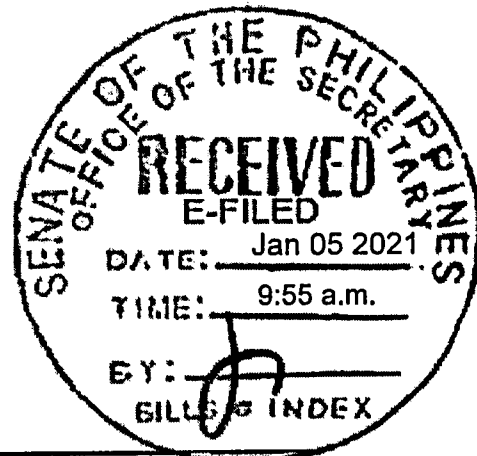


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
S. No. 1968



Introduced by Senators GRACE POE, JUAN MIGUEL F. ZUBIRI and JOEL VILLANUEVA

AN ACT
MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE IN PHILHEALTH PREMIUM CONTRIBUTIONS, AMENDING FOR THE PURPOSE SECTION 10 OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE "UNIVERSAL HEALTH CARE ACT" AND FOR OTHER PURPOSES

Explanatory Note

The Philippine Health Insurance Corporation (PhilHealth), created by virtue of Republic Act No. 7875, as amended, or the National Health Insurance Act, is mandated to administer the country's National Health Insurance Program (NHIP) by providing health insurance coverage and ensuring affordable, available, acceptable and accessible health care services to Filipinos.

The intent to carry out this goal was further strengthened when Republic Act No. 11223 or the Universal Health Care (UHC) Act was signed into law. Under the UHC Act, all Filipino citizens are automatically enrolled in the NHIP. In order to fund this, Section 10 of the Act mandates an increase in membership premium by 0.5% yearly beginning 2021 until it reaches the 5% limit in 2025. Thus, PhilHealth issued Circular No. 2020-005 which provides the schedule of increases in premium contribution to the NHIP pursuant to the UHC Act. This year, the premium rate will increase from 3% in 2020 to 3.5% of the monthly basic salary.

Filipinos expected the PhilHealth and NHIP to lead the pandemic response when President Rodrigo Roa Duterte, through Proclamation No. 922, s. 2020, declared a state of public health emergency throughout the Philippines in response to the threat of the Coronavirus Disease (COVID-19).

Instead, the agency has been exposed for irregularities and rampant corruption among its ranks through the years. It can be recalled that on September 2020, the Senate panel released its findings which include the improper and illegal implementation of the Interim Reimbursement Mechanism (IRM), the gross overpricing and anomalous proposals in the procurement of

the information technology system, the negligence of the agency's legal sector in responding to fraudulent claims, the alleged manipulation of the corporation's financial status, among others. The President himself approved the filing of administrative and criminal complaints against PhilHealth officials involved in the aforementioned irregularities.

To add insult to injury, it also failed to timely pay the Philippine Red Cross which conducts the bulk of the COVID-19 screenings in the country.

The goals of the UHC Act and the NHIP are indeed desirable but the planned increase is uncalled for amid pending cases of irregularity that the state health insurer has yet to resolve. It is also untimely and onerous as the threat of the virus remains imminent and the country is still reeling from the socio-economic impact of the pandemic.

While the increase in PhilHealth contributions is only in view of the implementation of the UHC law, it is inappropriate and unfair to carry out this hike amid the economic hardships caused by the pandemic and public distrust in the agency. No other than the President echoed the call to delay the impending premium increase, and expressed his willingness to sign a measure deferring the contribution hike.

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

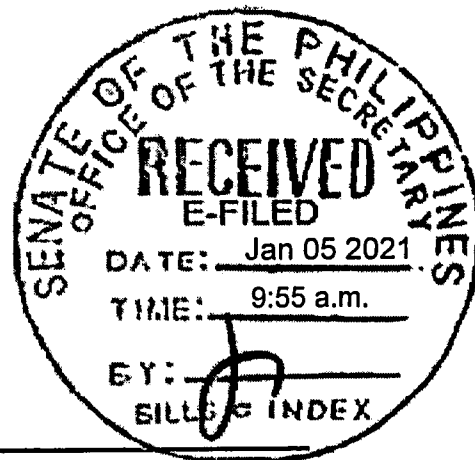

GRACE POE


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

1 SECTION 1. *Suspension of PhilHealth Premium Contribution Increase.* –

2 Section 10 of Republic Act No. 11223, otherwise known as "Universal Health
3 Care Act" is hereby amended to read, as follows:

4 SECTION 10. *Premium Contributions.* - For direct contributors,
5 premium rates shall be in accordance with the following schedule,
6 and monthly income floor and ceiling:

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75%	₱10,000.00	₱50,000.00
2020	3.00 %	₱10,000.00	₱60,000.00
2021	3.50%	₱10,000.00	₱70,000.00
2022	4.00 %	₱10,000.00	₱80,000.00

2023	4.50 %	₱10,000.00	₱90,000.00
2024	5.00 %	₱10,000.00	₱100,000.00
2025	5.00 %	₱10,000.00	₱100,000.00

1 *Provided*, That for indirect contributors, premium subsidy shall be
2 gradually adjusted and included annually in the General
3 Appropriations Act (GAA): *Provided, further*, That the funds shall be
4 released to PhilHealth: *Provided*, furthermore; That the DOH, in
5 coordination with PhilHealth, may request Congress to appropriate
6 supplemental funding to meet targeted milestones of this
7 Act: *Provided, finally*, That for every increase in the rate of
8 contribution of direct contributors and premium subsidy of indirect
9 contributors, PhilHealth shall provide for a corresponding increase
10 in benefits.

11 **IN THE EVENT OF A STATE OF EPIDEMIC OR PUBLIC**
12 **HEALTH EMERGENCY, THE INCREASE IN PREMIUM**
13 **CONTRIBUTION PROVIDED UNDER THIS SECTION SHALL**
14 **BE SUSPENDED, AND THEREAFTER, THE MANDATED**
15 **INCREASE SHALL BE IMPLEMENTED ON THE YEAR**
16 **FOLLOWING THE CESSATION OF EPIDEMIC OR PUBLIC**
17 **HEALTH EMERGENCY. ALL SUCCEEDING INCREASES IN**
18 **CONTRIBUTION SHALL BE IMPLEMENTED IN THE**
19 **FOLLOWING YEARS ACCORDINGLY.**

1 **Sec. 2. *Continuity of Benefits.*** – Nothing in this Act shall be construed to
2 eliminate or diminish any benefits or entitlements granted to members of
3 PhilHealth.

4 **Sec. 3. *Repealing Clause.*** –All laws, ordinances, rules, regulations, other
5 issuances, or parts thereof, which are inconsistent with this Act, are hereby
6 repealed or modified accordingly.

7 **Sec. 4. *Separability Clause.*** – If any provision or section of this Act is
8 held to be unconstitutional or invalid, the other provisions or sections hereof,
9 which are not affected thereby shall continue to be in full force and effect.

10 **Sec. 5. *Effectivity.*** – This Act shall take effect fifteen (15) days following
11 its publication in the *Official Gazette* or in a newspaper of general circulation
12 in the Philippines

Approved,