Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 6698

Introduced by
BAYAN MUNA Representatives FERDINAND R. GAITE,
CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
GABRIELA Women's Party Representative ARLENE D. BROSAS
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

AN ACT
PROVIDING FOR VOLUNTARY MEMBERSHIP OF OVERSEAS FILIPINOS
IN THE NATIONAL HEALTH INSURANCE PROGRAM, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE
UNIVERSAL HEALTH CARE ACT, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

On April 2, 2020, PhilHealth issued Circular No. 2020-0014, mandating that Overseas Filipinos
with income amounting from ₱10,000 to ₱20,000 will be required to pay 3% of their annual
salaries. This is a premium rate increase from 2.75 percent in 2019, and will increase every year by
0.5% points until it reaches the target 5% by 2024. This is in consonance with the Universal Health
Care Act or RA 11223 which was enacted in 2019.

Further, the Circular mandates that members who fail to pay the premium in time "shall be
required to pay all missed contributions with monthly compound interest".

In a Joint Position Statement signed by about 200 Filipino Migrant Groups, Filipino overseas
opposed the mandatory collection of PhilHealth premium increase. An online petition against the
mandatory premium increase was able to gather more than 400,000 signatures.

Migrant workers particularly oppose the additional burden through the PhilHealth premium.
Contributions which form part of the state exactions levied on overseas Filipinos. Overseas
Filipinos are also doubly charged because they are being made to shoulder the employers' share.

Most overseas Filipinos are already covered by existing health insurance and healthcare programs
in their respective host countries. PhilHealth significantly lacks accredited hospitals abroad for
Filipinos to avail of its program and services. These make the mandatory PhilHealth coverage
useless and redundant.

The migrant groups also condemn the inclusion of the payment of PhilHealth premium as a
requirement for the mandatory Overseas Employment Certificate. This is contrary to the campaign
promise of President Rodrigo Duterte that he will remove the OEC requirement.
Due to the uproar from OFWs and other overseas Filipinos worldwide, the Philippine government was forced to announce the suspension of the premium increase. President Duterte ordered that PhilHealth premium shall be “voluntary”. But many overseas Filipinos are still indignant as they see that such are only meant to silence their protests. An enabling law is also necessary to make OFW membership in PhilHealth voluntary.

In the time of COVID-19 pandemic, when people all over the world are getting sick and suffering the socio-economic impact of the pandemic, it is unjust and inhumane to ever consider burdening the overseas Filipinos and other sectors of the society with additional payments and exactions.

Suspending the PhilHealth premium increase only temporarily relieves the overseas Filipinos of the additional burden. There is a need to truly unburden the overseas Filipinos by allowing voluntary membership, removing the “double” payment, compounded interest for unpaid premium, and unjust premium increases by amending certain provisions of the Universal Health Care Law.

For the interest and welfare of our overseas Filipinos, the approval of this bill is earnestly sought.

Approved,

REPRESENTATIVE FERDINAND R. GAITE
Bayan Muna Partylist

REPRESENTATIVE CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist

REPRESENTATIVE BUITEMA C. CULLAMAT
Bayan Muna Partylist

REPRESENTATIVE FRANCIS L. CASTRO
ACT Teachers Partylist

REPRESENTATIVE ARLENE D. BROSAS
GABRIELA Women’s Party

REPRESENTATIVE SARAH JANE I. ELAGO
Kabataan Partylist
AN ACT
PROVIDING FOR VOLUNTARY MEMBERSHIP OF OVERSEAS FILIPINOS
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 4 (f) of Republic Act No. 11223 shall be amended as follows:

Sec. 4 Definition of Terms - As used in this Act:

...(f) Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, [MIGRANT WORKERS INCLUDING THEIR QUALIFIED DEPENDENTS], and lifetime members.

PROVIDED THAT, MIGRANT WORKERS AND OVERSEAS FILIPINOS SHALL BE DIRECT CONTRIBUTORS ON VOLUNTARY BASIS UNDER THIS ACT. PROVIDED FURTHER, THAT THE EMPLOYER SHARE ON THEIR PREMIUM SHALL BE COLLECTED WHENEVER APPLICABLE. PROVIDED FINALLY, THAT OVERSEAS FILIPINOS SHALL REFER TO LAND-BASED OFWS; SEAFARERS AND OTHER SEA-BASED WORKERS; FILIPINOS WITH DUAL CITIZENSHIP IN ACCORDANCE TO REPUBLIC ACT 9225 OTHERWISE KNOWN AS THE CITIZENSHIP RETENTION AND REACQUISITION ACT OF 2003; FILIPINOS LIVING ABROAD; OVERSEAS FILIPINOS IN
DISTRESS; AND OTHER OVERSEAS FILIPINOS NOT PREVIOUSLY CLASSIFIED ELSEWHERE.

SECTION 2. Section 9 of Republic Act No. 11223 shall be amended as follows:

Sec. 9 Entitlement to Benefits - Every member shall be granted immediate eligibility for health benefit package under the Program; Provided, that PhilHealth Identification Card shall not be required in the ailment of any health service; Provided, further, that no co-payment shall be charged for services rendered in basic or ward accommodation; Provided, furthermore, that co-payments and co-insurance for amenities in public hospitals shall be regulated by the DOH and PhilHealth; Provided, finally, that the current PhilHealth package for members shall not be reduced.

PhilHealth shall provide additional Program benefits for direct contributors, where applicable; Provided, that failure to pay premiums shall not prevent the enjoyment of any Program benefits; Provided, further, that employers [AND SELF-EMPLOYED DIRECT CONTRIBUTORS] shall be required to pay all missed contributions with an interest, compounded monthly, of at least three percent (3%) [FOR EMPLOYERS AND NOT EXCEEDING ONE AND ONE-HALF PERCENT (1.5%) FOR SELF-EARNING, PROFESSIONAL PRACTITIONERS, AND MIGRANT WORKERS.]

SECTION 3. Section 10 of Republic Act No. 11223 shall be amended as follows:

Sec. 10. Premium Contributions –

[FOR DIRECT CONTRIBUTORS, PREMIUM RATES SHALL BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE, AND MONTHLY INCOME FLOOR AND CEILING:

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium Rate</th>
<th>Income Floor</th>
<th>Income Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.75 %</td>
<td>P 10,000</td>
<td>P50,000</td>
</tr>
<tr>
<td>2020</td>
<td>3.00 %</td>
<td>P 10,000</td>
<td>P60,000</td>
</tr>
<tr>
<td>2021</td>
<td>3.50 %</td>
<td>P 10,000</td>
<td>P70,000</td>
</tr>
<tr>
<td>2022</td>
<td>4.00 %</td>
<td>P 10,000</td>
<td>P80,000</td>
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<tr>
<td>2023</td>
<td>4.50 %</td>
<td>P 10,000</td>
<td>P90,000</td>
</tr>
<tr>
<td>2024</td>
<td>5.00 %</td>
<td>P 10,000</td>
<td>P100,000</td>
</tr>
<tr>
<td>2025</td>
<td>5.00 %</td>
<td>P 10,000</td>
<td>P100,000</td>
</tr>
</tbody>
</table>

FOR DIRECT CONTRIBUTORS, PREMIUM RATES SHALL BE FIXED AND ADJUSTED FROM TIME TO TIME THROUGH ENACTMENT OF CONGRESS, TAKING INTO
CONSIDERATION ACTUARIAL CALCULATIONS, RATE OF BENEFITS, AND THE CAPACITY OF THE MAJORITY OF CONTRIBUTORS TO PAY.

Provided, that for indirect contributors, premium subsidy shall be gradually adjusted and included annually in the General Appropriations Act (GAA); Provided, further, that the funds shall be released to PhilHealth; Provided, furthermore; that the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act; Provided, finally, that for every increase in the rate of contribution of direct contributors and premium subsidy of indirect contributors, PhilHealth shall provide for a corresponding increase in benefits.

SECTION 4. Repealing Clause - All laws, decrees, executive orders and other presidential issuances which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 5. Separability Clause. - If any provision of this Act is declared invalid, the remainder of any provision hereof not affected thereby shall remain in force and effect.

SECTION 6. Effectivity - This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,