

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Second Regular Session



House Bill No. 7424

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Introduced by  
**ANAKALUSUGAN REPRESENTATIVE MICHAEL T. DEFENSOR**

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EXPLANATORY NOTE

The Universal Health Care Act, embodied by R.A. 11223, has been hailed by many sectors as a landmark law. The World Health Organization described it as “a critical step towards health for all Filipinos as it will facilitate major reforms to consolidate existing yet fragmented financial flows, increase the fiscal space for benefit delivery, improve the governance and performance of devolved local health systems, and institutionalize support mechanisms such as health technology assessment and health promotion.”<sup>1</sup>

Universal Health Care coverage is a boon for a third world country like the Philippines where hospital care is prohibitive. According to the National Economic and Development Authority, in 2017, 54.5% of total health payment came from Filipinos’ own pockets. It cited a 2017 National Demographic and Health Survey where the average cost of treatment for confined individuals is PHP21,400, only half of which is shouldered by the Philippine Health Insurance Corporation (Philhealth). This does not include the cost of medicines or services from external pharmacies and laboratories that amounts to an average of PhP5,237.<sup>2</sup>

Aiming for 100% medical coverage for all Filipinos, however, entails securing funds to support the program. According to the DOH, the implementation of the UHC law for its first year needs P257 billion which will be sourced from sin tax collections and partly from

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<sup>1</sup> <https://www.who.int/philippines/news/detail/20-02-2019-new-uhc-act-a-critical-step-towards-health-for-all-filipinos>

<sup>2</sup> <https://www.neda.gov.ph/explainer-universal-health-care-law-and-what-it-means-to-ph-development/>

income generated by the Philippine Amusement and Gaming Corporation (PAGCOR) and PCSO.<sup>3</sup> It goes without saying that premium contributions would also be increased as the membership and benefits package improved.

As with all laws, birthing pains are bound to happen. The Universal Health Care Act categorized Migrant Workers as Direct Contributors, along with other income deriving class such as Government and Private employees and professionals. What the UHC Act failed to recognize is the valid distinction of Migrant workers as a separate class due to the location of their employment. One of the practical implications of being lumped in a single category with locally-based Direct Contributors is that Migrant Workers are forced to pay both Employee and Employer shares, thereby doubling their premium contributions. This results in a valid distinction that should be recognized under the law. There is no violation of the Equal Protection Clause if a valid distinction exists, hence premium contributions of Migrant Workers should not be the same as locally-based Direct Contributors.

This bill seeks to recognize Migrant Workers as a distinct class within the Category of Direct Contributors under the UHC Act. The Philhealth and the Overseas Workers Welfare Administration (OWWA), along with other concerned agencies of the government and the private sector, should be given leeway to draft the proper premium rates and its implementation so that it would be a fit for the special circumstances of our Migrant Workers.

Considering the foregoing reasons, the passage of this bill is earnestly requested.



**MICHAEL "MIKE" T. DEFENSOR**  
*Anakalusugan Party-List Representative*

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<sup>3</sup> Id.



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**AN ACT AMENDING SECTION 10 OF 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. *Short Title.* – This Act shall be known as the “Amendatory Provision for  
2 Migrant Workers under the Universal Health Care Act.”

3           Sec. 2. *Declaration of Policy.* – It is the policy of the State to provide for Universal  
4 Health Care provided that it is people-oriented, responsive to the times and cognizant of  
5 different sets of values and special circumstances.

6           Sec. 3. *Amendment.* – Section 10 of Republic Act 11223 is hereby amended to read as  
7 follows:

8           “Section 10. Premium Contributions – For direct contributors, premium rates shall be  
9 in accordance with the following schedule, and monthly income and floor ceiling:

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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

1            PROVIDED, THAT IN THE CASE OF FILIPINO MIGRANT WORKERS,  
2            CONSIDERING THEIR PECULIAR EMPLOYMENT CIRCUMSTANCES AS  
3            COMPARED TO OTHER DIRECT CONTRIBUTORS, THE PHILHEALTH IN  
4            PARTNERSHIP WITH THE OVERSEAS WORKERS WELFARE  
5            ADMINISTRATION (OWWA), DEPARTMENT OF FOREIGN AFFAIRS  
6            (DFA), OTHER CONCERNED AGENCIES AND RELEVANT CIVIL SOCIETY  
7            GROUPS AND NON-GOVERNMENT ORGANIZATIONS, SHALL ISSUE A  
8            SEPARATE CIRCULAR REGARDING PREMIUM CONTRIBUTIONS FOR  
9            BOTH LAND-BASED AND SEA-BASED FILIPINO MIGRANT WORKERS  
10           THAT WILL BE RESPONSIVE TO THEIR WORK LOCI BUT SHALL  
11           ENSURE THE BEST MEDICAL COVERAGE;

12           *Provided, that for Indirect Contributors, premium subsidy shall be gradually*  
13           *adjusted and included annually in the General Appropriations Act (GAA):*  
14           *Provided, further, That the funds shall be released to the Philhealth: Provided,*  
15           *furthermore; That the DOH, in coordination with Philhealth, MAY REQUEST*  
16           *Congress to provide supplemental funding to meet targeted milestones of this*  
17           *Act: Provided, finally, That for every increase in the rate of contribution of direct*  
18           *contributors and premium subsidy of indirect contributors, Philhealth shall*  
19           *provide for a corresponding increase in benefits."*

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

23           *Sec. 8. Separability Clause. – If, for any reason, any section or provisions of this Act*  
24           *is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected*  
25           *thereby.*

26           *Sec. 9. Effectivity. - This Act take effect fifteen days (15) after its publication in at*  
27           *least two (2) national newspapers of general circulation.*

28  
29           *Approved*