

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8453



Introduced by **Representative RAYMOND ADRIAN E. SALCEDA**

AN ACT
ESTABLISHING THE PRIVATE NURSE RETENTION SUBSIDY PROGRAM,
PRESCRIBING THE CONDITIONS FOR ELIGIBILITY THEREFOR, CREATING A
DEDICATED NURSE WAGE LINE ITEM WITHIN THE PHILHEALTH CASE RATE
REIMBURSEMENT SYSTEM, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Filipino nurses are among the most in-demand healthcare workers in the world. Their technical excellence, compassion, and adaptability have made them a cornerstone of health systems from the Middle East to North America and Europe. But this same excellence has become a structural liability for the Philippine health system. Public hospitals, backstopped by the Salary Standardization Law, can offer competitive compensation. Private hospitals, which shoulder the largest share of patient volume in the country, cannot. The result is a persistent exodus: nurses leave private employment either for government service or, more commonly, for abroad.

The consequences are borne most directly by patients in private hospitals who face chronic understaffing, overworked nurses, and compromised care quality. Private hospitals serving lower-income communities, which cannot easily raise service rates to fund higher salaries, are hit hardest. The brain drain is not an abstraction. It is a daily operational reality.

This bill addresses the structural compensation gap through a targeted, fiscally sound, and anti-suppression mechanism. Under the Private Nurse Retention Act, registered nurses employed in qualifying private health facilities who are paid above eighty percent (80%) of the monthly salary for Salary Grade 15 under the Salary Standardization Law but below full SG 15 parity will receive a monthly Nurse Retention Subsidy of Four Thousand Pesos (PHP 4,000.00), disbursed directly to them through a government-linked electronic payment system.

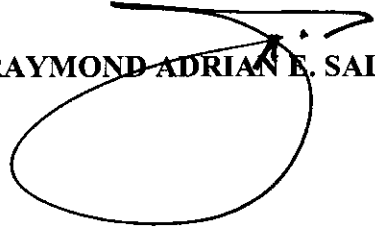
The eighty percent floor is the bill's primary anti-suppression mechanism. By making eligibility contingent on the facility already paying at least eighty percent of SG 15, and by requiring maintenance of that salary throughout the program, the bill removes the incentive for hospitals to underpay and rely on the subsidy to make up the difference. Funds do not pass through the hospital's hands, closing the door to wage offsetting.

The subsidy is funded through a dedicated Nurse Wage Line Item within the PhilHealth case rate reimbursement system, making it self-sustaining and insulated from the annual appropriations cycle. The PhilHealth Board is prohibited from raising member premiums solely to fund this item, ensuring premium neutrality.

In exchange for the subsidy, recipients commit to a two-year service obligation requiring continuous employment in a qualifying private health facility in the Philippines. A nurse who leaves for abroad or exits the qualifying private sector before completing the two years is required to repay the pro-rated subsidy amount. Transfer between qualifying facilities does not break the obligation. Exceptions apply for death, permanent disability, illegal dismissal, and facility closure.

Together, these provisions create a fiscally responsible, structurally sound, and enforceable framework for addressing the private nurse compensation gap. The bill does not mandate a wage increase that private hospitals cannot afford. Instead, it supplements private sector pay through a PhilHealth mechanism designed for exactly this kind of social health investment, while building a retention incentive that keeps Filipino nurses in Filipino hospitals.

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


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

SECTION 1. *Title.* – This Act shall be known as the "Private Nurse Retention Act" or the "PNRA."

SEC. 2. *Declaration of Policy.* – The State recognizes that the departure of Filipino nurses for overseas employment constitutes a critical and continuing threat to the integrity of the national health system. Private health facilities bear a disproportionate share of this attrition, as compensation differentials between public and private sector nursing positions create structural incentives for nurses to either emigrate or transfer to government service. It is therefore declared the policy of the State to support the retention of registered nurses in private health facilities through a targeted, fiscally responsible, and anti-suppression wage supplement mechanism funded through the Philippine Health Insurance Corporation, coupled with a service obligation that anchors nursing talent within the country for a reasonable transitional period.

SEC. 3. *Scope of Application.* – This Act shall apply to all registered nurses employed in private hospitals, clinics, infirmaries, and other private health facilities accredited by the Philippine Health Insurance Corporation ("PhilHealth"), and to all such accredited private health facilities that employ them.

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

(a) "Basic Monthly Salary" refers to the fixed monthly compensation paid by a private health facility to a nurse, exclusive of overtime pay, allowances, bonuses, hazard pay, and all other non-regular or supplemental monetary benefits.

(b) "Department" refers to the Department of Health.

(c) "Eligible Nurse" refers to a registered nurse employed full-time or part-time in a Qualifying Facility whose Basic Monthly Salary is above the Minimum Qualifying Salary but below the monthly salary equivalent of Salary Grade 15, Step 1 under the prevailing Salary Standardization Law, and who has executed a Service Obligation Agreement pursuant to this Act.

(d) "Maintenance of Effort Requirement" refers to the obligation of a Qualifying Facility to maintain or increase, and never reduce, the Basic Monthly Salary of each registered nurse in its employ at all times during the facility's participation in the Program, and specifically to refrain from reducing any such salary in anticipation of, or in response to, the receipt of the Nurse Retention Subsidy by its nurses.

(e) "Minimum Qualifying Salary" or "MQS" refers to eighty percent (80%) of the monthly salary for Salary Grade 15, Step 1 under the Salary Standardization Law then in force. The MQS shall be automatically adjusted each time a new Salary Standardization Law takes effect.

(f) "Nurse Retention Subsidy" or "Subsidy" refers to the monthly grant of Four Thousand Pesos (PHP 4,000.00) disbursed directly to an Eligible Nurse pursuant to this Act, and not through the payroll or intermediation of the employing facility.

(g) "Nurse Wage Line Item" or "NWLI" refers to the dedicated component created within the PhilHealth case rate reimbursement system, the proceeds of which are exclusively remitted to the Private Nurse Retention Fund and disbursed as the Nurse Retention Subsidy.

(h) "Program" refers to the Private Nurse Retention Subsidy Program established under this Act.

(i) "Qualifying Facility" refers to a PhilHealth-accredited private health facility that: (i) pays all registered nurses in its employ a Basic Monthly Salary at or above the MQS; (ii) is in compliance with the Maintenance of Effort Requirement; (iii) has submitted the required Payroll Compliance Report; and (iv) has executed a Program Participation Agreement with the Department.

(j) "Salary Grade 15" or "SG 15" refers to the salary classification under the prevailing Salary Standardization Law applicable to entry-level registered nurses in national government service.

(k) "Service Obligation Agreement" refers to the written undertaking executed by an Eligible Nurse prior to first receipt of the Subsidy, committing to continuous employment in a Qualifying Facility within the Philippines for the Service Obligation Period.

(l) "Service Obligation Period" refers to the period of two (2) years commencing from the date of an Eligible Nurse's first receipt of the Nurse Retention Subsidy.

SEC. 5. *Establishment of the Program.* – There is hereby established the Private Nurse Retention Subsidy Program (the "Program") under the administrative supervision of the

Department, in coordination with PhilHealth, the Department of Labor and Employment ("DOLE"), and the Professional Regulation Commission ("PRC"). The Program shall provide a monthly Nurse Retention Subsidy of Four Thousand Pesos (PHP 4,000.00) to every Eligible Nurse employed in every Qualifying Facility.

SEC. 6. *Nurse Eligibility.* – A registered nurse shall be eligible to receive the Subsidy upon satisfaction of all of the following conditions:

- (a) Holding a valid Certificate of Registration issued by the PRC;
- (b) Being employed full-time or part-time in a Qualifying Facility within the Philippines at the time of application and throughout the period of Subsidy receipt;
- (c) Receiving a Basic Monthly Salary that is above the Minimum Qualifying Salary but below the monthly salary equivalent of SG 15, Step 1 under the prevailing Salary Standardization Law; and
- (d) Having executed a valid Service Obligation Agreement pursuant to Section 9 of this Act.

SEC. 7. *Facility Eligibility.* – A private health facility shall be a Qualifying Facility if all of the following are satisfied:

- (a) It holds a valid and subsisting PhilHealth accreditation;
- (b) It pays all registered nurses in its employ a Basic Monthly Salary at or above the Minimum Qualifying Salary at the time of enrollment and continuously thereafter;
- (c) It has submitted a certified Payroll Compliance Report to the Department and DOLE; and
- (d) It has executed a Program Participation Agreement with the Department acknowledging, among others, the Maintenance of Effort Requirement and the anti-substitution obligations under this Act.

SEC. 8. *Disqualifying Circumstances.* – A Qualifying Facility shall immediately forfeit its status, and all its enrolled nurses shall cease to receive the Subsidy, upon any of the following:

- (a) Reduction of the Basic Monthly Salary of any registered nurse to a level below the Minimum Qualifying Salary;
- (b) Crediting, offsetting, deducting, or otherwise treating the Nurse Retention Subsidy as satisfying or reducing any compensation obligation of the facility under law, contract, or collective bargaining agreement;
- (c) Submission of false, fraudulent, or materially incomplete payroll or compliance documentation; or
- (d) Loss, suspension, or revocation of PhilHealth accreditation.

SEC. 9. *Service Obligation Agreement.* – Prior to receiving the first disbursement of the Nurse Retention Subsidy, each Eligible Nurse shall execute a Service Obligation Agreement with the Department, which shall contain the following:

(a) A commitment to remain in continuous employment in a Qualifying Facility within the Philippines for the Service Obligation Period of two (2) years from the date of first Subsidy receipt;

(b) An acknowledgment of the obligation to repay the prorated Subsidy amount in the event of early departure from the country for overseas employment, or voluntary cessation of employment in all Qualifying Facilities in the Philippines prior to completion of the Service Obligation Period, computed pursuant to Section 10 of this Act;

(c) An authorization for the Department to verify the nurse's employment status through PhilHealth records, DOLE registration data, and Bureau of Immigration departure records; and

(d) An acknowledgment that transfer of employment from one Qualifying Facility to another Qualifying Facility within the Philippines shall not constitute a breach of the Service Obligation.

SEC. 10. *Proration and Clawback.* – A nurse who, prior to completion of the Service Obligation Period, departs the Philippines for overseas employment or voluntarily ceases employment in all Qualifying Facilities in the Philippines without transferring to another Qualifying Facility, shall be required to repay the following prorated amount:

$$\text{Repayable Amount} = (\text{Total Subsidy Received}) \times (\text{Remaining Months} / 24)$$

The Department shall issue a Notice of Repayment upon determination of early departure. The repayable amount shall be due within ninety (90) days of issuance. Unpaid amounts shall be referred to the Bureau of Internal Revenue for collection as a tax liability, without prejudice to other legal remedies.

SEC. 11. *Exemptions from Clawback.* – No repayment obligation shall arise in any of the following circumstances:

(a) Death of the Eligible Nurse during the Service Obligation Period;

(b) Permanent physical or mental disability rendering the nurse incapable of continued employment, as certified by a licensed physician and validated by the Department;

(c) Termination by the Qualifying Facility without just cause as defined under the Labor Code of the Philippines; or

(d) Closure or disqualification of the employing Qualifying Facility through no fault of the nurse, where the nurse fails to secure employment in another Qualifying Facility within sixty (60) days.

SEC. 12. *Creation of the Nurse Wage Line Item.* – PhilHealth is hereby directed to establish, within twelve (12) months from the effectivity of this Act, a dedicated Nurse Wage

Line Item within its case rate reimbursement system. The NWLI shall be a separate, identifiable, and ring-fenced component of PhilHealth case rate reimbursements to Qualifying Facilities, computed monthly to correspond to the aggregate Subsidy entitlement of all Eligible Nurses enrolled in each such facility.

SEC. 13. *Flow of Funds.* – PhilHealth shall remit the NWLI amount attributable to each Qualifying Facility directly to the Private Nurse Retention Fund established under Section 17 of this Act, and not to the facility. The Fund shall disburse the Subsidy directly to each Eligible Nurse through a government-designated electronic payment system linked to the Philippine Identification System, independent of the payroll system of the employing facility. Under no circumstances shall the Nurse Retention Subsidy pass through the accounts of the employing facility.

SEC. 14. *Anti-Substitution Clause.* – The Nurse Retention Subsidy shall not be credited by any Qualifying Facility, directly or indirectly, toward satisfaction of any of its obligations under the following:

- (a) The Labor Code of the Philippines and its implementing rules, including minimum wage orders;
- (b) Any collective bargaining agreement or employment contract;
- (c) Any provision requiring regularization or promotion-related salary adjustment; or
- (d) Any other statutory, regulatory, or contractual compensation requirement.

Any facility found to have credited the Subsidy toward its own compensation obligations shall be immediately disqualified from the Program and subjected to the sanctions prescribed under Section 20 of this Act.

SEC. 15. *PhilHealth Premium Neutrality.* – The cost of the NWLI shall be drawn from PhilHealth's investment income and designated reserve funds, as authorized by the PhilHealth Board, consistent with the long-term actuarial sustainability of the PhilHealth trust fund. The PhilHealth Board is hereby prohibited from increasing member or employer premium contribution rates solely for the purpose of funding the NWLI. Any adjustment to premium rates shall comply with Republic Act No. 11223, the Universal Health Care Act, and shall be determined independently of obligations arising from this Act.

SEC. 16. *Program Management Committee.* – The Department shall establish a Program Management Committee chaired by the Secretary of Health or a designated Undersecretary, composed of representatives from PhilHealth, DOLE, PRC, the Bureau of Immigration, and two (2) representatives from duly registered nursing associations, at least one of whom shall represent nurses employed in private health facilities. The Committee shall oversee program implementation, resolve disputes, and recommend policy adjustments.

SEC. 17. *Private Nurse Retention Fund.* – There is hereby created in the National Treasury a special fund to be known as the Private Nurse Retention Fund. All NWLI remittances from PhilHealth shall be deposited into this Fund. Disbursements from the Fund shall be limited to the direct payment of the Nurse Retention Subsidy and administrative costs

not to exceed three percent (3%) of annual Fund receipts. The Fund shall be subject to the audit jurisdiction of the Commission on Audit.

SEC. 18. *Enrollment and Compliance Portal.* – The Department shall establish an online enrollment and compliance portal through which Qualifying Facilities shall register and submit Payroll Compliance Reports; Eligible Nurses shall execute Service Obligation Agreements and nominate disbursement accounts; and the compliance status of all enrolled facilities and nurses shall be maintained in a publicly accessible and searchable registry.

SEC. 19. *Payroll Compliance Reporting.* – Every Qualifying Facility shall submit a certified Payroll Compliance Report to the Department and DOLE on a semi-annual basis, containing:

(a) The names and PRC registration numbers of all registered nurses employed by the facility;

(b) The Basic Monthly Salary of each such nurse as of the reporting date;

(c) A certification signed by the Chief Executive Officer and Chief Finance Officer that no registered nurse's Basic Monthly Salary has been reduced from the previous reporting period; and

(d) A certification that the Nurse Retention Subsidy has not been credited toward any compensation obligation of the facility.

SEC. 20. *Administrative Sanctions.* – The following graduated sanctions shall apply to Qualifying Facilities found to have violated this Act:

(a) First violation: Immediate suspension from the Program for one (1) year; full repayment of all Subsidy amounts disbursed to the facility's nurses during the period of violation, with interest at the prevailing BSP overnight reverse repurchase rate; and an administrative fine equivalent to twenty-five percent (25%) of the repayable amount.

(b) Second violation: Suspension from the Program for three (3) years; full repayment with a fifty percent (50%) surcharge; and referral to PhilHealth for review of accreditation status.

(c) Third and subsequent violations: Permanent disqualification from the Program; full repayment with a surcharge of one hundred percent (100%); mandatory referral to PhilHealth for revocation of accreditation; and referral to DOLE for labor standards enforcement proceedings.

SEC. 21. *Criminal Liability.* – Any officer, director, or employee of a Qualifying Facility who willfully submits false or fraudulent payroll or compliance documentation, or who willfully credits the Nurse Retention Subsidy against the facility's own compensation obligations, shall be liable under applicable provisions of the Revised Penal Code for falsification and, where applicable, for estafa, without prejudice to the administrative sanctions under Section 20 of this Act.

SEC. 22. *Liability of Nurses.* – An Eligible Nurse who fails to repay the prorated clawback amount within the period prescribed under Section 10 of this Act shall be subject to the collection proceedings provided therein. No criminal liability shall attach to any Eligible Nurse solely on account of failure to complete the Service Obligation Period, unless fraud or material misrepresentation in the execution of the Service Obligation Agreement is proven by clear and convincing evidence.

SEC. 23. *Triennial Review.* – The Program Management Committee shall review the Subsidy amount and the Minimum Qualifying Salary every three (3) years from the effectivity of this Act, or immediately upon the issuance of a new Salary Standardization Law, whichever comes first. Any recommended increase to the Subsidy amount shall be transmitted to the House Committee on Health and the House Committee on Appropriations for approval by concurrent resolution prior to implementation.

SEC. 24. *Implementing Rules and Regulations.* – The Department, in coordination with PhilHealth, DOLE, and the PRC, shall promulgate the Implementing Rules and Regulations of this Act within ninety (90) days from its effectivity. The IRR shall prescribe enrollment procedures, the Service Obligation Agreement template, the NWLI computation methodology, the clawback collection process, and the administrative sanction procedures.

SEC. 25. *Separability Clause.* – If any provision of this Act is declared unconstitutional or otherwise invalid, the remaining provisions not affected thereby shall continue in full force and effect.

SEC. 26. *Repealing Clause.* – All laws, orders, issuances, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 27. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes earlier.

Approved,