

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8300



Introduced by **Representative Stella Luz A. Quimbo**

AN ACT GRANTING THE PRESIDENT OF THE PHILIPPINES THE POWER TO SUSPEND THE SCHEDULED INCREASES IN PHILHEALTH PREMIUM CONTRIBUTION RATES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE ACT

EXPLANATORY NOTE

In 2019, Republic Act No. 11223 or the Universal Health Care Act (UHC Act) was enacted to institute reforms in the health care sector and help ensure access to quality and affordable health care. The UHC Act provides that every Filipino citizen shall be automatically included into the National Health Insurance Program, with membership types simplified into direct and indirect contributors. Section 10 of the law provides for annual increases in the premium rates of direct contributors until 2024. For 2021, the premium rate is scheduled to increase to 3.5 percent of the monthly basic salary, from the 2020 rate of 3 percent.

The UHC Act could not have foreseen the COVID-19 pandemic that has battered our health care sector and our people's livelihoods in the past year. Because of the health situation and the quarantine restrictions that were implemented in response, the economy has entered a recession, recording GDP contractions of 0.7 percent, 16.9 percent, and 11.5 percent in the first, second, and third quarters of 2020, respectively. Unemployment rate reached a historic high in April at 17.7 percent, translating to 7.3 million Filipinos without jobs. While employment levels have since picked up, many are in lower quality jobs compared to pre-COVID, just trying to make ends meet through self-employment or informal work. Businesses are also struggling, with DTI reporting closures among 26 percent of surveyed businesses during the lockdown. Given ongoing economic hardships, we can expect a difficulty on the part of PhilHealth members and

employers to comply with the increased premium rate this year. Such increases will only further decrease households' disposable incomes and stifle consumption.

PhilHealth's own projected collection rates for 2021 speak volumes. They expect only 10 percent of Individually Paying Program members to pay their premiums this year. The projected collection rate for Overseas Filipino Workers is lower at 4 percent. This is a clear signal of members' low willingness to pay the high premium rates.

To date, PhilHealth has not made clear how it will utilize the P71 billion pesos allocated for premium subsidies under the 2021 General Appropriations Act. While this amount is similar to the budget allocated to PhilHealth in previous years, PhilHealth projects an overall deficit of 86 billion pesos in 2021, suggesting significant leakages and calling into question PhilHealth's management of its funds. To avoid any wastage of the people's money, it may be prudent to address such issues prior to any further increases in PhilHealth funds through premium contributions.

In this regard, this bill amends Section 10 of the UHC Act to grant the President the power to suspend the scheduled increases in premium rates provided therein when it is in the interest of the public, such as with the ongoing national emergency. In such instances, the scheduled increase in a certain year will fall to the year following the lifting of the suspension.

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



STELLA LUZ A. QUIMBO, PhD
Representative
Second District, Marikina City

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

1 **SEC. 1. Power to Suspend Premium Rate Increases.** – Section 10 of the Republic Act No.
2 11223 is hereby amended to read as follows:

3 “SEC. 10. Premium Contributions. – For direct contributors, premium rates shall
4 be in accordance with the following schedule, and monthly floor and ceiling:

5 xxx

6 **PROVIDED, FURTHERMORE, THAT THE PRESIDENT, IN CONSULTATION**
7 **WITH THE PHILHEALTH BOARD OF DIRECTORS AND THE SECRETARY**
8 **OF FINANCE, MAY SUSPEND THE IMPLEMENTATION OF A SCHEDULED**
9 **INCREASE IN PREMIUM RATES WHEN PUBLIC INTEREST SO REQUIRES,**
10 **SUCH AS, BUT NOT LIMITED TO, TIMES OF NATIONAL EMERGENCIES.**
11 **SUBSEQUENT SCHEDULED INCREASES IN CONTRIBUTIONS SHALL BE**
12 **ADJUSTED TO FALL ON THE YEARS FOLLOWING THE LIFTING OF THE**
13 **SUSPENSION.”**

1 **SEC. 2. Separability Clause.** - If any part, section or provision of this Act is held invalid
2 or unconstitutional, other provisions not affected thereby shall remain in full force and
3 effect.

4 **SEC. 3. Repealing Clause.** - All laws, decrees, orders, rules and regulations or parts
5 thereof inconsistent with this Act are hereby repealed or amended accordingly.

6 **SEC. 4. Effectivity.** - This Act shall take effect immediately upon its publication in the
7 Official Gazette or in a newspaper of general circulation.

8 Approved,