SENATE
S.B. No. 1896

(In substitution of Senate Bill Nos. 1458, 1673 and 1714 taking into consideration Senate Bill Nos. 60 and House Bill No. 5784)

Prepared and submitted jointly by the Committees on Health and Demography, Ways and Means, and Finance with Senators Ejercito, Binay, De Lima, Villar, Angara, Hontiveros, Recto, Villanueva and Gatchalian as authors thereof

AN ACT
INSTITUTING UNIVERSAL HEALTH CARE FOR ALL FILIPINOS, PRESCRIBING REFORMS IN THE HEALTH CARE SYSTEM, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

CHAPTER 1
GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the "Universal Health Care for All Filipinos Act."

SEC. 2. Declaration of Principles & Policies. It is the declared policy of the State to protect and promote the right to health of every Filipino and instill health consciousness among them. Towards this end, the State shall adopt:

(a) an integrated and comprehensive approach to ensure that every Filipino is health literate, provided healthy living conditions, and protected from hazards and risks that could affect their health;

(b) a healthcare model that provides every Filipino access to a comprehensive set of cost-effective and quality promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, prioritizing the needs of the population who cannot afford such services;
(c) a framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, and monitoring of health policies, programs and plans; and

(d) a people-oriented approach for the delivery of health services that is centered on people's needs and well-being, and respectful of the differences in culture, values and beliefs.

SEC. 3. General Objectives. – This Act seeks to:

(a) realize universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system;

(b) ensure that all Filipinos are guaranteed equitable access to quality and affordable health goods and services, and protected against financial risk.

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

a) *Amenity* refers to any feature of the health service that provides comfort, convenience, or pleasure. Basic amenities include bed in shared accommodation, fan ventilation and shared toilet/bath. Additional amenities include, but not limited to, air conditioning, telephone, television, choice of meals, among others;

b) *Co-insurance* refers to a percentage of a medical charge that is paid by the insured, with the rest paid by the health insurance plan;

c) *Co-payment* refers to a flat fee or predetermined rate paid at point of service;

d) *Direct Contributors* refers to those who have capacity to pay premiums, including, but not limited to, public and private workers and all other workers rendering services, such as job order contractors; project-based contractors and the like; owners of micro enterprises; owners of small, medium and large enterprises; household help; family drivers; migrant workers; self-earning individuals; professional practitioners; Filipinos with dual citizenship; naturalized Filipino citizens; and citizens of other countries working or residing in the Philippines;

e) *Emergency* refers to an unforeseen combination of circumstances which calls for immediate action to preserve the life of a person, or to preserve any part or organ of the human body;

f) *Entitlement* refers to any singular or lot health services provided to Filipinos for the purpose of improving health;
g) **Health technology** refers to the application of organized knowledge and skills in the form of devices, medicines, vaccines, procedures and systems developed to solve a health problem and improve quality of lives;

h) **Health technology assessment** refers to the systematic evaluation of properties, effects, and/or impacts of health technology. It is a multidisciplinary process to evaluate the social, economic, organizational and ethical issues of a health intervention or health technology;

i) **Health care provider** refers to any of the following:

   i. A **health facility**, which may be public or private, devoted primarily to the provision of services for health promotion, prevention, diagnosis, treatment, rehabilitation and palliation of individuals suffering from illness, disease, injury, disability, or deformity, or in need of obstetrical or other medical and nursing care, and which is recognized by the Department of Health (DOH);

   ii. A **health care professional**, who is a doctor of medicine, nurse, midwife, dentist, or other health care professional or practitioner duly licensed to practice in the Philippines;

   iii. A **health maintenance organization (HMO)**, which is an entity that provides, offers, or arranges for coverage of designated health services for its plan holders or members for a fixed prepaid premium;

   iv. A **community-based health care organization**, which is an association of indigenous members of the community organized for the purpose of improving the health status of that community through preventive, promotive and curative health services; or

   v. Pharmacies or drug outlets, laboratory and diagnostic clinics, and manufacturers, distributors and suppliers of pharmaceuticals, medical equipment and supplies.

j) **Indirect Contributors** refers to all others not included as direct contributors;

k) **Individual-based services** refers to services that can be definitively traced back to one recipient, has limited effect at a population level and does not alter the underlying cause of illness, such as ambulatory and inpatient care, medicines, laboratory tests and procedures, among others;

l) **Population-based services** refers to services that have population groups as recipients of the intervention such as health promotion, disease surveillance, vector control, among others;
m) Primary care refers to first-contact, accessible, continued, comprehensive and coordinated care that is accessible at the time of need, includes a range of services for all presenting conditions and able to coordinate referrals to other specialists in the service delivery network, when necessary;

n) Service delivery network refers to a group of primary to tertiary care providers, with the primary care provider acting as the gatekeeper and coordinator of care within the network. Facilities in the network can be public or private.

CHAPTER II

FRAMEWORK FOR UNIVERSAL HEALTH CARE (UHC)

SEC. 5. Population Coverage. - Every Filipino citizen shall be entitled to healthy living, working and schooling conditions and access to comprehensive set of health services through automatic inclusion into the National Health Insurance Program.


a) Every Filipino shall be provided access to preventive, promotive, curative, rehabilitative and palliative health services, delivered either as population-based or individual-based services: Provided, That, services covered, including essential health benefit package and basic amenities shall be determined through a fair and transparent health technology assessment and shall include, but not limited to, outpatient and inpatient services for medical, dental, geriatric, and mental health care; and

b) Every Filipino shall have a primary care provider that would act as the initial point of contact in the health care delivery system; Provided that, except in emergency cases, access to higher levels of care shall be decided upon by the primary care provider acting as the gatekeeper of the health system.

SEC. 7. Financial Coverage. – Health financing shall transition from unpredictable and potentially catastrophic health spending to predictable payments, such as government budget, social health insurance and other supplementary insurance premium, and regulated co-payments.

The services covered shall be financed through a mix of general and earmarked taxes, pooled funds from other national government agencies, and NHIP premium contributions, with clear delineation of payers. In particular:
a) Population-Based Services. – The National Government through the Department of Health (DOH) and Local Government Units (LGUs) shall finance the delivery of population-based services.

The DOH and LGUs shall determine population-based services that will be funded by the national government and by the local government, ensuring that such funds are harmonized and managed effectively and efficiently.

Furthermore, LGUs shall appropriate fund for health based on the annual per capital health allocation, which shall be determined by the DOH in consultation with the National Economic and Development Authority (NEDA).

The national government shall support LGUs in the financing of capital investments and provision of population based interventions.

b) Individual-Based Services. The National Health Insurance Program (NHIP) shall finance the essential health benefit package and basic amenities for individual based services, as performance-driven, closed, and prospective payments.

Additional amenities for all individual-based services shall be financed through regulated co-insurance or co-payments.

CHAPTER III
FINANCING

SEC. 8. Financial Management for Philippine Health Insurance Corporation (PhilHealth)

a) NHIP Membership. – Membership into the NHIP shall be simplified into two (2) types as defined in Section 4 of this Act:

1) Direct contributors;

2) Indirect contributors.

The Philippine Statistics Authority (PSA) shall provide at no cost to PhilHealth the civil registration data, which shall be the bases for validating and regularly updating PhilHealth membership database. PhilHealth may also utilize available internal revenue data from the Bureau of Internal Revenue subject to existing laws.

b) Premium Contributions. – For direct contributors, premium ceiling shall be increased, with premium rates gradually adjusted up to five percent (5%) of their respective basic monthly salaries or income: Provided, That, during the first three years from the enactment of this Act, no increase in premium payment shall be implemented.
For indirect contributors, premium subsidy shall be included annually in
the General Appropriations Act (GAA).

c) Entitlement to Benefits. – No minimum period or lag time shall be
required to activate entitlement to NHIP benefits. In the case of direct
contributors, failure to pay premiums shall not prevent the enjoyment of NHIP
benefits; Provided that, employer of the direct contributors or the self-employed
members shall be required to pay all missed contributions: Provided, further,
That, PhilHealth may impose to employers or self-employed members up to 3%
interest and surcharges per month based on the total premiums due.

d) NHIP Reserve Fund. – The NHIP’s Investment Reserve shall be invested in
debt securities and corporate bonds issuances that are rated triple “A” or double
“A” by authorized accredited domestic rating agencies; Provided that, the issuing
or assuming entity or its predecessor shall not have defaulted in the payment of
interest on any of its securities and that during each of any three (3) including
the last two (2) of the five (5) fiscal years next preceding the date of acquisition
by the PhilHealth of such bonds, securities or other evidence of indebtedness,
the net earnings of the issuing or assuming institution available for its recurring
expenses, such as amortization of debt discount and rentals for leased
properties, including interest on funded and unfunded debt, shall have been not
less than one and one quarter (1 ¼) times the total of the recurring expenses
for such year: Provided, further, That, such investment shall not exceed fifteen
percent (15%) of the Investment Reserve Fund.

e) Administrative Expense. – For purposes of maximum utilization of existing
funds, no more than five percent (5%) of the total premium collection from
direct and indirect contributory members and investment earnings shall be
allotted for administrative cost of implementing the NHIP.

SEC. 9. Pooling Funds for Health. – PhilHealth shall pool and manage all
funds intended to support provision of individual-based services. This includes,
but not limited to, premium contributions and subsidies, other appropriations
earmarked by the government for health operations, and other sources such as
health assistance funds of the Philippine Charity Sweepstakes Office (PCSO) and
the Philippine Amusement and Gaming Corporation (PAGCOR), medical
assistance programs of DOH, administrative fines, donations and grants-in-aid,
and all accruals thereof.
SEC. 10. Purchasing Health Services

a) The DOH shall enter into a contractual agreement with service delivery networks for the provision of necessary population-based health services. Such agreement shall serve as the basis for DOH to provide financial and non-financial support. In areas where population-based health services are inadequate, the DOH and the LGUs may engage private service delivery networks or providers to deliver such services.

b) PhilHealth shall enter into contractual agreement with service delivery networks for the provision of both ambulatory and inpatient services consistent with the health technology assessment process; Provided that, networks, whether purely publicly owned, purely privately owned, or mixed, shall abide by NHIP-set quality standards, limits on co-payments, service and professional fees, cost accounting requirements and timely, regular submission of minimum encoded data.

c) PhilHealth shall publish fair contracting rates that are guided by accurate disease groupings and periodic costing and consultation; develop differential payment schemes that give due consideration to service quality, efficiency and equity; introduce formal fixed co-payment and co-insurance policy; set annual payment thresholds for contracted networks without differentiating facility and professional fees; and institute strong surveillance and audit mechanisms to ensure network’s compliance to contractual obligations.

CHAPTER IV

SERVICE DELIVERY NETWORKS

SEC. 11. Network-based Care. Population and individual-based services shall be delivered by contracted networks consisting of purely public, private or mix of public and private entities. All health facilities encompassing primary to tertiary care within a provincial and city jurisdiction are mandated to form as many service delivery networks as they may deem appropriate.

SEC. 12. Primary Care as the First and Continuing Point of Contact. – All Filipinos shall have a designated primary care provider within a service delivery network, which shall act as a gatekeeper facilitating care within the network and providing the necessary two-way referral system.

SEC. 13. Minimum Service Capacity of Health Service Delivery Network in the Province-wide Health System Setting. - Service delivery networks in the public province-wide and urban health system must have the minimum service
capacity set by the DOH including, but not limited, to standards for types of
services, number of health care workers per population, health facilities, and
transportation services.

SEC 14. Integration of Local Health Systems into Province-wide and
Urban Health Systems. The public-sector health system at the subnational level
shall be composed of province-wide health systems, which integrates existing
municipal and component city health systems, and urban health systems in
highly urbanized and independent component cities. The Provincial Government
shall exercise administrative and technical supervision over the province-wide
health system and the City Government will exercise the same over the urban
health system.

Where applicable, provinces, highly urbanized cities and independent
component cities may enter into agreements with other provinces, highly
urbanized cities and independent component cities to consolidate or coordinate
their efforts, services and resources for the purposes of this Act.

SEC. 15. Private Health Care Providers and the Service Delivery Network
— Individual, institutional, and community health care providers in the private
sector may constitute themselves into service delivery networks in accordance
with standards set by the DOH. Only networks organized formally shall be
eligible for contracting by PhilHealth to provide individual-based services; or be
contracted by DOH, province-wide or city-wide health systems for population-
based services when or where these are deemed inadequate.

Where applicable, privately owned or led service delivery networks may
enter into cooperation arrangements with other service delivery networks,
whether public or private.

SEC. 16. Income retention. — All publicly-owned or led service delivery
networks shall be authorized to retain and utilize 100% of its health-related
income and pool these into the Special Health Fund: Provided, That, a fixed
percentage of retained health income shall be used as incentives for all public
health workers within the network: Provided, further, That, the DOH shall
determine caps to these incentives to avoid unnecessary distortion, ensure
equity, and provide guidelines for alternative use of excess funds to improve the
services of the network.

SEC. 17. Special Health Fund - The provincial or city government shall
pool and manage, through a special health fund, all resources generated from
the provisions of health services within the province-wide or urban health
system, including but not limited to income generated by health facilities, PhilHealth reimbursements, and donations, for the exclusive purpose of financing either population-based or individual-based health services.

CHAPTER V
HUMAN RESOURCES FOR HEALTH

SEC. 18. Competitive Compensation Package. – In order to ensure that all health professionals, personnel, and staff in the public sector receive adequate compensation and benefits commensurate to their fundamental role in society and the amount of work that they render, the DOH in consultation with the DBM shall work for the increase in salaries and allowances of all health professionals, personnel and staff to make their compensation and benefits competitive in accordance with national salary rates, and provide additional allowances if assigned in underserved or geographically isolated and disadvantaged areas.

SEC. 19. National Health Workforce Support System. –

a) A National Health Workforce (NHW) Support System shall be created to support publicly owned or led service delivery networks, ensure provision of quality health care services, and address human resource needs in service delivery networks.

b) The NHW Support System shall include fixed term plantilla items that would be allocated by DOH based on need, adjusted with the burden of disease and geographic needs, especially of unserved and underserved areas.

SEC. 20. Health Professional Education. –

a) The DOH shall develop programs on Public Health Systems Management and Health Financing to build capacity of public sector employees working in the health system. For purposes of this section, the DOH may partner with the National Institutes of Health and other relevant agencies.

b) The Commission on Higher Education and the DOH shall develop and plan the expansion of local health-related degree programs and regulate the number of enrollees in each degree program based on health needs of the population. For programs not available locally, they shall develop a systematic capacity development program, including shifting the focus and learning outcomes of degree programs to the health needs of the population.
c) Expand scholarship grants for health-related undergraduate and
graduate programs, based on the needed cadre of health professionals per
service delivery network.

d) The DOH, in coordination with Philippine Medical Association (PMA)
and allied health professional societies, shall set up a registry of health and allied
health professionals and their location of practice.

SEC. 21. Return of Service with Compensation Package. — All health
professional graduates from state universities and colleges or government-
funded scholarship programs shall be required to serve for at least three (3) full
years, under supervision and with compensation, in an underserved area or in
the public sector. All health professional graduates from private schools shall be
similarly encouraged to serve in these areas.

The DOH shall coordinate with the Commission on Higher Education
(CHED) for the effective implementation of this section.

CHAPTER VI

REGULATION

SEC. 22. Safety and Quality.

a) The DOH shall institute minimum standards for safety and quality of
health goods, facilities, and services, and recognize third party accreditation
mechanisms. PhilHealth shall use these accreditation mechanisms as basis for
granting incentives.

b) The DOH shall be mandated to institute a licensing and regulatory
system for service delivery networks and stand-alone health facilities, including
those providing ambulatory and primary care services, and other modes of
health service provision.

c) The DOH shall set standards for clinical care through the development,
appraisal, and use of clinical practice guidelines in cooperation with professional
societies and the academia.

SEC. 23. Affordability.

a) All publicly owned or led service delivery networks shall procure drugs
and devices guided by price reference indices, following centrally negotiated
prices, sell them following maximum prescribed mark-ups, and submit to DOH a
price list of all drugs and devices procured and sold by the network.
b) An independent price negotiation board shall be constituted to negotiate prices on behalf of the DOH. The negotiated price in the framework contract shall be made available for all public sector institutions.

c) The DOH shall set standards for various types of hospital accommodation depending on range of amenities, and determine appropriate proportion of each type of accommodation within service delivery networks.

d) PhilHealth shall set limits on allowable co-payments and co-insurance per accommodation type as part of its contracting agreements with each service delivery network.

e) Health care providers and facilities shall be required to make readily accessible to the public and submit to DOH pertinent, relevant, and up-to-date information regarding the prices of medical services and all goods and services being offered.

f) Medical and dental practitioners, including private practitioners, shall write prescriptions using the International Nonproprietary Name (INN) or generic name only. No brand names shall be allowed in any part of the prescription.

g) Drug outlets shall be required at all times to carry the generic equivalent of all drugs in the Primary Care Formulary and shall be required to provide customers with a list of therapeutic equivalent and their corresponding prices when fulfilling prescriptions and/or in any transaction.

h) The DOH, PhilHealth, and HMOs shall develop standard policies and plans that complement the NHIP’s benefit schedule. Provided that, a coordination mechanism between PhilHealth, PHIs and HMOs shall be set up to ensure that no benefits shall be unnecessarily dropped.

SEC. 24. Equity. The DOH shall annually update its list of underserved areas, which shall be the basis for preferential licensing of health facilities and contracting of health services. The DOH shall also be authorized to determine appropriate bed capacity and health care professionals of public and private hospitals based on need.

CHAPTER VII
GOVERNANCE & ACCOUNTABILITY

SEC. 25. Governance of PhilHealth.

a) To strengthen the NHIP in fulfilling its role as the national purchaser for individual-based services, the PhilHealth Board of Directors is hereby reconstituted to have a maximum of eleven members, consisting of the
following: (1) four ex-officio members, namely, the Secretary of Health, Secretary of Social Welfare and Development, Secretary of Budget and Management, Secretary of Finance; (2) three expert panel members with expertise in public health, management, and health economics; and (3) four sectoral panel members, representing the direct contributory group, indirect contributory group, employers group, and local government

b) The sectoral and expert panel members must be (1) Filipino citizens and of (2) good moral character. The expert panel must be (1) of recognized probity and independence and must have distinguished themselves professionally in public, civic or academic service in any of the following fields: public health, medicine, economics, law, finance, or business and management, (2) in the active practice of their professions for at least ten (10) years, and (3) must not have been candidates for any elective national or local office in the immediately preceding elections, whether regular or special.

c) The delineation of functions between the Board of Directors and the executive committee shall be defined by the Governance Commission for GOCCs (GCG). In addition, the GCG is hereby mandated to evaluate and conduct organizational development of PhilHealth including personnel planning and setting of minimum qualifications for corporate officers except those officers whose qualifications are provided for by law.

d) The President of the Philippines shall appoint the President and CEO of PhilHealth upon the recommendation of the Board; Provided that, the Board cannot recommend a President and CEO of PhilHealth unless he is a Filipino citizen and must have at least ten (10) year experience in the field of health care financing and corporate management.


a) All public and private, national and local health-related entities shall be required to submit health and health-related data to the DOH including, but not limited to, administrative, public health, medical, pharmaceutical and health financing data; Provided that, the DOH shall create and maintain a databank which shall serve as the hub of all health data.

b) The DOH shall strengthen its internal analytic capacity, develop systems for effective health research management, and build sectoral capacity towards a vibrant ecosystem of research producers, communicators and users. In cooperation with the DOST, DOH shall develop a cadre of policy systems
researchers by providing training grants in globally-benchmarked institutions and appropriate incentives to retain them.

c) All health, nutrition and demographic-related administrative and survey data generated using public funds shall be considered public goods, therefore cannot be withheld from the public, except if covered by the inventory of exceptions under applicable laws, and/or release of information requires excessive cost to generate in which case those who request the data may be required to pay for the cost of obtaining it.

SEC. 27. Monitoring and Evaluation.

a) The DOH, National Economic Development Authority (NEDA), and the Philippine Statistical Authority (PSA) shall develop a monitoring and evaluation framework to validate the accomplishments of the provisions of this Act.

b) The PSA shall conduct the relevant modules of household surveys annually during the first (10) years of the implementation of this Act, in order to track progress and thereafter follow its regular schedule.

c) The DOH shall publish annually provincial burden of disease estimates using internationally validated estimation methods and biennially using actual public and private sector data from electronic records and disease registries, to support LGUs in tracking progress of health outcomes.

d) A Performance Management unit shall be established in the DOH to enable periodic monitoring and evaluation, engagement of third party monitoring schemes, and publicly reporting of accomplishments.


a) Health Impact Assessment (HIA) shall be institutionalized as a prerequisite for policies, programs, and projects that are health-related or may have an impact on the health sector.

b) A multi-agency, multi-expert panel shall be convened to appraise HIA evaluations, supported by a technical secretariat housed within the DOH.

SEC. 29. Health Technology Assessment.

a) A Health Technology Assessment (HTA) unit composed of independent multi-expert panel, supported by a technical secretariat with evidence generation and validation capacity, shall be established within the DOH.

The DOH, in coordination with other government agencies, health professional organizations, health sector civil society organizations, patients’ organization, and cademe, shall establish guidelines and qualifications for the nomination process for all HTAC members.
b) 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 determination of range of entitlements, provided for under this Act; Provided that, neither investments on any health technology nor development of any benefit package shall be made by DOH and PhilHealth without undergoing the said HTA process; Provided further, 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, and enforceability; Provided finally, that HTA unit shall ensure that its process shall be transparent and the result of its deliberations are made public.

**SEC. 30. Ethics in Public Health Policy and Practice.** The implementation of UHC shall be strengthened by commitment of all stakeholders to abide by ethical principles in public health practice.

Conflict of interest declaration and management shall be routine in all policy-determining activities, and applicable to all appointed decision-makers, policymakers and their staff.

All manufacturers of drugs, medical devices, biological and medical supplies registered by the FDA shall collect and track all financial relationships with physicians/healthcare providers and report these to the DOH, which shall then make this list publicly available.

A public health ethics committee shall be constituted as an advisory body to the Secretary of Health.

**SEC. 31. Health Information System.** — All health service providers and insurers shall within four (4) years, create and maintain information systems including but not limited to enterprise resource planning, human resource information system, electronic medical records, and electronic prescription consistent with DOH standards which shall be electronically uploaded on a regular basis. The DOH, in consultation with appropriate government and private agencies, is hereby mandated to develop a single system to be used by all health service providers.

The DOH shall create and maintain a databank, which shall serve as a hub of all health transactions/data including but not limited to administrative, medical, prescription and reimbursement data. These shall be reviewed and archived and shall be used exclusively for the purpose of generating information
to guide research and policy. Patient privacy and confidentiality shall at all times
be upheld, in accordance with the Data Privacy Act of 2012.

SEC.32. Health Promotion. — The DOH as the overall steward for health
care shall constantly work to achieve better national health outcomes for
Filipinos. It shall strengthen public health care and intensify its efforts in
providing a comprehensive and coordinated approach to health promotion, with
emphasis on mainstreaming of promotive and preventive care.

The DOH shall transform its existing Health Promotion and Communication
Service into a full-fledged Bureau, to be named as the Health Promotion Bureau.
The Health Promotion Bureau shall perform the following:

a) Develop and update the national health promotion policy framework
and action plan. The Framework shall serve as the basis for health
promotion planning, research and development, monitoring of activities,
and financing to promote healthy behavior;

b) Coordinate the activities of and strengthen working relationships
between government and non-government agencies involved in the
implementation of health promotion programs;

c) Monitor and assess the implementation of laws and policies on
health promotion, including implementation of international conventions;

d) Recommend key development investments in specific sectors
impacting health promotion to ensure the achievement of national health
goals, including but not limited to health consciousness awareness
programs, policy studies, review of existing legislation, and
implementation of pilot health promotion projects that will form basis for
policy and program recommendations;

e) Provide mechanisms of assistance to ensure the mainstreaming of
health and ensuring the development of institutional capabilities for health
mainstreaming in government agencies;

f) Conduct studies, research and development activities towards
drivers of health that will assist in the determination of priority health
promotion strategies and activities;

g) Encourage healthy lifestyles in the community and support
activities involving participation in healthy pursuits;

h) Formulate the necessary education and awareness promotion,
information campaign and social marketing strategies;
i) Harmonize and coordinate all health promotion programs and activities in the Philippines.

CHAPTER VIII
PENAL PROVISIONS

SEC. 33. Penal Provisions. A violation by the following persons shall suffer the corresponding penalties as herein provided:

a) Contracted Health Care Provider – Any contracted health care provider who commits an unethical act, abuses the authority vested upon him or her, or perform a fraudulent act as defined in SEC. 4 of this Act shall be punished by a fine of two hundred thousand pesos (P200,000.00) for each count, or suspension of contract up to three (3) months or the remaining period of accreditation whichever is shorter, or both, at the discretion of the Corporation taking into consideration the gravity of the offense. If the health care provider is a juridical person, its officers and employees or other representatives found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable. Recidivists may no longer be contracted as participants of the Program.

b) Member – Any member who commits any violation of this Act or knowingly and deliberately cooperates or agrees, whether explicitly or implicitly, to the commission of a violation by a contracted health care provider or employer as defined in this section, including the filing of a fraudulent claim for benefits or entitlement under this Act, shall be punished by a fine of fifty thousand pesos (P50,000.00) for each count or suspension from availingment of the benefits of the Program for not less than three (3) months but not more than six (6) months, or both, at the discretion of the Corporation.

c) Employer –

1. Failure or Refusal to Register, Deduct or Remit the Contributions – Any employer who deliberately or through inexcusable negligence, fails or refuses to register employees, regardless of their employment status, accurately and timely deduct contributions from the employee’s compensation or to accurately and timely remit or submit the report of the same to the Corporation shall be punished with a fine of fifty thousand pesos (P50,000.00) for every count of violation per affected employee, or imprisonment of
not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

Any employer or any officer authorized to collect contributions under this Act who, after collecting or deducting the monthly contributions from the employee's compensation, fails or refuses for whatever reason to accurately and timely remit the contributions to the Corporation within thirty (30) days from due date shall be presumed prima facie, to have misappropriated the same and is obligated to hold the same in trust for and in behalf of the employees and the Corporation, and is immediately obligated to return or remit the amount. If the employer is a juridical person, its officers and employees or other representatives found to be responsible, whether they acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable.

ii. Unlawful Deductions – Any employer or officer who shall deduct directly or indirectly from the compensation of the covered employees or otherwise recover from them the employer's own contribution on behalf of such employees shall be punished with a fine of five thousand pesos (P5,000.00) multiplied by the total number of affected employees or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court. If the unlawful deduction is committed by an association, partnership, corporation or any other institution, its managing directors or partners or president or general manager, or other persons responsible for the commission of the act shall be liable for the penalties provided for in this Act.

iii. Misappropriation of Funds by Employees of the Corporation – Any employee who, without prior authority or contrary to the provisions of this Act or its implementing rules and regulations, wrongfully receives or keeps funds or property payable or deliverable to the Corporation, and who shall appropriate and apply such fund or property for their own personal use, or shall willingly or negligently consent either expressly or implicitly to the misappropriation of funds or property without objecting to the
same and promptly reporting the matter to proper authority, shall be liable for misappropriation of funds under this Act and shall be punished with a fine equivalent to triple the amount misappropriated per count and suspension for three (3) months without pay.

iv. Other Violations – Other violations of the provisions of this Act or of the rules and regulations promulgated by the Corporation shall be punished with a fine of not less than Five thousand pesos (P5,000.00) but not more than Twenty thousand pesos (P20,000.00).

All other violations involving funds of the Corporation shall be governed by the applicable provisions of the Revised Penal Code or other laws, taking into consideration the rules on collection, remittances, and investment of funds as may be promulgated by the Corporation.

The Corporation may enumerate circumstances that will mitigate or aggravate the liability of the offender or erring health care provider, member or employer.

Despite the cessation of operation by a health care provider or termination of practice of an independent health care professional while the complaint is being heard, the proceeding against them shall continue until the resolution of the case.

CHAPTER VIII

APPROPRIATIONS

SEC. 34. Appropriations. – The funds requirements to implement this Act shall be earmarked and sourced from the following:

a) Total sin tax collections as provided for in Republic Act (R.A.) No. 10351 of the Sin Tax Law; Provided, that the mandated earmarks as provided for in R.A. Nos. 7171 and 8240 shall be retained;

b) The 50% national government share from the income of the Philippine Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended of the PAGCOR Charter;

c) The Charity Fund of the Philippine Charity and Sweepstakes Office (PCSO) as provided for R.A. No. 1169, as amended of the PCSO Charter; and

d) Premium contributions of members.
The amount necessary to implement the provisions of this Act shall be included in the General Appropriations Act. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act.

CHAPTER IX
MISCELLANEOUS PROVISIONS

SEC. 35. Oversight Provision. — There is hereby created a Joint Congressional Oversight Committee on Universal Health Care to conduct a regular review of the implementation of this Act which shall entail a systematic evaluation of the performance, impact or accomplishments of this Act and the various agencies involved in realizing universal health coverage, particularly with respect to their roles and functions.

The Joint Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committee on Health and Demography and the House of Representatives Committee on Health. It shall be composed of five (5) members from the Senate and five (5) members from the House of Representatives, to be appointed by the Senate President and the Speaker of the House of Representatives, respectively.

SEC. 36. Transitory Provision. -- Within thirty (30) days from the effectivity of this Act, the President of the Philippines shall appoint the new members of the Board and the President of the Corporation. The existing board of directors shall serve in a hold-over capacity until a full and permanent board of directors of the Corporation is constituted and functioning.

All officers and personnel of Philippine Health Insurance Corporation (PhilHealth), except members of the Board who shall be governed by the first paragraph of this section, shall be absorbed by the Corporation and shall continue to perform their duties and responsibilities and receive their corresponding salaries and benefits. The approval of this Act shall not cause any demotion in rank or diminution of salary, benefits and other privileges of the incumbent personnel of PhilHealth: Provided, That qualified officers and personnel may voluntarily elect for retirement or separation from service and shall be entitled to the benefits under existing laws: Provided, further, That the GCG in coordination with DOH, PhilHealth and DBM shall not be prohibited to reorganize, rationalize and conduct personnel planning to implement the provisions of this Act in accordance with existing laws.
SEC. 37. Interpretation. – Any doubt in the interpretation of any provision of this Act shall be liberally interpreted in a manner mindful of the rights and interests of every Filipino to quality, accessible and affordable health care.

SEC. 38. Separability Clause. – If any part or provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 39. Applicability and Repealing Clause. – The provisions of Republic Act No. 7875 as amended by Republic Act No. 9241 and Republic Act No. 10606, otherwise known as the “National Health Insurance Act of 2013” shall continue to have full force and effect except insofar as they are inconsistent with this Act.

All other laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 40. Implementing Rules and Regulations. - The DOH and the PhilHealth, in consultation and coordination with appropriate national government agencies, civil society organizations, non-government organizations, private sector representatives, and other stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act no later than one hundred and eighty (180) days upon the effectivity of this Act.

SEC. 41. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,