. THESE REPORTS SHALL BE MADE PUBLICLY AVAILABLE**
21 **THROUGH THE OFFICIAL WEBSITES OF THE CONCERNED AGENCIES**
22 **AND BOTH CHAMBERS OF CONGRESS.**

23 Section 3. ***Separability Clause.*** – Any portion or provision of this Act that may be
24 declared unconstitutional shall not have the effect of nullifying other portions or
25 provisions hereof as such remaining provisions can still subsist and be given effect.

26 Section 4. ***Repealing Clause.*** – All laws, presidential decrees, executive orders,
27 letters of instruction, proclamations, or administrative orders, rules or regulations or
28 parts thereof that are inconsistent with the provisions of this Act are hereby repealed
29 or modified accordingly.

- 1 Section 5. ***Effectivity.*** – This Act shall take effect after fifteen (15) days following its
- 2 publication in the Official Gazette or in a newspaper of general circulation.

Approved,