Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
First Regular Session  

House Bill No. 6675  

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Introduced by the Honorable Precious Hipolito Castelo  

EXPLANATORY NOTE  

As world face the COVID-19 crisis, Overseas Filipino Workers (OFWs) are particularly in a pickle. It is quite undeniable that there is a rise in global unemployment rates because of the effects of the pandemic and the measures employed to deal with it. Many OFWs are affected by the crisis and some of them are forced to go home through government repatriation without any assurance of job security in the future.

On April 2, 2020, Philippine Health Insurance Corporation (PhilHealth) signed PhilHealth Circular No. 2020-0014 for the implementation of the collection of PhilHealth premium contributions as provided in Republic Act No. 11223, otherwise known as the “Universal Health Care Act”.

Under the said law, from a fixed rate of annual premium of PhP2,400.00, the amount of premium contribution is now computed based on the annual salary. OFWs are now required to remit 3% of their salaries. By 2021, the contribution will be raised to 3.5%, and it will be further raised annually until the amount hits 5% by 2024.

For instance, an OFW earning $200 or PhP20,800 monthly (from an exchange rate of PhP52.00 per US dollar) will have to pay PhP7,488 to PhilHealth for the year 2020. Since there is a provided income ceiling of PhP60,000.00 for the year 2020, an OFW earning PhP60,000 or more will have to pay PhP21,600.00 for his annual contribution this year. This is a big jump from the previous fixed rate of PhP2,400.00.

It cannot be gainsaid that the issuance of the Circular is quite ill-timed considering the current COVID-19 crisis being faced by OFWs. Their situation is also quite unique since the premiums are solely paid by them, as opposed to domestic workers whose contributions are 50% subsidized by their respective employers.

As such, it is the intent of this bill to impose a moratorium on the increase of PhilHealth premium contributions for OFWs as provided in RA 11223.

The immediate passage of this bill is most earnestly sought.


PRECIOS HIPOLITO CASTELO
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AN ACT
IMPOSING A MORATORIUM ON THE INCREASE OF PHILHEALTH PREMIUM CONTRIBUTIONS OF OVERSEAS FILIPINO WORKERS (OFWs), 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:

SECTION 1. Short Title. – This Act shall be known as the "Moratorium on Increase of OFW PhilHealth Premium Contributions Act of 2020".

SEC. 2. Declaration of Policy. – The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare. Towards this end, it shall be the policy of the State not to unduly burden OFWs amid the COVID-19 crisis, by suspending the implementation of the increase of their annual PhilHealth premium contributions as provided under Republic Act No. 11223 or the Universal Health Care Act.

SEC. 3. Moratorium on increase of OFW PhilHealth Premium Contributions. – There shall be a moratorium or suspension on the increase of PhilHealth premium contributions for all OFWs, hereby amending the Universal Health Care Act. The previous annual fixed rate of Two Thousand and Four Hundred Philippine Pesos (PhP2,400.00) shall instead apply to them.

SEC. 4. Coverage of Moratorium. – For purposes of the Universal Health Care Act, the moratorium shall apply only to OFWs.

SEC. 5. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the Department of Health (DOH) shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

SEC. 6. Separability Clause. – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 7. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 8. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,