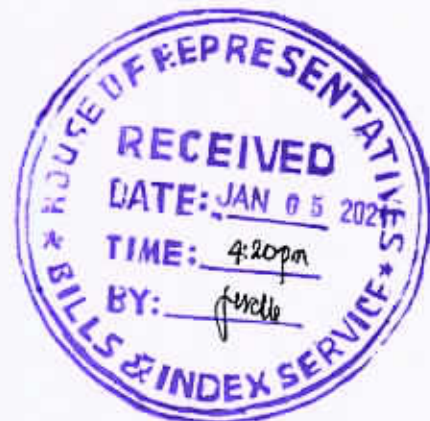


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 8311



Introduced by BAYAN MUNA Rep. **CARLOS ISAGANI T. ZARATE**,
FERDINAND R. GAITE 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
REMOVING THE AUTOMATIC INCREASE OF PREMIUM CONTRIBUTIONS
OF THE PHILIPPINE HEALTH INSURANCE CORPORATION, AMENDING
FOR THE PURPOSE SECTION 10 OF REPUBLIC ACT NO. 11223, OTHERWISE
KWOWN AS THE UNIVERSAL HEALTH CARE ACT

EXPLANATORY NOTE

Since 2017, under the Duterte administration, the Philippines is already experiencing economic slowing down. The worsening economic situation was further accelerated down to recession when the coronavirus disease also struck the Philippines. For the second quarter of 2020, the gross domestic product (GDP) fell down to -16.9%, ranking the Philippines's economy situation the worse among Southeast Asian countries. During the third quarter, the Philippine Statistics Authority recorded -11.5% GDP growth rate.

Amidst the pandemic, where millions were left behind jobless, particularly during the various levels of community quarantines, Filipinos will now be facing another problem at the start of 2021: increased premium contributions of Philippine Health Insurance Corp.

Last January 2, 2021, PhilHealth spokesperson Rey Balena said that the health insurer will start collecting the mandated hike in member's contribution.¹ As mandated by Section 10 of Republic Act No. 11223, otherwise known as the Universal Health Care Act, the premium contributions will be increased by 0.5% every year, from 2021 to 2025. This will effectively increase the current premium rate from 3% of the member's monthly basic salary in 2020 to 3.5% and 5% in 2025.

Moreover, in 2020, several corruption issues involving the PhilHealth was exposed to public, which includes its irregular implementation of Interim Reimbursement Mechanism (IRM). According to PhilHealth's former anti-fraud legal officer Thorsson Montes Keith, around P15 billion was corrupted through unauthorized releases of IRM and proposed overpriced

¹ <https://newsinfo.inquirer.net/1378744/philhealth-goes-ahead-with-premium-hike>

information technology systems. In addition, former PhilHealth president retired Brig. Gen. Ricardo Morales also previously revealed to Congress that over P10 billion was lost due to fraud in 2019.²

With the current economic situation and unresolved PhilHealth corruption issues, it is unacceptable, unjust and insensitive to the Filipino people to be burdened with higher premium contributions. In this light, the passage of this bill is earnestly sought.

Approved,



REP. CARLOS ISAGANI T. ZARATE

Bayan Muna Partylist



REP. FERDINAND R. GAITE

Bayan Muna Partylist



REP. EUFEMIA C. CULLAMAT

Bayan Muna Partylist



REP. FRANCE L. CASTRO

ACT Teachers Partylist



REP. ARLENE D. BROSAS

GABRIELA Women's Party



REP. SARAH JANE I. ELAGO

Kabataan Partylist

² <https://cnnphilippines.com/news/2020/8/4/PhilHealth-P15-billion-stolen-mafia-execs.html>

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

SECTION 1. 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:

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75 %	P 10,000	P50,000
2020	3.00 %	P 10,000	P60,000
2021	3.50 %	P 10,000	P70,000
2022	4.00 %	P 10,000	P80,000
2023	4.50 %	P 10,000	P90,000
2024	5.00 %	P 10,000	P100,000
2025	5.00 %	P 10,000	P100,000

]

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 2. *Repealing Clause.* – All laws, decrees, executive orders and other presidential issuance, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SECTION 3. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,