



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 2

Introduced by Representatives Ferdinand Martin G. Romualdez,
Andrew Julian K. Romualdez and Jude A. Acidre

EXPLANATORY NOTE

This bill seeks to strengthen the Philippine healthcare system to better achieve efficiency and equity and improve public health emergency preparedness, amending for the purpose Republic Act (RA) No. 11223, otherwise known as the "*Universal Health Care Act*."

Section 15, Article II of the 1987 Constitution provides that "*the State shall protect and promote the right to health of the people and instill health consciousness among them.*" Section 11, Article XIII of *the same* also states that "*the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health, and other social services available to all the people at affordable cost.*"

Pursuant to the aforementioned constitutional mandate, the "*Universal Health Care Act*" was enacted in 2018. The primary objective of the law is to gradually ensure fair access to quality and affordable healthcare goods and services for all Filipinos while providing financial risk protection through a systematic process and defined roles of various government entities.

While significant progress has been made through the implementation of the law, there are still many hurdles to ensuring healthcare objectives are properly achieved. Thus, despite the noble intent of the law, many Filipinos still face

significant challenges when attempting to access quality healthcare.

High cost of treatment, health inequities, insufficient healthcare facilities, fragmented health financing systems, inadequate staffing, and weak health information systems still prove as barriers to strengthening local and national health systems. Even with increased public funding for health and advancements in health outcomes and coverage indicators over the preceding decade, disparities among wealth brackets and between urban and rural regions remain, limiting the ability of the measures provided under RA 11223 to provide universal and equitable healthcare access to all.

For this reason, amendments to RA 11223 must be introduced to truly attain its objectives. Hence, this bill.

Among the bill's primary provisions is to change the premium contribution structure for direct and indirect contributors to the Philippine Health Insurance Corporation (PhilHealth). Under this proposed measure, the premium contribution rates will be based on actuarial studies and assessments considering the projected healthcare utilization. The adjusted premium rates shall be subject to the approval of Congress.

In addition, migrant workers, whether on land or at sea, may no longer have to pay premiums. Their employers will pay 50% of their dues, with the national government covering the remainder.

Aside from that, the bill provides that the Department of Health and PhilHealth shall include a mechanism for lowering premium contribution rates. This bill likewise states that any unused portion of premium subsidies for indirect contributors must be allocated exclusively for an increase in benefits or a decrease in forthcoming premium subsidies.

To ensure proper utilization of PhilHealth funds, administrative expenses were limited to 7.5% of the total reimbursements of the total cost of health services paid by PhilHealth in the immediately preceding year.

If the measure is enacted, local government units shall have the authority to establish or maintain Special Health Funds to enhance localized healthcare services.

Another equally important provision is the proposed establishment of the Universal Health Care Coordinating Council, a national governance body that will oversee the accelerated implementation of the Universal Health Care Act and serve as a policy and operational collaboration hub among relevant agencies and

organizations.

Considering the proposed reforms in the country's major healthcare policies, this bill will address the gaps, uncertainties, challenges, and flaws in achieving its intended results. Once passed, this measure will certainly maximize the potential of the Universal Health Care law to become the instrument for universal and equitable healthcare access for every Filipino.

During the Nineteenth Congress, several bills were filed proposing amendments to the Universal Health Care Act, including similar bills that were principally authored by Representatives Joey Sarte Salceda, Anthony Rolando "Tony" Golez Jr., and Albert S. Garcia that proposed broader reforms to the National Health Insurance System under the Universal Health Care framework.

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



FERDINAND MARTIN G. ROMUALDEZ



JUDE A. ACIDRE



ANDREW JULIAN K. ROMUALDEZ



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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 of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1.** Section 4 of Republic Act No. 11223, otherwise known as the
2 “Universal Health Care Act”, is hereby amended to read as follows:
3

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

5 (a) *Abuse of authority* – xxx;

6 (b) *Amenities* – xxx;

7 (c) *Basic or ward accommodation* – xxx;

8 (d) **BENEFIT-RISK ASSESSMENT OR EVALUATION** REFERS TO A
9 METHOD OF EVALUATING THE USEFULNESS OF A DRUG
10 FOR A SPECIFIC INDICATION, TAKING INTO ACCOUNT

1 **THE BENEFITS AND RISKS ASSOCIATED WITH THAT**
2 **DRUG UNDER NORMAL CONDITIONS OF USE;**

4 (e) *Co-insurance* – xxx;

6 (f) *Co-payment* – xxx;

7 **(G) DEPENDENTS OF A MEMBER REFER TO:**

9 (1) **THE LEGITIMATE SPOUSE WHO IS NOT A MEMBER;**

11 (2) **THE TWENTY-THREE (23) YEARS OF AGE AND BELOW**
12 **WHO ARE UNMARRIED AND UNEMPLOYED, LEGITIMATE,**
13 **LEGITIMATED, ILLEGITIMATE, ACKNOWLEDGED**
14 **CHILDREN AS APPEARING IN THE BIRTH CERTIFICATE,**
15 **LEGALLY ADOPTED, OR STEPCHILDREN, OR CHILDREN**
16 **OF SOLO AND FOSTER PARENTS;**

18 [(g)] (H) *Direct contributors* – xxx;

20 [(h)] (I) *Emergency* – xxx;

22 [(i)] (J) *Entitlement* – xxx;

24 [(j)] (K) **EQUITY** REFERS TO THE FAIR AND JUST
25 OPPORTUNITY TO BE AS HEALTHY AS POSSIBLE. IT
26 ALSO REFERS TO REDUCING AND ULTIMATELY
27 ELIMINATING DISPARITIES IN HEALTH AND IN THE
28 DETERMINANTS OF HEALTH THAT ADVERSELY AFFECT
29 EXCLUDED OR MARGINALIZED GROUPS;

31 [(k)] (L) *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;**

37 [(l)] (M) *Fraudulent act* – xxx;

39 [(m)] (N) *Health care provider* – xxx;

41 [(n)] (O) *Health care provider network* – xxx;

43 [(o)] (P) *Health Maintenance Organization (HMO)* – xxx;

1 {p} (Q) *Health Technology Assessment (HTA)* refers to the systematic
2 evaluation of properties, effects, or impact of health[related] technologies
3 [devices, medicines, vaccines, procedures and all other health related
4 systems developed to solve a health problem and improve quality of lives
5 and health outcomes,] utilizing a multidisciplinary process to evaluate [the]
6 ITS CLINICAL, social, economic, [organizational] **LEGAL**, [and]
7 ethical, AND **COMPATIBILITY TO HEALTH SYSTEM** issues [of a
8 health intervention or health technology] TO INFORM POLICY-
9 DECISION MAKING, ESPECIALLY ON HOW TO BEST
10 ALLOCATE LIMITED FUNDS TO HEALTH INTERVENTIONS
11 AND TECHNOLOGIES;

12
13 {q} (R) *Indirect contributors – xxx;*

14
15 (S) *Individual-based health services – xxx;*

16
17 {t} (T) **MIGRANT WORKERS AND OVERSEAS FILIPINOS IN**
18 **DISTRESS REFER TO OVERSEAS FILIPINOS WHO HAVE**
19 **MEDICAL, PSYCHO-SOCIAL, OR LEGAL PROBLEMS**
20 **REQUIRING TREATMENT, HOSPITALIZATION,**
21 **COUNSELING, LEGAL REPRESENTATION, OR ANY OTHER**
22 **KIND OF INTERVENTION BY THE AUTHORITIES IN THE**
23 **COUNTRY WHERE THEY ARE FOUND;**

24
25 {e} (U) *Population-based health services – xxx;*

26
27 {u} (V) *Primary care – xxx;*

28
29 {u} (W) *Primary care provider – xxx;*

30
31 (X) *Private health insurance* refers to coverage of a defined set of health
32 services financed through private payments in the form of a premium to
33 the insurer; [and]

34
35 (Y) **REAL-WORLD EVIDENCE REFERS TO CLINICAL**
36 **EVIDENCE ON A MEDICAL PRODUCT'S SAFETY AND**
37 **EFFICACY THAT IS GENERATED USING SEVERAL SOURCES**
38 **OF DATA, INCLUDING ELECTRONIC HEALTH RECORDS,**
39 **REGISTRIES, CLAIMS/BILLING DATA, AND PATIENT-**
40 **GENERATED DATA INCLUDING THOSE FROM MOBILE**
41 **HEALTH APPLICATIONS AND WEARABLE DEVICES; AND**

1 {v} (Z) *Unethical act. – xxx.*"
2

3 **SEC. 2.** Section 9 of Republic Act No. 11223 is hereby amended to read as
4 follows:
5

6 "SEC. 9. *Entitlement to Benefits.* – Every member shall be granted
7 immediate eligibility for health benefit package under the Program:
8 *Provided,* That PhilHealth Identification Card shall not be required in the
9 availment of any health service: *Provided, further,* That no co-payment
10 shall be charged for services rendered in basic or ward accommodation:
11 *Provided, furthermore,* That co-payments and co-insurance for amenities
12 in public hospitals shall be regulated by the DOH and PhilHealth:
13 *Provided, finally,* That the current PhilHealth package for members shall
14 not be reduced.
15

16 PhilHealth shall provide additional Program benefits for direct
17 contributors, where applicable: *Provided,* That failure to pay premiums
18 shall not prevent the enjoyment of any Program benefits: *Provided,*
19 *further,* That employers and self-employed direct contributors shall be
20 required to pay all missed contributions with an interest, compounded
21 monthly, of at least three percent (3%) for employers, and not exceeding
22 one and one-half percent (1.5%) **SIMPLE INTEREST MONTHLY** for
23 self-earning, professional practitioners, and migrant workers."
24

25 **SEC. 3.** Section 10 of Republic Act No. 11223 is hereby amended to read as
26 follows:
27

28 "SEC. 10. *Premium Contributions.* – For direct contributors,
29 premium rates shall be in accordance with the following schedule, and
30 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

31 **PREMIUM CONTRIBUTIONS FOR DIRECT AND
32 INDIRECT CONTRIBUTORS SHALL BE DERIVED FROM**

1 ACTUARILY-ADJUSTED RATES, CONSIDERING BUT
2 NOT LIMITED TO THE PROJECTED HEALTHCARE
3 UTILIZATION, COST TRENDS, AND DEMOGRAPHIC AND
4 ECONOMIC FACTORS. FOR THIS PURPOSE, AN ANNUAL
5 ACTUARIAL REPORT SHALL BE CONDUCTED BY
6 PHILHEALTH AND SUBMITTED TO CONGRESS:
7 *PROVIDED*, THAT A NON-GOVERNMENT, IMPARTIAL,
8 AND CREDIBLE INDEPENDENT BODY TO BE
9 DETERMINED BY THE UNIVERSAL HEALTH CARE
10 COORDINATING COUNCIL (UHC-CC), ESTABLISHED
11 UNDER SECTION 10 OF THIS ACT SHALL REVIEW THE
12 ANNUAL ACTUARIAL REPORT PRIOR TO ITS SUBMISSION
13 TO CONGRESS TO ENSURE TRANSPARENCY AND
14 ACCURACY IN THE FINDINGS.

15
16 THE ACTUARILY-ADJUSTED PREMIUM RATES, AS
17 DETERMINED BY THE ANNUAL ACTUARIAL REVIEW,
18 SHALL BE SUBJECT TO THE APPROVAL OF CONGRESS, AS
19 AN INTEGRAL PART OF THE BUDGET PROCESS:
20 *PROVIDED*, THAT THE PREMIUM RATE SHALL BE SET AT
21 THREE AND ONE-HALF PERCENT (3.5%), AND THE
22 PREMIUM FLOOR AND PREMIUM CEILING SHALL
23 REMAIN THE SAME UNTIL THE ACTUARIAL REVIEW HAS
24 BEEN SUBMITTED AND APPROVED BY CONGRESS,
25 PRIMARILY FOR BENEFITS EXPANSION AND SOCIAL
26 SOLIDARITY CONSIDERATIONS: *PROVIDED, FURTHER*,
27 THAT UPON LEGISLATIVE APPROVAL, ADJUSTMENTS TO
28 PREMIUM RATES SHALL BE IMPLEMENTED AT THE
29 COMMENCEMENT OF THE FOLLOWING FISCAL YEAR.

30
31 FOR MIGRANT WORKERS, PREMIUM
32 CONTRIBUTIONS SHALL BE BASED ON THE INCOME
33 FLOOR: *PROVIDED*, THAT FIFTY PERCENT (50%) OF THE
34 PREMIUM CONTRIBUTION OF MIGRANT WORKERS
35 SHALL BE SHOULDERED BY THE NATIONAL
36 GOVERNMENT: *PROVIDED, FURTHER*, THAT EMPLOYERS
37 OF SEAFARERS, THROUGH THE LOCAL MANNING
38 AGENCIES, SHALL CONTINUE TO SHOULDER FIFTY
39 PERCENT (50%) OF THE PREMIUM CONTRIBUTION OF
40 THE SEAFARERS: *PROVIDED, FURTHERMORE*, THAT
41 EMPLOYERS OF LAND-BASED MIGRANT WORKERS
42 SHALL

1 **SHOULDER FIFTY PERCENT (50%) OF THE PREMIUM**
2 **CONTRIBUTION OF SAID MIGRANT WORKERS: PROVIDED,**
3 **FURTHERMORE, THAT UNPAID PREMIUM**
4 **CONTRIBUTIONS OF MIGRANT WORKERS AND**
5 **OVERSEAS FILIPINOS IN DISTRESS UNDER REPUBLIC**
6 **ACT NO. 8042, OTHERWISE KNOWN AS THE 'MIGRANT**
7 **WORKERS AND OVERSEAS FILIPINOS ACT OF 1995', AS**
8 **AMENDED BY REPUBLIC ACT NO. 10022, SHALL NOT BE**
9 **COLLECTED UPON THEIR ARRIVAL IN THE COUNTRY:**
10 **PROVIDED, FINALLY, THAT FAILURE TO PAY**
11 **PHILHEALTH CONTRIBUTIONS SHALL NOT BE A**
12 **GROUND FOR THE NON-ISSUANCE OF AN OVERSEAS**
13 **EMPLOYMENT CERTIFICATE OF A MIGRANT WORKER.**

14
15 **FILIPINOS WITH DUAL CITIZENSHIP (FDC), OR THOSE**
16 **WHO HAVE RETAINED AND RE-ACQUIRED FILIPINO**
17 **CITIZENSHIP BY VIRTUE OF REPUBLIC ACT NO. 9225, OR**
18 **THE 'CITIZENSHIP RETENTION AND RE-ACQUISITION**
19 **ACT OF 2003', MAY ENJOY THE BENEFITS PROVIDED BY**
20 **THE STATE HEALTH INSURER: PROVIDED, THAT**
21 **FAILURE TO PAY PREMIUMS SHALL NOT PREVENT THE**
22 **FDC AND THEIR LEGAL DEPENDENTS FROM ENJOYING**
23 **ANY PROGRAM BENEFIT.**

24
25 ~~[Provided, That]~~ For indirect contributors, premium subsidy shall be
26 gradually adjusted and included annually in the General Appropriations
27 Act (GAA): *Provided, further,* That the funds shall be released to
28 PhilHealth: *Provided, further[more:]*, That the DOH, in coordination
29 with PhilHealth, may request Congress to appropriate supplemental
30 funding to meet targeted milestones of this Act: *Provided, [finally]*
31 **FURTHERMORE**, That for every increase in the rate of contribution
32 of direct contributors and premium subsidy of indirect contributors,
33 PhilHealth shall provide for a corresponding increase in benefits:
34 **PROVIDED, FINALLY, THAT ANY UNUSED PORTION OF**
35 **THE PREMIUM SUBSIDY OF INDIRECT CONTRIBUTORS**
36 **SHALL BE USED EXCLUSIVELY FOR AN INCREASE IN**
37 **BENEFITS OR DECREASE IN FORTHCOMING PREMIUM**
38 **SUBSIDIES, THE PROVISIONS OF EXISTING LAWS TO THE**
39 **CONTRARY NOTWITHSTANDING."**

40
41 SEC. 4. Section 11 of Republic Act No. 11223 is hereby amended to read as
42 follows:

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

16
17 xxx

- 18 (a) xxx
19
20 (b) xxx
21
22 (c) xxx
23
24 (d) xxx
25
26 (e) xxx
27

28 (f) In bonds, securities, promissory notes, or other evidences of
29 indebtedness of accredited and financially sound [medical]
30 **GOVERNMENT FINANCIAL** institutions exclusively to finance the
31 construction, improvement and maintenance of hospitals and other medical
32 facilities, **INCLUDING PURCHASE AND MAINTENANCE OF**
33 **CLINICAL EQUIPMENT AND DEVICES:** *Provided*, That such
34 securities and instruments shall be guaranteed by the Republic of the
35 Philippines or the issuing [medical] **GOVERNMENT FINANCIAL**
36 institution and the issued securities are both rated triple 'A' by authorized
37 accredited domestic rating agencies: *Provided, further*, That said
38 investments shall not exceed ten percent (10%) of the total reserve fund;
39 and
40

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

4

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

9

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

15 xxx

16

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

20

21 **NOTWITHSTANDING ANY LAW TO THE CONTRARY, NO
22 PORTION OF THE RESERVE FUND OR ANY FUND OR INCOME
23 OF PHILHEALTH, INCLUDING THE PROVIDENT FUND UNDER
24 SECTION 16 (C) AND THE SPECIAL HEALTH FUND UNDER
25 SECTION 20 OF THIS ACT, SHALL ACCRUE TO THE GENERAL
26 FUND OF THE NATIONAL GOVERNMENT OR TO ANY OF ITS
27 AGENCIES OR INSTRUMENTALITIES, INCLUDING
28 GOVERNMENT-OWNED OR-CONTROLLED CORPORATIONS.”**

30 SEC. 5. Section 12 of Republic Act No. 11223 is hereby amended to read as
31 follows:

32 “SEC. 12. *Administrative Expense.* – [No more than seven and one half
33 percent (7.5%) of the actual total premium collected from direct and
34 indirect contributory members during the immediately preceding year
35 shall be allotted for the administrative cost of implementing the
36 Program.]

1 **THE CORPORATION IS AUTHORIZED TO CHARGE THE**
2 **COSTS OF ADMINISTERING THE PROGRAM. SUCH COSTS**
3 **MAY INCLUDE ADMINISTRATION, MONITORING,**
4 **MARKETING AND PROMOTION, RESEARCH AND**
5 **DEVELOPMENT, AUDIT AND EVALUATION,**
6 **INFORMATION SERVICES, AND OTHER NECESSARY**
7 **ACTIVITIES FOR THE EFFECTIVE MANAGEMENT OF THE**
8 **PROGRAM. THE TOTAL ANNUAL COSTS FOR THESE**
9 **SHALL NOT EXCEED SEVEN AND ONE-HALF PERCENT**
10 **(7.5%) OF THE TOTAL REIMBURSEMENTS OR TOTAL**
11 **COST OF HEALTH SERVICES PAID BY THE CORPORATION**
12 **IN THE IMMEDIATELY PRECEDING YEAR.”**

13
14 **SEC. 6.** Section 13 of Republic Act No. 11223 is hereby amended to read as
15 follows:

16
17 “**SEC.13. PhilHealth Board of Directors.** –
18
19 (a) xxx
20
21 (b) The Secretary of Health shall be an ex-officio [nonvoting] VOTING
22 Chairperson of the Board.
23
24 (c) xxx.”

25
26 **SEC. 7.** A new section is hereby added to Republic Act No. 11223,
27 immediately after Section 16 thereof, to read as follows:

28
29 “**SEC. 16-A. – COMPETITION AND INNOVATION IN THE**
30 **PHILHEALTH BENEFIT DELIVERY SYSTEM. – THE**
31 **PHILHEALTH BENEFIT DELIVERY SYSTEM SHALL BE OPEN**
32 **TO COMPETITION AND INNOVATION, WHERE**
33 **MANAGEMENT MAY ALLOW ALTERNATIVE SUPPLY**
34 **ARRANGEMENTS SUCH AS PUBLIC, PRIVATE, OR**
35 **CONSORTIA OF PUBLIC AND PRIVATE ENTITIES TO**
36 **COMPETITIVELY BID FOR THE PROVISION OF**
37 **PHILHEALTH BENEFITS TO SELECT MEMBERSHIP GROUPS:**
38 **PROVIDED, THAT THE SELECTION OF MEMBERSHIP**
39 **GROUPS MUST RESULT IN COST-EFFECTIVE BENEFIT**
40 **SPENDING: PROVIDED, FURTHER, THAT THE**
41 **ADMINISTRATIVE COSTS OF SUCH THIRD-PARTY**
42 **PROVIDERS ARE INCLUDED IN THE OVERALL CAP**
43 **LEGISLATED FOR THE PROGRAM: PROVIDED, FINALLY,**

1 **THAT THE FOLLOWING SHALL BE KEY CONSIDERATIONS**
2 **IN THE COMPETITIVE SELECTION OF BIDDERS:**

- 3
- 4 **(I) MAXIMUM COVERAGE FOR A GIVEN PESO VALUE OF**
5 **PREMIUM;**
- 6 **(II) THE PROVIDER HAS A SUFFICIENT NETWORK OF**
7 **OWN FACILITIES AND PARTNERS THAT CAN SUPPORT**
8 **PORTABILITY OF BENEFITS; AND**
- 9
- 10 **(III) CONCESSION PERIOD TO ALLOW PROVIDERS TO**
11 **RECOVER INVESTMENTS.”**

12

13 **SEC. 8.** Section 20 of Republic Act No. 11223 is hereby amended to read as
14 follows:

15

16 “*SEC. 20. Special Health Fund.* – The province-wide or city-wide health
17 system shall pool and manage, through a special health fund, all resources
18 intended for health services to finance population-based and individual-based
19 health services, health system operating costs, capital investments, and
20 remuneration of [additional] health workers and incentives for all health
21 workers: **PROVIDED,** THAT COMPONENT CITIES AND
22 MUNICIPALITIES MAY ESTABLISH AND/OR MAINTAIN THEIR
23 OWN SPECIAL HEALTH FUNDS FOR THE SAME PURPOSE AS
24 PROVIDED FOR IN THIS ACT: *Provided, FURTHER,* That the DOH,
25 in consultation with the UHC-CC, DBM, and the LGUs, shall develop
26 guidelines for the use of the Special Health Fund.”

27

28 **SEC. 9.** Section 21 of Republic Act No. 11223 is hereby amended to read as
29 follows:

30

31 “*SEC. 21. Income Derived from PhilHealth Payments.* – All income derived
32 from PhilHealth payments shall accrue to the Special Health Fund **OF THE**
33 **PROVINCE-WIDE OR CITY-WIDE HEALTH SYSTEMS AS**
34 **ESTABLISHED OR MAINTAINED ABOVE: PROVIDED,** THAT
35 **SUCH INCOME SHALL BE APPORTIONED BETWEEN AND**
36 **AMONG THE VARIOUS SPECIAL HEALTH FUNDS ACCORDING**
37 **TO A FORMULA TO BE DETERMINED BY THE UHC**
38 **COORDINATING COUNCIL: PROVIDED, FURTHER, THAT ALL**
39 **SPECIAL HEALTH FUNDS ARE** to be allocated by the LGUs
40 exclusively for the improvement of the LGU health system: *Provided,*
41 **FURTHERMORE,** That PhilHealth payments shall be credited to the annual
42 regular income (ARI) of the LGU **THAT OWNS THE HEALTH CARE**

1 **INSTITUTION FOR WHICH IT IS DUE: PROVIDED, FINALLY,**
2 **THAT HEALTH FACILITIES OPERATING AS LOCAL**
3 **ECONOMIC ENTERPRISES (LEE) SHALL BE ALLOWED TO**
4 **RETAIN THEIR INCOME DERIVED FROM PHILHEALTH AND**
5 **THAT LGUS MAY CONTINUE TO SUBSIDIZE LEE.”**

6
7 **SEC. 10.** A new Section 30-A shall be inserted before Section 30 of Republic
8 Act No. 11223, which shall in turn be renumbered to Section 30-B. The new
9 Section 30-A shall read as follows:

10
11 **“SEC. 30-A. THE UNIVERSAL HEALTH CARE COORDINATING**
12 **COUNCIL (UHC-CC). – THE UNIVERSAL HEALTH CARE**
13 **COORDINATING COUNCIL IS HEREBY CREATED AS A**
14 **NATIONAL GOVERNANCE BODY, WHICH SHALL**
15 **INTENSIFY THE GOVERNMENT’S EFFORTS IN PURSUING**
16 **THE DEVELOPMENT OF POLICIES, AS WELL AS**
17 **UNDERTAKING PROGRAMS AND PROJECTS RELATING TO**
18 **THE UHC. AS A NATIONAL GOVERNANCE BODY, IT**
19 **SHALL EXPEDITE THE**

20 **IMPLEMENTATION OF REPUBLIC ACT NO. 11223 OR THE**
21 **UHC ACT AT THE NATIONAL AND SUBNATIONAL LEVELS**
22 **AND PROVIDE A VENUE FOR POLICY DISCOURSE AND**
23 **OPERATIONAL COLLABORATION AMONG RELEVANT**
24 **AGENCIES AND ORGANIZATIONS. IT SHALL BE COMPOSED**
25 **OF:**

- 26
27 (a) **THE SECRETARY OF HEALTH AS COUNCIL CHAIR;**
28 (b) **THE SECRETARY OF THE INTERIOR AND LOCAL**
29 **GOVERNMENT AS COUNCIL CO-CHAIR; AND**
30 (c) **COUNCIL MEMBERS COMPRISED OF HEAD OFFICIALS OR**
31 **THEIR DESIGNATED ALTERNATES FROM THE FOLLOWING**
32 **AGENCIES AND ORGANIZATIONS:**
33 (i) **COMMISSION ON HIGHER EDUCATION (CHED);**
34 (ii) **DEPARTMENT OF BUDGET AND MANAGEMENT (DBM);**
35 (iii) **DEPARTMENT OF EDUCATION (DEPED);**
36 (iv) **DEPARTMENT OF FINANCE (DOF);**
37 (v) **DEPARTMENT OF INFORMATION AND**
38 **COMMUNICATIONS TECHNOLOGY (DICT);**
39 (vi) **DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE);**

- (vii) DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD);
 - (viii) NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA);
 - (ix) PHILIPPINE STATISTICS AUTHORITY (PSA);
 - (x) PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES (PIDS);
 - (xi) PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH);
 - (xii) PROFESSIONAL REGULATION COMMISSION (PRC);
 - (xiii) TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA);
 - (xiv) UNION OF LOCAL AUTHORITIES OF THE PHILIPPINES (ULAP); AND
 - (xv) UNIVERSITY OF THE PHILIPPINES MANILA - NATIONAL INSTITUTES OF HEALTH (UPM-NIH);

THE OFFICE OF THE PRESIDENT SHALL PROVIDE FURTHER DIRECTION TO ITS ESTABLISHMENT AND FUNCTION BY ISSUANCE OF AN EXECUTIVE ORDER.

THE SECRETARIAT OF THE UHC-CC SHALL BE DESIGNATED BY THE SECRETARY OF HEALTH FROM THE EXISTING PERSONNEL OF THE DOH. IT MAY BE COMPLEMENTED BY ADDITIONAL STAFF FROM PHILHEALTH.

THE ADMINISTRATIVE EXPENSES NECESSARY FOR THE FUNCTIONS OF THE UHC-CC SHALL BE DRAWN FROM THE PHILHEALTH CORPORATE OPERATING BUDGET.”

SEC. 11. 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; AND

(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. 12. 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 on any health technology or development of any benefit package by the DOH and PhilHealth shall be [based on the positive] **INFORMED BY THE** recommendations of the HTA: *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

1 conditions that place the heaviest burden on the population, including
2 dimensions of magnitude or the number of people affected by a health
3 problem, and severity or health loss by an individual as a result of disease,
4 such as death, handicap, disability or pain, and conditions of the poorest
5 and most vulnerable population;

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

14
15 **ALL DRUGS MUST HAVE UNDERGONE PHARMACOVIGILANCE STUDIES SUCH AS BUT NOT LIMITED TO PHASE IV CLINICAL TRIAL OR REAL-WORLD EVIDENCE, AND 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:*

- 25
26 (i) **TRADITIONAL MEDICINE;**
27
28 (ii) **PREVENTIVE AND PROMOTIVE HEALTH;**
29
30 (iii) **MEDICAL AND SURGICAL PROCEDURES;**
31
32 (iv) **CLINICAL EQUIPMENT AND DEVICES; AND**
33
34 (v) **DIGITAL AND OTHER HEALTH TECHNOLOGIES.**
35

36 *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*

1 **TRIALS, WHETHER PRELIMINARY OR FINAL RESULTS, ARE**
2 **NOT AVAILABLE.**

3
4 **xxx**
5

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

12 **EACH INTERVENTION MAY BE ASSESSED FOR THE**
13 **FOLLOWING:**

- 14
- 15 (i) **ETHICAL CONSIDERATIONS – SITUATIONS WHERE THE**
16 **USE OR ABSENCE OF THE TECHNOLOGY MAY RUN**
17 **COUNTER TO THE PRINCIPLE OF JUSTICE, EQUITY OR**
18 **FAIRNESS OF HEALTHCARE SUCH AS RISKS OF THE**
19 **TECHNOLOGY WITH RESPECT TO BASIC HUMAN**
20 **RIGHTS;**
 - 21
 - 22 (ii) **LEGAL CONSIDERATIONS – LOCAL AND**
23 **INTERNATIONAL LAWS CONCERNING REGULATION OF**
24 **PARTICULAR HEALTH TECHNOLOGIES SUCH AS**
25 **PATENT, MARKET ENTRY, OFF-LABEL USE, DATA**
26 **PROTECTION, PRODUCT LIABILITY, PATIENT RIGHTS,**
27 **DISEASE-SPECIFIC LAWS AND POLICIES; IMPACT OF**
28 **DECISIONS TO OTHER EXISTING POLICIES;**
 - 29
 - 30 (iii) **SOCIAL IMPLICATIONS – CONSIDERATION OF PATIENT**
31 **EXPERIENCE, PREFERENCES AND VALUES SUCH AS**
32 **MORAL, RELIGIOUS AND CULTURAL; ACCOUNTING OF**
33 **HEALTH DISPARITIES BASED ON ETHNICITY, AGE,**
34 **GENDER IDENTITY, SEXUAL ORIENTATION,**
35 **SOCIOECONOMIC STATUS, OR GEOGRAPHICAL**
36 **LOCATION; AND**
 - 37
 - 38 (iv) **HEALTH SYSTEM IMPLICATIONS – EFFECTS ON THE**
39 **CURRENT HEALTH SYSTEM AND SERVICE DELIVERY;**
40 **CHANGE IN CLINICAL PRACTICE GUIDELINES AND**
41 **IMPACT TO THE VARIATION IN PRACTICE;**
42 **INFRASTRUCTURE AND HUMAN RESOURCE NEEDS;**

1 **HEALTH SYSTEM ISSUES THAT MAY IMPACT ACCESS TO**
2 **THE TECHNOLOGY.**

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5

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

21
22 (d) The HTAC shall conduct the HTA in accordance with the
23 principles, criteria, and procedures of this Act and ensure that its
24 process is transparent, conducted with reasonable promptness, and
25 the result of its deliberations is made public. The HTAC shall consist
26 of a core committee and subcommittees.

27
28 The core committee, which shall elect from among themselves its
29 Chairperson, shall be composed of nine (9) voting members, namely:
30 a public health epidemiologist; a health economist; an ethicist; a
31 citizen's representative; a sociologist or anthropologist; a clinical
32 trial or research methods expert; a clinical epidemiologist or
33 evidence-based medicine expert; a medico-legal expert; and a public
34 health expert.

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

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

10 (e) The HTAC's core committee and subcommittee members
11 shall be appointed by the Secretary of ~~[Health]~~ SCIENCE AND
12 TECHNOLOGY FOLLOWING ITS TRANSITION FROM
13 DOH INTO AN ATTACHED AGENCY UNDER DOST for a
14 term of ~~[three (3)]~~ FOUR (4) years except for the medico-legal
15 expert, ethicist, and the sociologist or anthropologist who shall serve
16 for a term of ~~[four (4)]~~ FIVE (5) years: *Provided*, That no member
17 shall serve for more than three (3) consecutive terms: *Provided,*
18 *further*, That the members of the HTAC AND ANY INVITED
19 RESOURCE PERSONS EXCEPT GOVERNMENT
20 REPRESENTATIVES shall receive an honorarium in accordance
21 with existing ~~[policies]~~ BUDGETARY LAWS, RULES AND
22 REGULATIONS.: *Provided, furthermore*, That the DOH shall
23 promulgate the nomination process for all HTAC members with a
24 clear set of qualifications, credentials and recommendations from the
25 sectors concerned~~[: *Provided, finally*, That the Secretary of the DOST
26 shall appoint the members of the HTAC upon its transition into an
27 attached agency under DOST.]~~.”

28
29 SEC. 13. Section 36 of Republic Act No. 11223 is hereby amended to read
30 as follows:

31
32 “SEC. 36. *Health Information System*. – All health service providers and
33 insurers shall each maintain a health information system consisting of
34 enterprise resource planning, human resource information, electronic health
35 records, and an electronic prescription log consistent with DOH standards,
36 which shall be electronically uploaded on a regular basis through
37 interoperable systems: *Provided*, That the health information system shall
38 be developed and funded by the DOH and PhilHealth: *Provided, further*,
39 That patient privacy and confidentiality shall at all times be upheld, in
40 accordance with the Data Privacy Act of 2012.
41
42

1 **PHILHEALTH SHALL MAINTAIN AN ELECTRONIC**
2 **NATIONAL HEALTH RECORDS SYSTEM WHERE PATIENT**
3 **DATA, INCLUDING ALL REQUESTED, ACTUALLY GRANTED,**
4 **AND PAID CLAIMS AND BENEFITS SHALL BE STORED, AND**
5 **MAY BE OBTAINED UPON REQUEST BY THE PATIENT. THE**
6 **DICT SHALL PROVIDE SUPPORT IN DESIGNING A SECURE**
7 **DATABASE WITH MECHANISMS FOR DETECTING PROBABLE**
8 **FRAUD: PROVIDED, THAT THE DATABASE SHALL ABIDE BY**
9 **THE 'ONE-PATIENT, ONE-RECORD' PRINCIPLE."**

10
11 **SEC. 14.** Section 38 of Republic Act No. 11223 is hereby amended to read
12 as follows:

13
14 *"SEC. 38. Penal Provisions. –*

15
16 xxx

17
18 **(F)ANY LGU OFFICIAL WHO MISAPPROPRIATES,**
19 **DIVERTS, OR USES FUNDS ALLOCATED UNDER THIS ACT**
20 **FOR NON-HEALTH RELATED EXPENDITURES, OR PERMITS**
21 **SUCH MISUSE KNOWINGLY, SHALL BE SUBJECT TO THE**
22 **FOLLOWING PENALTIES:**

23
24 **(1)A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND**
25 **PESOS (₱100,000.00) AND NOT MORE THAN FIVE HUNDRED**
26 **THOUSAND PESOS (₱500,000.00) PER VIOLATION;**

27
28 **(2)IMPRISONMENT FOR A TERM OF NOT LESS THAN ONE**
29 **(1) YEAR AND NOT MORE THAN SIX (6) YEARS; AND**

30
31 **(3)DISQUALIFICATION FROM HOLDING ANY PUBLIC**
32 **OFFICE FOR A PERIOD OF NOT LESS THAN FIVE (5) YEARS."**

33 **SEC. 15. Non-diminution of Benefits.** – Nothing in this Act shall be construed
34 to
35 eliminate or diminish any benefits or entitlements already granted to members of
36 PhilHealth.

37
38 **"SEC. 16. IMPLEMENTING RULES AND REGULATIONS.** – THE
39 DOH AND THE PHILHEALTH, IN CONSULTATION WITH THE
40 UHC-CC, SHALL PROMULGATE THE NECESSARY RULES AND
41 REGULATIONS FOR THE EFFECTIVE IMPLEMENTATION OF THIS

1 **ACT NO LATER THAN ONE HUNDRED EIGHTY (180) DAYS UPON**
2 **THE EFFECTIVITY OF THIS ACT.”**

3
4 **SEC. 17. Separability Clause.** – If any provision of this Act is declared
5 invalid or unconstitutional, the remainder thereof not otherwise affected shall
6 remain in full force and effect.

7
8 **SEC. 18. Repealing Clause.** – All laws, presidential decrees, executive orders,
9 letters of instruction, proclamations, and administrative regulations that are
10 inconsistent with the provisions of this Act are hereby repealed, amended, or
11 modified accordingly.

12
13 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days after its
14 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,