



REPUBLIC OF THE PHILIPPINES  
**Congress of the Philippines**  
Metro Manila

**Seventeenth Congress**  
**Third Regular Session**

*Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.*

**REPUBLIC ACT No. 11223**

**An Act Instituting Universal Health Care for All Filipinos, Prescribing Reforms in the Health Care System, and Appropriating Funds Therefor**

*Be it enacted by the Senate and House of Representatives of the Philippine Congress Assembled:*

**CHAPTER 1**

**GENERAL PROVISIONS**

**Section 1. Short Title.** - This Act shall be known as the **"Universal Health Care Act"**.

**Section 2. Declaration of Principles and Policies.** - It is the policy of the State to protect and promote the right to health of all Filipinos and instill health consciousness among them. Towards this end, the State shall adopt:

- (a) An integrated and comprehensive approach to ensure that all Filipinos are health literate, provided with healthy living conditions, and protected from hazards and risks that could affect their health;
- (b) A health care model that provides all Filipinos access to a comprehensive set of quality and cost-effective, promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, and prioritizes the needs of the population who cannot afford such services;
- (c) A framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, monitoring, and evaluation of health policies, programs and plans; and
- (d) A people-oriented approach for the delivery of health services that is centered on people's needs and well-being, and cognizant of the differences in culture, values, and beliefs.

**Section 3. General Objectives.** - This Act seeks to:

- (a) Progressively realize universal health care in the country through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and
- (b) Ensure that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk.

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

- (a) Abuse of authority refers to an act of a person performing a duty or function that goes beyond what is authorized by this Act and Republic Act No. 7875, otherwise known as the "National Health Insurance Act of 1995", as amended, or their implementing rules and regulations (IRR), and is inimical to the public;
- (b) Amenities refer to features of the health service that provide comfort or convenience, such as private accommodation, air conditioning, telephone, television, and choice of meals, among others;
- (c) Basic or ward accommodation refers to the provision of regular meal, bed in shared room, fan ventilation, and shared toilet and bath;
- (d) Co-insurance refers to a percentage of a medical charge that is paid by the insured, with the rest paid by the health insurance plan;
- (e) Co-payment refers to a flat fee or predetermined rate paid at point of service;
- (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;

- (g) Emergency refers to a condition or state of a patient wherein based on the objective findings of a prudent medical officer on duty, there is immediate danger and where delay in initial support and treatment may cause loss of life or permanent disability to the patient, or in the case of a pregnant woman, permanent injury or loss of her unborn child, or a non-institutional delivery;
- (h) Entitlement refers to any singular or package of health services provided to Filipinos for the purpose of improving health;
- (i) Essential health benefit package refers to a set of individual-based entitlements covered by the National Health Insurance Program (NHIP) which includes primary care; medicines, diagnostics and laboratory; and preventive, curative, and rehabilitative services;
- (j) Fraudulent act refers to any act of misrepresentation or deception resulting in undue benefit or advantage on the part of the doer or any means that deviate from normal procedure and is undertaken for personal gain, resulting thereafter to damage and prejudice which may be capable of pecuniary estimation;
- (k) Health care provider refers to any of the following:
- (1) A health facility which may be public or private, devoted primarily to the provision of services for health promotion, prevention, diagnosis, treatment, rehabilitation and palliation of individuals suffering from illness, disease, injury, disability, or deformity, or in need of obstetrical or other medical and nursing care;
  - (2) A health care professional who may be a doctor of medicine, nurse, midwife, dentist, or other allied professional or practitioner duly licensed to practice in the Philippines;
  - (3) A community-based health care organization, which is an association of members of the community organized for the purpose of improving the health status of that community; or
  - (4) Pharmacies or drug outlets, laboratories and diagnostic clinics.
- (l) Health care provider network refers to a group of primary to tertiary care providers, whether public or private, offering people-centered and comprehensive care in an integrated and coordinated manner with the primary care provider acting as the navigator and coordinator of health care within the network;
- (m) Health Maintenance Organization (HMO) refers to an entity that provides, offers, or covers designated health services for its plan holders or members for a fixed prepaid premium;
- (n) Health Technology Assessment (HTA) refers to the systematic evaluation of properties, effects, or impact of health-related technologies, devices, medicines, vaccines, procedures and all other health-related systems developed to solve a health problem and improve quality of lives and health outcomes, utilizing a multidisciplinary process to evaluate the social, economic, organizational, and ethical issues of a health intervention or health technology;
- (o) Indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws;
- (p) Individual-based health services refer to services which can be accessed within a health facility or remotely that can be definitively traced back to one (1) recipient, has limited effect at a population level and does not alter the underlying cause of illness such as ambulatory and inpatient care, medicines, laboratory tests and procedures, among others;
- (q) Population-based health services refer to interventions such as health promotion, disease surveillance, and vector control, which have population groups as recipients;
- (r) Primary care refers to initial-contact, accessible, continuous, comprehensive and coordinated care that is accessible at the time of need including a range of services for all presenting conditions, and the ability to coordinate referrals to other health care providers in the health care delivery system, when necessary;
- (s) Primary care provider refers to a health care worker, with defined competencies, who has received certification in primary care as determined by the Department of Health (DOH) or any health institution that is licensed and certified by the DOH;
- (t) Private health insurance refers to coverage of a defined set of health services financed through private payments in the form of a premium to the insurer; and
- (u) Unethical act refers to any action, scheme or ploy against the NHIP, such as overbilling, upcoding, harboring ghost patients or recruitment practice, or any act contrary to the Code of Ethics of the responsible persons profession or practice, or other similar, analogous acts that put or tend to put in disrepute the integrity and effective implementation of the NHIP.

## **CHAPTER II UNIVERSAL HEALTH CARE (UHC)**

**Section 5. Population Coverage.** - Every Filipino citizen shall be automatically included into the NHIP, hereinafter referred to as the Program.

**Section 6. Service Coverage.** -

(a) Every Filipino shall be granted immediate eligibility and access to preventive, promotive, curative, rehabilitative, and palliative care for medical, dental, mental and emergency health services, delivered either as population-based or individual-based health services: *Provided*, That the goods and services to be included shall be determined through a fair and transparent HTA process;

(b) Within two (2) years from the effectivity of this Act, PhilHealth shall implement a comprehensive outpatient benefit, including outpatient drug benefit and emergency medical services in accordance with the recommendations of the Health Technology Assessment Council (HTAC) created under Section 34 hereof;

(c) The DOH and the local government units (LGUs) shall endeavor to provide a health care delivery system that will afford every Filipino a primary care provider that would act as the navigator, coordinator, and initial and continuing point of contact in the health care delivery system: *Provided*, That except in emergency or serious cases and when proximity is a concern, access to higher levels of care shall be coordinated by the primary care provider; and

(d) Every Filipino shall register with a public or private primary care provider of choice. The DOH shall promulgate the guidelines on the licensing of primary care providers and the registration of every Filipino to a primary care provider.

**Section 7. Financial Coverage.** -

(a) Population-based health services shall be financed by the National Government through the DOH and provided free of charge at point of service for all Filipinos.

The National Government shall support LGUs in the financing of capital investments and provision of population-based interventions.

(b) Individual-based health services shall be financed primarily through prepayment mechanisms such as social health insurance, private health insurance, and HMO plans to ensure predictability of health expenditures.

### CHAPTER III NATIONAL HEALTH INSURANCE PROGRAM

**Section 8. Program Membership.** - Membership into the Program shall be simplified into two (2) types, direct contributors and indirect contributors, as defined in Section 4 of this Act.

**Section 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 availment 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 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%	₱10,000.00	₱50,000.00
2020	3.00 %	₱10,000.00	₱60,000.00
2021	3.50%	₱10,000.00	₱70,000.00
2022	4.00 %	₱10,000.00	₱80,000.00
2023	4.50 %	₱10,000.00	₱90,000.00
2024	5.00 %	₱10,000.00	₱100,000.00
2025	5.00 %	₱10,000.00	₱100,000.00

*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 11. Program Reserve Funds.— PhilHealth shall set aside a portion of its accumulated revenues not needed to meet the cost of the current year's expenditures as reserve funds: *Provided*, That the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two (2) years' projected Program expenditures: *Provided, further*, That whenever actual reserves exceed the required ceiling at the end of the fiscal year, the excess of the PhilHealth reserve fund shall be used to increase the Program's benefits and to decrease the amount of members' contributions.

Any unused portion of the reserve fund that is not needed to meet the current expenditure obligations or support the abovementioned programs shall be placed in investments to earn an average annual income at prevailing rates of interest and shall be referred to as the Investment Reserve Fund. The Investment Reserve Fund shall be invested in any or all of the following:

- (a) In interest-bearing bonds, securities or other evidences of indebtedness of the Government of the Philippines: *Provided*, That such investment shall be at least fifty percent (50%) of the reserve fund;
- (b) In debt securities and corporate bonds of prime or solvent corporations created or existing under the laws of the Philippines: *Provided*, That the issuing or its predecessor entity shall not have defaulted in the payment of interest on any of its securities: *Provided, further*, That the securities are issued by companies with high growth opportunities and earnings potentials: *Provided, finally*, That such investment shall not exceed thirty percent (30%) of the reserve fund;
- (c) In interest-bearing deposits and loans to or securities in any domestic bank doing business in the Philippines: *Provided*, That in the case of such deposits, this shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: *Provided, further*, That the bank shall have been designated as a depository for this purpose by the Monetary Board of the Bangko Sentral ng Pilipinas;
- (d) In preferred stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record or profitability over the last three (3) years and payment of dividends for a period of at least three (3) years immediately preceding the date of investment in such preferred stocks;
- (e) In common stocks of any solvent corporation or institution created or existing under the laws of the Philippines listed in the stock exchange with high growth opportunities and earnings potentials;
- (f) In bonds, securities, promissory notes, or other evidences of indebtedness of accredited and financially sound medical institutions exclusively to finance the construction, improvement and maintenance of hospitals and other medical facilities: *Provided*, That such securities and instruments shall be guaranteed by the Republic of the Philippines or the issuing medical institution and the issued securities are both rated triple 'A' by authorized accredited domestic rating agencies: *Provided, further*, That said investments shall not exceed ten percent (10%) of the total reserve fund; and
- (g) In debt instruments and other securities traded in the secondary markets with the same intrinsic quality as those enumerated in paragraphs (a) to (e) hereof, subject to the approval of the PhilHealth Board.

No portion of the reserve fund or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including government-owned or -controlled corporations.

As part of its investments operations, PhilHealth may hire institutions with valid trust licenses as its external local fund managers to manage the reserve fund, as it may deem appropriate, through public bidding. The fund manager shall submit an annual report on investment performance to PhilHealth.

The PhilHealth shall set up the following funds:

- (1) A fund to secure benefit payouts to members prior to their becoming lifetime members;
- (2) A fund to secure payouts to lifetime members; and
- (3) A fund for optional supplemental benefits that are subject to additional contributions.

A portion of each of the above funds shall be identified as current and kept in liquid instruments. In no case shall said portion be considered part of invested assets.

The PhilHealth shall allocate a portion of all contributions to the fund for lifetime members based on an allocation to be determined by the PhilHealth actuary based on a pre-determined percentage using the current average age of members and the current life expectancy and morbidity curve of Filipinos.

The PhilHealth shall manage the supplemental benefits and the lifetime members' fund in an actuarially sound manner.

The PhilHealth shall manage the supplemental benefits fund to the minimum required to ensure that the supplemental benefit payments are secure.

**Section 12. Administrative Expense.** - No more than seven and one-half percent (7.5%) of the actual total premium collected from direct and indirect contributory members during the immediately preceding year shall be allotted for the administrative cost of implementing the Program.

**Section 13. PhilHealth Board of Directors.** -

(a) The PhilHealth Board of Directors, hereinafter referred to as the Board, is hereby reconstituted to have a maximum of thirteen (13) members, consisting of the following: (1) five (5) ex officio members, namely: the Secretary of Health, Secretary of Social Welfare and Development, Secretary of Budget and Management, Secretary of Finance, Secretary of Labor and Employment; (2) three (3) expert panel members with expertise in public health, management, finance, and health economics; and (3) five (5) sectoral panel members, representing the direct contributors, indirect contributors, employers group, health care providers to be endorsed by their national associations of health care institutions and health care professionals, and representative of the elected local chief executives to be endorsed by the League of Provinces of the Philippines, League of Cities of the Philippines and League of Municipalities of the Philippines: *Provided*, That at least one (1) of the expert panel members and at least two (2) of the sectoral panel members are women.

The sectoral and expert panel members must be Filipino citizens and of good moral character.

The expert panel members must: (i) be of recognized probity and independence and must have distinguished themselves professionally in public, civic or academic service; (ii) be in the active practice of their professions for at least seven (7) years; and (iii) not be appointed within one (1) year after losing in the immediately preceding elections, whether regular or special.

(b) The Secretary of Health shall be an ex officio nonvoting Chairperson of the Board.

(c) All appointive members of the Board shall be required to undergo training in health care financing, health systems, costing health services and HTA prior to the start of their term. Noncompliance shall be a ground for dismissal.

Within thirty (30) days following the effectivity of this Act, the Governance Commission for Government-Owned or -Controlled Corporations (GCG) shall, in accordance with the provisions of Republic Act No. 10149, promulgate the nomination and selection process for appointive members of the Board with a clear set of qualifications, credentials, and recommendation from the concerned sectors.

**Section 14. President and Chief Executive Officer (CEO) of PhilHealth.** - Upon the recommendation of the Board, the President of the Philippines shall appoint the President and CEO of PhilHealth from the Board's non-ex officio members: *Provided*, That the Board cannot recommend a President and CEO of PhilHealth unless the member is a Filipino citizen and must have at least seven (7) years of experience in the field of public health, management, finance, and health economics or a combination of any of these expertise.

**Section 15. PhilHealth Personnel as Public Health Workers.** - All PhilHealth personnel shall be classified as public health workers in accordance with the pertinent provisions under Republic Act No. 7305, also known as the Magna Carta of Public Health Workers.

**Section 16. Additional Powers and Functions of PhilHealth.** -

(a) To fix the reasonable compensation, allowances and other benefits of all positions, including its President and CEO, based on a comprehensive job analysis and audit of actual duties and responsibilities, subject to the approval of the President of the Philippines. The compensation plan shall be comparable with government social security institutions and shall be subject to periodic review by the Board no more than once every four (4) years without prejudice to merit reviews or increases based on productivity and efficiency;

(b) To establish the organizational structure and staffing pattern of PhilHealth's central and regional offices to cover as many provinces, cities and legislative districts, including foreign countries, whenever and wherever it may be expedient, necessary and feasible and to inspect or cause to be inspected periodically such offices, subject to the approval by the Board;

(c) To maintain a Provident Fund which consists of contributions made by both PhilHealth and its officials and employees and earnings thereon, for the payment of benefits to such officials and employees or their dependents or heirs under such terms and conditions as may be prescribed by the Board, subject to the approval of the President of the Philippines; and

(d) To adopt or approve the annual and supplemental budget of receipts and expenditures including salaries, allowances and early retirement of PhilHealth personnel and to authorize such capital and operating expenditures and disbursements as may be necessary and proper for the effective management and operation of PhilHealth: *Provided*, That this shall be subject to the budgetary limitations stated under Section 12 hereof: *Provided, further*, That the submission of the corporate budget to the Department of Budget and Management (DBM) shall be for information purposes only.



## CHAPTER IV HEALTH SERVICES DELIVERY

**Section 17. *Population-based Health Services.*** - The DOH shall endeavor to contract province-wide and city-wide health systems for the delivery of population-based health services. Province-wide and city-wide health systems shall have the following minimum components:

- (a) Primary care provider network with patient records accessible throughout the health system;
- (b) Accurate, sensitive, and timely epidemiologic surveillance systems; and
- (c) Proactive and effective health promotion programs or campaigns.

**Section 18. *Individual-based Health Services.*** -

(a) PhilHealth shall endeavor to contract public, private, or mixed health care provider networks for the delivery of individual-based health services: *Provided*, That member access to services shall not be compromised: *Provided, further*, That these networks agree to service quality, co-payment/co-insurance, and data submission standards: *Provided*, furthermore, That during the transition, PhilHealth and DOH shall incentivize health care providers that form networks: *Provided, finally*, That apex or end-referral hospitals, as determined by the DOH, may be contracted as stand-alone health care providers by PhilHealth.

(b) PhilHealth shall endeavor to shift to paying providers using performance-driven, close-end, prospective payments based on disease or diagnosis related groupings and validated costing methodologies and without differentiating facility and professional fees; develop differential payment schemes that give due consideration to service quality, efficiency and equity; and institute strong surveillance and audit mechanisms to ensure networks' compliance to contractual obligations.

## CHAPTER V ORGANIZATION OF LOCAL HEALTH SYSTEMS

**Section 19. *Integration of Local Health Systems into Province-wide and City-wide Health System.*** - The DOH, Department of the Interior and Local Government (DILG), PhilHealth and the LGUs shall endeavor to integrate health systems into province-wide and city-wide health systems. The Provincial and City Health Boards shall oversee and coordinate the integration of health services for province-wide and city-wide health systems, to be composed of municipal and component city health systems, and city-wide health systems in highly urbanized and independent component cities, respectively. The Provincial and City Health Boards shall manage the Special Health Fund referred to in Section 20 of this Act and shall exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction: *Provided*, That municipalities and cities included in the province-wide and city-wide health systems shall be entitled to a representative in the Provincial or City Health Board, as the case may be.

**Section 20. *Special Health Fund.*** - The province-wide or city-wide health system shall pool and manage, through a special health fund, all resources intended for health services to finance population-based and individual-based health services, health system operating costs, capital investments, and remuneration of additional health workers and incentives for all health workers: *Provided*, That the DOH, in consultation with the DBM and the LGUs, shall develop guidelines for the use of the Special Health Fund.

**Section 21. *Income Derived from PhilHealth Payments.*** - All income derived from PhilHealth payments shall accrue to the Special Health Fund to be allocated by the LGUs exclusively for the improvement of the LGU health system: *Provided*, That PhilHealth payments shall be credited to the annual regular income (ARI) of the LGU.

**Section 22. *Incentives for Improving Competitiveness of the Public Health Service Delivery System.*** - The National Government shall make available commensurate financial and non-financial matching grants, including capital outlay, human resources for health and health commodities, to improve the functionality of province-wide and city-wide health systems: *Provided*, That underserved and unserved areas shall be given priority in the allocation of grants: *Provided, further*, That the grants shall be in accordance with the approved province-wide and city-wide health investment plans, which shall account for complementation of public and private health care providers and public or private health sector investments.

## CHAPTER VI HUMAN RESOURCES FOR HEALTH

**Section 23. *National Health Human Resource Master Plan.*** - The DOH, together with stakeholders, shall ensure the formulation and implementation of a National Health Human Resource Master Plan that will provide policies and strategies for the appropriate generation, recruitment, retraining, regulation, retention and reassessment of health workforce based on population health needs.

To ensure continuity in the provision of the health programs and services, all health professionals and health care workers shall be guaranteed permanent employment and competitive salaries.

**Section 24. *National Health Workforce Support System.*** - A national health workforce (NHW) support system shall be created to support local public health systems in addressing their human resource needs: *Provided*, That deployment to Geographically Isolated and Disadvantaged Areas (GIDAs) shall be prioritized.

**Section 25. Scholarship and Training Program. -**

(a) The Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), Professional Regulation Commission (PRC) and the DOH shall develop and plan the expansion of existing and new allied and health-related degree and training programs including those for community-based health care workers and regulate the number of enrollees in each program based on the health needs of the population especially those in underserved areas.

(b) The CHED and the DOH shall expand scholarship grants for allied and health-related undergraduate and graduate programs: *Provided*, That scholarships shall be based on the needed cadre of national and local health managers and health professionals: *Provided, further*, That scholarships for *bona fide* residents of unserved or underserved areas or members of indigenous peoples shall be given priority.

(c) The PRC and the DOH, in coordination with duly-registered medical and allied health professional societies, shall set up a registry of medical and allied health professionals, indicating, among others, their current number of practitioners and location of practice.

(d) The CHED, PRC, and DOH, in coordination with duly-registered medical and allied professional societies, shall reorient medical and allied medical professional education, and health professional certification and regulation towards producing health workers with competencies in the provision of primary care services.

**Section 26. Return Service Agreement. -** All graduates of allied and health-related courses who are recipients of government-funded scholarship programs shall be required to serve in priority areas in the public sector for at least three (3) full years, with compensation, and under the supervision of the DOH: *Provided, further*, That those who will serve for additional two (2) years shall be provided with additional incentives as determined by the DOH: *Provided, further*, That graduates of allied and health-related courses from state universities and colleges and private schools shall be encouraged to serve in these areas.

The DOH shall coordinate with the CHED and PRC for the effective implementation of this section including the establishment of guidelines for noncompliance.

## CHAPTER VII REGULATION

**Section 27. Safety and Quality. -**

(a) PhilHealth shall establish a rating system under an incentive scheme to acknowledge and reward health facilities that provide better service quality, efficiency and equity: *Provided*, That PhilHealth shall recognize third party accreditation mechanisms and may use these as basis for granting incentives.

(b) The DOH shall institute a licensing and regulatory system for stand-alone health facilities, including those providing ambulatory and primary care services, and other modes of health service provision.

(c) The DOH shall set standards for clinical care through the development, appraisal, and use of clinical practice guidelines in cooperation with professional societies and the academe.

**Section 28. Affordability. -**

(a) DOH-owned health care providers shall procure drugs and devices guided by price reference indices, following centrally negotiated prices, sell them following the prescribed maximum mark-ups, and submit to DOH a price list of all drugs and devices procured and sold by the health care provider.

(b) An independent price negotiation board, composed of representatives from the DOH, PhilHealth and the Department of Trade and Industry (DTI), among others, shall be constituted to negotiate prices on behalf of the DOH and PhilHealth, guided by certain parameters including new technology, innovator drugs, and sourced from a single supplier: *Provided*, That the negotiated price in the framework contract shall be applicable for all health care providers under DOH: *Provided, further*, That the price negotiation board shall adhere to the guidelines issued by the Government Procurement Policy Board.

(c) Health care providers and facilities shall be required to make readily accessible to the public and submit to DOH and PhilHealth, all pertinent, relevant, and up-to-date information regarding the prices of health services, and all goods and services being offered.

(d) Drug outlets shall be required at all times to carry the generic equivalent of all drugs in the Primary Care Formulary and shall be required to provide customers with a list of therapeutic equivalents and then' corresponding prices when fulfilling prescriptions or in any transaction.

(e) The DOH, PhilHealth, HMOs, life and non-life private health insurance (PHIs) shall develop standard policies and plans that complement the Program's benefit schedule: *Provided*, That a coordination mechanism between PhilHealth, PHIs and HMOs shall be set up to ensure that no benefits shall be unnecessarily dropped.

**Section 29. Equity. -**

(a) The DOH shall annually update its list of underserved areas, which shall be the basis for preferential licensing of health facilities and contracting of health services. The DOH shall develop the framework and guidelines to determine the appropriate bed capacity and number of health care professionals of public health facilities.

(b) The government shall guarantee that the distribution of health services and benefits provided for in this Act shall be equitable by prioritizing GIDAs in the provision of assistance and support.

(c) All government hospitals are required to operate not less than ninety percent (90%) of their bed capacity as basic or ward accommodation: *Provided*, That specialty hospitals are required to operate not less than seventy percent (70%) of their bed capacity as basic or ward accommodation: *Provided, further*, That private hospitals are required to operate not less than ten percent (10%) of their bed capacity as basic or ward accommodation: *Provided, finally*, That all government hospitals, specialty hospitals and private hospitals shall regularly submit a report on the allotment or percentage of their bed capacity to basic or ward accommodation to DOH, which shall issue the necessary guidelines for the immediate implementation of this provision.

## CHAPTER VIII GOVERNANCE AND ACCOUNTABILITY

**Section 30. Health Promotion.** - The DOH, as the overall steward for health care, shall strengthen national efforts in providing a comprehensive and coordinated approach to health development with emphasis on scaling up health promotion and preventive care. The DOH shall transform its existing Healthy Promotion and Communication Service into a full-fledged Bureau, to be named as the Health Promotion Bureau, to improve health literacy and mainstream health promotion and protection.

The Health Promotion Bureau shall formulate a framework strategy for health promotion which shall serve as the basis for DOH programs in increasing health literacy with focus on reducing non-communicable diseases, implement population-wide health promotion programs and activities across social determinants of health, exercise policy coordination across government instrumentalities to ensure the attainment of the framework strategy and its programs, and promote and provide technical support to local research and development programs and projects: *Provided*, That within two (2) years from the effectivity of this Act, the cost of implementing health promotion programs shall be at least one percent (1%) of the DOH's total budget appropriations.

The schools under the supervision of the Department of Education (DepEd) are hereby designated as healthy settings for the purpose of this Act, The DepEd, in coordination with DOH, shall formulate programs and modules on health literacy and rights to be integrated into the existing school curricula to intensify the fight against the spread of communicable diseases and increase in prevalence of non-communicable diseases through, among others, the effective promotion of healthy lifestyle, physical activity, proper nutrition, and prevention of smoking and alcohol consumption among students. The program shall likewise acquaint the students on their entitlements, privileges and responsibilities under this Act.

The DOH and DepEd shall submit annual reports on the health promotion and literacy programs they have respectively implemented, including an assessment of the impact thereof, to the President of the Philippines, the Senate President, and the Speaker of the House of Representatives.

Furthermore, the LGUs are also directed to enact stricter ordinances that strengthen and broaden existing health policies, the laws to the contrary notwithstanding, and implement effective programs that promote health literacy and healthy lifestyle among their constituencies to advance population health and individual wellbeing, reduce the prevalence of non-communicable diseases and their risk factors, particularly tobacco and alcohol use, lower the incidence of new infectious diseases, address mental health issues and improve health indicators. An annual report on the policies adopted and programs undertaken and an assessment of the impact thereof shall be submitted by the LGUs to the DILG.

**Section 31. Evidence-Informed Sectoral Policy and Planning for UHC.** -

(a) All public and private, national and local health-related entities shall be required to submit health and health-related data to PhilHealth including, among others, administrative, public health, medical, pharmaceutical and health financing data: *Provided*, That PhilHealth shall furnish the DOH a copy of the health data: *Provided, further*, That these shall be used for the purpose of generating information to guide research and policy-making: *Provided, finally*, That the DOH shall strengthen its research capability by supporting health systems development and reform initiatives through policy and systems research, and shall support the growth of research consortia in line with the vision of the Philippine National Health Research System.

(b) The DOH and Department of Science and Technology (DOST) shall develop a cadre of policy systems researchers, technical experts and managers by providing training grants in globally-benchmarked institutions: *Provided*, That grantees shall be required to serve for at least three (3) full years, under supervision and with compensation, in DOH, PhilHealth and other relevant government agencies: *Provided, further*, That those who will serve for additional two (2) years, shall be provided with additional incentives as determined by the agency concerned.

(c) All health, nutrition and demographic-related administrative and survey data generated using public funds shall be considered public records and be made accessible to the public unless otherwise prohibited by law:



*Provided*, That any person who requests a copy of such public records may be required to pay the actual costs of reproduction and copying of the requested public records.

(d) Participatory action researches on cost-effective, high-impact interventions for health promotion and social mobilization shall form part of the national health research agenda of the Philippine National Health Research System which shall also be mandated to provide adequate funding support for the conduct of these researches.

**Section 32. Monitoring and Evaluation.** -

(a) The Philippine Statistics Authority (PSA) shall conduct the relevant modules of household surveys annually during the first ten (10) years of the implementation, and thereafter follow its regular schedule.

(b) The DOH shall publish annual provincial burden of disease estimates using internationally validated estimation methods and biennially using actual public and private sector data from electronic records and disease registries, to support LGUs in tracking progress of health outcomes.

**Section 33. Health Impact Assessment (HIA).** - HIA shall be required for policies, programs, and projects that are crucial in attaining better health outcomes or those that may have an impact on the health sector.

**Section 34. Health Technology Assessment (HTA).** -

(a) The HTA process shall be institutionalized as a fan' and transparent priority setting mechanism that shall be recommendatory to the DOH and PhilHealth for the development of policies and programs, regulation, and the determination of a range of entitlements such as drugs, medicines, pharmaceutical products, and other devices, procedures and services as provided for under this Act: *Provided*, That investments on any health technology or development of any benefit package by the DOH and PhilHealth shall be based on the positive recommendations of the HTA: *Provided*, farther, That despite having undergone the HTA process, all health technology, intervention or benefit package shall still be subjected to periodic review: *Provided*, furthermore, That a health technology assessment may be conducted as new evidence emerges which may have substantial impact on the initial coverage decision by the DOH or PhilHealth: *Provided, finally*, That the HTA process shall adhere to the principles of ethical soundness, inclusiveness and preferential regard for the underserved, evidence-based and scientific defensibility, transparency and accountability, efficiency, enforceability and availability of remedies, and due process.

(b) The following criteria must be observed in the conduct of HTA:

(1) *Responsiveness to Magnitude, Severity, and Equity.* - The health interventions must address the top medical conditions that place the heaviest burden on the population, including dimensions of magnitude or the number of people affected by a health problem, and severity or health loss by an individual as a result of disease, such as death, handicap, disability or pain, and conditions of the poorest and most vulnerable population;

(2) *Safety and Effectiveness.* - Each intervention must have undergone Phase IV clinical trial, and systematic review and meta-analysis must be readily available. The interventions must also not pose any harm to the users and health care providers;

(3) *Household Financial Impact.* - The interventions must reduce out-of-pocket expenses. Interventions must have economic studies and cost-of-illness studies to satisfy this criterion;

(4) *Cost-effectiveness.* - The interventions must provide overall health gain to the health system and outweigh the opportunity costs of funding drug and technology; and

(5) *Affordability and Viability.* - The interventions must be affordable and the cost thereof must be viable to the financing agents.

(c) The HTAC, to be composed of health experts, shall be created within the DOH and supported by a Secretariat and a Technical Unit for Policy, Planning and Evaluation with evidence generation and validation capacity. The HTAC shall: (1) facilitate provision of financing and/or coverage recommendations on health technologies to be financed by DOH and Philhealth; (2) oversee and coordinate the HTA process within DOH and PhilHealth; and (3) review and assess existing DOH and PhilHealth benefit packages. Within five (5) years after the establishment and effective operation of the HTAC, it shall transition into an independent entity separate from the DOH, attached to DOST.

(d) The HTAC shall conduct the HTA in accordance with the principles, criteria and procedures of this Act and ensure that its process is transparent, conducted with reasonable promptness, and the result of its deliberations is made public. The HTAC shall consist of a core committee and subcommittees.

The core committee, which shall elect from among themselves its Chairperson, shall be composed of nine (9) voting members, namely: a public health epidemiologist; a health economist; an ethicist; a citizen's representative; a sociologist or anthropologist; a clinical trial or research methods expert; a clinical epidemiologist or evidence-based medicine expert; a medico-legal expert; and a public health expert.

The subcommittees to be constituted shall include, among others: Drugs, Vaccines, Clinical Equipment and Devices, Medical and Surgical Procedure, Preventive and Promotive Health Services, and Traditional Medicine. Each subcommittee shall have a minimum of one (1) and maximum of three (3) non-voting members for each subcommittee.

The HTAC may call upon technical resource persons from the PhilHealth, Food and Drug Administration (FDA), patient groups and clinical medicine experts as regular resource persons; and representatives from the private sector and health care providers as by-invitation resource persons.

(e) The HTAC's core committee and subcommittee members shall be appointed by the Secretary of Health for a term of three (3) years except for the medico-legal expert, ethicist, and the sociologist or anthropologist who shall serve for a term of four (4) years: *Provided*, That no member shall serve for more than three (3) consecutive terms: *Provided, further*, That the members of the HTAC shall receive an honorarium in accordance with existing policies: *Provided, furthermore*, That the DOH shall promulgate the nomination process for all HTAC members with a clear set of qualifications, credentials and recommendations from the sectors concerned: *Provided, finally*, That the Secretary of the DOST shall appoint the members of the HTAC upon its transition into an attached agency under DOST.

**Section 35. Ethics in Public Health Policy and Practice.** - The implementation of UHC shall be strengthened by commitment of all stakeholders to abide by ethical principles in public health practice:

- (a) Conflict of interest declaration and management shall be routine in all policy-determining activities, and applicable to all appointed decision-makers, policymakers and then staff.
- (b) All manufacturers of drugs, medical devices, biological and medical supplies registered by the FDA shall collect and track all financial relationships with health care professionals and health care providers and report these to the DOH, which shall then make this list publicly available in accordance with existing laws.
- (c) A public health ethics committee shall be constituted as an advisory body to the Secretary of Health to ensure compliance with the provision of this section.

**Section 36. Health Information System.** - All health service providers and insurers shall each maintain a health information system consisting of enterprise resource planning, human resource information, electronic health records, and an electronic prescription log consistent with DOH standards, which shall be electronically uploaded on a regular basis through interoperable systems: *Provided*, That the health information system shall be developed and funded by the DOH and PhilHealth: *Provided, further*, That patient privacy and confidentiality shall at all times be upheld, in accordance with the Data Privacy Act of 2012.

## CHAPTER IX APPROPRIATIONS

**Section 37. Appropriations.** - The amount necessary to implement this Act shall be sourced from the following:

- (a) Total incremental sin tax collections as provided for in Republic Act No. 10351, otherwise known as the "Sin Tax Reform Law": *Provided*, That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;
- (b) Fifty percent (50%) of the National Government share from the income of the Philippine Amusement Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting and auditing rules and regulations: *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages;
- (c) Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO) as provided for in Republic Act No. 1169, as amended: *Provided*, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting, and auditing rules and regulations: *Provided, further*, That the funds shall be used by PhilHealth to improve its benefit packages;
- (d) Premium contributions of members;
- (e) Annual appropriations of the DOH included in the GAA; and
- (f) National Government subsidy to PhilHealth included in the GAA.

The amount necessary to implement the provisions of this Act shall be included in the GAA and shall be appropriated under the DOH and National Government subsidy to PhilHealth. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act.

## CHAPTER X PENAL PROVISIONS

**Section 38. Penal Provisions.** - Any violation of the provisions of this Act, after due notice and hearing, shall suffer the corresponding penalties as herein provided:

(a) A health care provider of population-based health services who violates any of the provision in its respective contract shall be subject to sanctions and penalties under its respective contracts without prejudice to the right of the government to institute any criminal or civil action before the proper judicial body.

(b) A health care provider contracted for the provision of individual-based health services who commits an unethical act, abuses the authority vested upon the health care provider, or performs a fraudulent act shall be punished by a fine of Two hundred thousand pesos (₱200,000.00) for each count, or suspension of contract up to three (3) months or the remaining period of its contract or accreditation whichever is shorter, or both, at the discretion of the PhilHealth, taking into consideration the gravity of the offense.

The same shall also constitute a criminal violation punishable by imprisonment for six (6) months and one (1) day up to six (6) years, upon discretion of the court without prejudice to criminal liability defined under the Revised Penal Code.

If the health care provider is a juridical person, its officers and employees or other representatives found to be responsible, who acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable. Recidivists may no longer be contracted as participants of the Program.

(c) A member who commits any violation of this Act or knowingly and deliberately cooperates or agrees, whether explicitly or implicitly, to the commission of a violation by a contracted health care provider or employer as defined in this section, including the filing of a fraudulent claim for benefits or entitlement under this Act, shall be punished by a fine of Fifty thousand pesos (₱50,000.00) for each count or suspension from availment of the benefits of the Program for not less than three (3) months but not more than six (6) months, or both, at the discretion of PhilHealth.

(d) Any employer who:

(1) Deliberately or through inexcusable negligence, fails or refuses to register employees regardless of their employment status, accurately and timely deduct contributions from the employee's compensation or to accurately and timely remit or submit the report of the same to PhilHealth shall be punished with a fine of Fifty thousand pesos (₱50,000.00) for every violation per affected employee, or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

Any employer or any officer authorized to collect contributions under this Act who, after collecting or deducting the monthly contributions from the employee's compensation, fails or refuses for whatever reason to accurately and timely remit the contributions to PhilHealth within thirty (30) days from due date shall be presumed *prima facie* to have misappropriated the same and is obligated to hold the same in trust for and in behalf of the employees and PhilHealth, and is immediately obligated to return or remit the amount.

If the employer is a juridical person, its officers and employees or other representatives found to be responsible, whether they acted negligently or with intent, or have directly or indirectly caused the commission of the violation, shall be liable.

(2) Deducts, directly or indirectly, from the compensation of the covered employees or otherwise recover from them the employer's own contribution on behalf of such employees shall be punished with a fine of Five thousand pesos (₱5,000.00) multiplied by the total number of affected employees or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment, at the discretion of the court.

If the unlawful deduction is committed by an association, partnership, corporation or any other institution, its managing directors or partners or president or general manager, or other persons responsible for the commission of the act shall be liable for the penalties provided for in this Act.

(e) Any director, officer or employee of PhilHealth who:

(1) Without prior authority or contrary to the provisions of this Act or its IRR, wrongfully receives or keeps funds or property payable or deliverable to the PhilHealth, and who appropriates and applies such fund or property for personal use, or shall willingly or negligently consents either expressly or implicitly to the misappropriation of funds or property without objecting to the same and promptly reporting the matter to proper authority, shall be liable for misappropriation of funds under this Act and shall be punished with a fine equivalent to triple the amount misappropriated per count and suspension for three (3) months without pay.

(2) Commits an unethical act, abuse of authority, or performs a fraudulent act shall be punished by a fine of Two hundred thousand pesos (₱200,000.00) or suspension for three

(3) months without pay, or both, at the discretion of PhilHealth, taking into consideration the gravity of the offense. The same shall also constitute a criminal violation punishable by imprisonment for six (6) months and one (1) day up to six (6) years, upon discretion of the court without prejudice to criminal liability defined under the Revised Penal Code.

Other violations of the provisions of this Act or of the rules and regulations promulgated by PhilHealth shall be punished with a fine of not less than Five thousand pesos (₱5,000.00) but not more than Twenty thousand pesos (₱20,000.00).

All other violations involving funds of PhilHealth shall be governed by the applicable provisions of the Revised Penal Code or other laws, taking into consideration the rules on collection, remittances, and investment of funds as may be promulgated by PhilHealth.

PhilHealth may enumerate circumstances that will mitigate or aggravate the liability of the offender or erring health care provider, member or employer.

Despite the cessation of operation by a health care provider or termination of practice of an independent health care professional while the complaint is being heard, the proceeding shall continue until the resolution of the case.

## CHAPTER XI MISCELLANEOUS PROVISIONS

**Section 39. Oversight Provision.** - There is hereby created a Joint Congressional Oversight Committee on Universal Health Care to conduct a regular review, of the implementation of this Act which shall entail a systematic evaluation of the performance, impact or accomplishments of this Act and the performance of the various agencies involved in realizing universal health care, particularly with respect to their roles and functions.

The Joint Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committee on Health and Demography and the House of Representatives Committee on Health. It shall be composed of five (5) members from the Senate and five (5) members from the House of Representatives, to be appointed by the Senate President and the Speaker of the House of Representatives, respectively.

The National Economic and Development Authority, in coordination with the PSA, National Institutes of Health, and other academic institutions shall undertake studies to validate and evaluate the accomplishments of this Act. These validation studies and annual reports, on the performance of the DOH and PhilHealth shall be submitted to the Joint Congressional Oversight Committee.

The DOH and PhilHealth shall allocate an adequate funding for the purpose of conducting these studies.

The Joint Congressional Oversight Committee shall commission an independent study to evaluate the implementation of this Act.

**Section 40. Performance Monitoring Division.** - The DOH shall establish a Performance Monitoring Division to monitor and evaluate the proper and effective implementation of the provisions of this Act. The office in charge of field implementation performance of the DOH shall comprise the core personnel of the office which shall be augmented by the DOH Secretary, as may be deemed necessary.

**Section 41. Transitory Provision.** -

(a) Within thirty (30) days from the effectivity of this Act, the President of the Philippines shall appoint the new members of the Board and the President of PhilHealth. The existing board of directors shall serve in a hold-over capacity until a full and permanent board of directors of PhilHealth is constituted and functioning.

(b) All officers and personnel of PhilHealth, except members of the Board who shall be governed by the first paragraph of this section, shall continue to perform their duties and responsibilities and receive their corresponding salaries and benefits. The approval of this Act shall not cause any demotion in rank or diminution of salary, benefits and other privileges of the incumbent personnel of PhilHealth: *Provided*, That qualified officers and personnel may voluntarily elect for retirement or separation from service and shall be entitled to the benefits under existing laws.

(c) All affected officers and personnel of the PCSO shall be absorbed by the agency without demotion in rank or diminution of salary, benefits and other privileges: *Provided*, That qualified officers and personnel of the agency may voluntarily elect for retirement or separation from service based on PCSO Board-approved Early Retirement Incentive Program (ERIP), utilizing internally-generated funds, or savings from its operating fund: *Provided, finally*, That the retirement benefit package shall be reasonable and within the bounds of existing laws.

(d) In the first six (6) years from the enactment of this Act, the National Government shall provide technical and financial support to selected LGUs that commit to province-wide integration, subject to further review after the lapse of six (6) years: *Provided*, That in the first three (3) years from the enactment of this Act, the province-wide and city-wide systems shall exhibit managerial integration: *Provided, further*, That within the next three (3) years thereafter, the province-wide and city-wide systems shall exhibit financial integration: *Provided, finally*, That upon positive recommendation by an independent study commissioned by the Joint Congressional Oversight Committee on Universal Health Care of the overall benefit of province-wide integration and the positive recommendation of the Secretary of Health, all local health systems shall be integrated as prescribed by Section 19 of this Act through the issuance of an Executive Order by the President.



(e) In the first ten (10) years from the enactment of this Act, PhilHealth may outsource certain functions to ensure operational efficiency and towards the fulfillment of this Act: *Provided*, That any outsourcing shall comply with the provisions of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act", and its IRR.

(f) In the first three (3) years from the enactment of this Act, PhilHealth and DOH shall provide reasonable financial and licensing incentives to contracted health care facilities to form health care provider networks. Thereafter, these incentives shall be withdrawn and providers shall be fully subject to the provisions of Section 19 of this Act.

(g) The HTAC under the DOH shall be established within one (1) year from the effectivity of this Act: *Provided*, That the existing health benefit package shall be rationalized within two (2) years from the establishment of the HTAC.

(h) Within three (3) years from the effectivity of this Act, all private insurance companies and HMOs, together with DOH and PhilHealth, shall have developed a system of co-payment that complements PhilHealth benefit packages.

(i) Within ten (10) years from the effectivity of this Act, only those who have been certified by the DOH and PRC to be capable of providing primary care will be eligible to be a primary care provider.

(j) For the first two (2) years from the effectivity of this Act, the PCSO shall transfer at least fifty percent (50%) of the forty percent (40%) of the charity fund per year, in accordance with Section 37(c) of this Act, to enable the PCSO to conclude and liquidate its Individual Medical Assistance Program At-Source-ang-Processing (IMAP-ASAP) obligations.

**Section 42. Interpretation.** - All doubts in the implementation and interpretation of this Act, including its IRR, shall be resolved in favor of upholding the rights and interests of every Filipino to quality, accessible and affordable health care.

Nothing in this Act shall be construed to eliminate or in any way diminish Program benefits being enjoyed at the time of promulgation of this Act.

**Section 43. Implementing Rules and Regulations (IRR).** - The DOH and the PhilHealth, in consultation and coordination with appropriate national government agencies, civil society organizations, nongovernment organizations, private sector representatives, and other stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act no later than one hundred eighty (180) days upon the effectivity of this Act.

**Section 44. Separability Clause.** - If any part or provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

**Section 45. Repealing Clause.** - The pertinent provisions of the following laws are hereby amended accordingly:

(a) Sections 6, 7, 10, 12, 16(n), 18, 19, 25, 26, 27, 28, 44, 45, 46, 47, 48 and 54 of Republic Act No. 7875, otherwise known as the "National Health Insurance Act of 1995", as amended by Republic Act No. 9241 and Republic Act No. 10606;

(b) Section 8(c) of Republic Act No. 10351, otherwise known as the "Sin Tax Reform Law";

(c) Presidential Decree No. 1869, otherwise known as the PAGCOR Charter, as amended; and

(d) Republic Act No. 1169, otherwise known as the PCSO Charter, as amended, with respect to the provision of Section 37 of this Act.

All other laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

**Section 46. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,

**GLORIA MACAPAGAL-ARROYO**  
Speaker of the House of Representatives

**VICENTE C. SOTTO III**  
President of the Senate

This Act which is a consolidation of Senate Bill No. 1896 and House Bill No. 5784 was passed by the Senate and the House of Representatives on December 10, 2018.

**DANTE ROBERTO P. MALING**  
Acting Secretary General  
House of Representatives



**MYRA MARIE D. VILLARICA**  
Secretary of the Senate

Approved: February 20, 2019

(Sgd.) **RODRIGO ROA DUTERTE**  
President of the Philippines

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