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SENATE

S.B. No. 4

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Introduced by Senator Loren Legarda

EXPLANATORY NOTE

Article XIII, Section 11 of the Constitution provides that the State should adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable costs.

As we race to reach the Millennium Development Goals by 2015, the health sector should be one of the prioritized sectors by the State today. However, what is looming is a slow response by the State, as total health expenditure only accounted for 6.1 percent of the country's total expenditure in 2006. Although the share of health expenditure to GDP in 2007 was higher at 3.9 percent than the previous year's 3.8 percent, it is still below the 5 percent standard set by the World Health Organization for developing countries like the Philippines. Meanwhile, the out-of-pocket payments are envisioned to be lower than that of social insurance so as to give citizens appropriate health care support. Unfortunately, the share of out-of-pocket payments has increased to 49%, while that of social insurance payments is a low 11%.

Although Republic Act 7875, otherwise known as the "*National Health Insurance Act of 1995*," mandates that an affordable and accessible health care coverage should be made available to all citizens, access to health care continues to be a problem of, if not completely missing, for indigent Filipinos all over the country. The bill seeks to address this by ensuring that all the benefits under Republic Act 7875 are made available to indigent Filipinos, the most exposed to health risk.

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


LOREN LEGARDA
Senator

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

OFFICE OF THE CLERK

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AN ACT
TO ENSURE THAT INDIGENT FILIPINOS ARE GRANTED WITH BASIC
HEALTHCARE SERVICES, PROVIDING FOR A UNIVERSAL HEALTHCARE
COVERAGE AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 7875
OTHERWISE KNOWN AS THE NATIONAL HEALTH INSURANCE ACT OF 1995
AS AMENDED AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "Mandatory Universal
2 Healthcare Coverage Act of 2010."
3

4 **SEC. 2. Declaration of Policy.** - Pursuant to Section 15, Article II of the 1987
5 Constitution, the State hereby declares the policy of protecting and promoting the right
6 to health of the people and instilling health consciousness among them. Towards this
7 end, the State shall adopt an integrated and comprehensive approach to health
8 development, which shall endeavor to make essential goods, health and other social
9 services available to indigent Filipinos.
10

11 **SEC. 3.** Section 4 of Republic Act. No. 7875, as amended, is hereby amended to
12 read as follows:
13

14 **SEC. 4. Definition of Terms** - For the purpose of this Act, the following
15 terms shall be defined as follows:
16

17 XXX
18

1 q) Indigent -REFERS TO a person who has no visible means of income, or
2 whose income is insufficient for the subsistence of his family as identified [by
3 ~~the~~] THROUGH THE MEANS TEST PROTOCOL UTILIZED BY DEPARTMENT
4 OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), IN ACCORDANCE
5 WITH THE [~~Local Health Insurance Office and based on~~] specific criteria set by
6 the Corporation [~~in accordance~~] AND with the guiding principles set forth in
7 Article I of this Act, SUCH AS BUT NOT LIMITED TO THE FOLLOWING:

8
9 1) INDIVIDUALS / FAMILIES CLASSIFIED AS TARGETED
10 POOR BASED ON THE POVERTY INCIDENCE BY THE NATIONAL
11 STATISTICS AND COORDINATION BOARD (NSCB);

12
13 2) INDIVIDUALS/FAMILIES BELONGING TO THE LOWEST-
14 INCOME SEGMENT OF THE INFORMAL SECTOR;

15
16 3) BARANGAY OFFICIALS AND BARANGAY VOLUNTEERS
17 SUCH AS BUT NOT LIMITED TO ACCREDITED BARANGAY
18 HEALTH WORKERS (BHWS), BARANGAY NUTRITION SCHOLARS,
19 BARANGAY SOCIAL WORKERS (BSW), BARANGAY TANODS,
20 AMONG OTHERS;

21
22 4) CHILDREN WHO MAY NOT POSSIBLY BE DECLARED AS
23 LEGAL DEPENDENTS SUCH AS BUT NOT LIMITED TO POOR
24 CHILDREN UNDER SIX (6) YEARS OF AGE, ABANDONED
25 CHILDREN AND ORPHANS BELOW TWENTY ONE (21) YEARS OF
26 AGE;

27
28 5) POOR MEMBER OF SENIOR CITIZEN ASSOCIATIONS WHO
29 ARE NOT ELIGIBLE UNDER THE LIFETIME MEMBER PROGRAM
30 (LMP) OF NHIP OR WHO MAY NOT POSSIBLY BE DECLARED AS
31 LEGAL DEPENDENTS; AND

32
33 6) OTHER MEMBERS OF THE LOW-INCOME GROUP OF THE
34 POPULATION AS MAY BE DETERMINED BY THE DEPARTMENT
35 OF SOCIAL WELFARE AND DEVELOPMENT, IN COORDINATION
36 WITH THE PHILIPPINE HEALTH INSURANCE CORPORATION;

1 XXX

2
3 **SEC. 3.** Section 29 of Republic Act No. 7875, as amended, is hereby amended to
4 read as follows:

5
6 **SEC. 29. *Payment for Indigent Contributions.*** - THE ANNUAL REQUIRED
7 PREMIUM contributions for THE COVERAGE OF THE indigent [~~members~~]
8 FAMILIES IN THE PROGRAM shall be FULLY [~~partially~~] subsidized by the
9 [~~local government unit where the member resides, The Corporation shall provide~~
10 ~~counterpart financing equal to the LGU's subsidy for indigents: *Provided, That in*~~
11 ~~the case of fourth, fifth and sixth class municipalities, the~~] National Government
12 [~~FOR INCLUSION~~] WHICH SHALL BE AUTOMATICALLY APPROPRIATED
13 IN THE ANNUAL GENERAL APPROPRIATIONS ACT (GAA) AND
14 REMITTED DIRECTLY TO PHILHEALTH. [~~shall provide up to ninety percent~~
15 ~~(90%) of the subsidy for indigents until such time that they shall have been~~
16 ~~upgraded to first, second or third class municipalities. The share of the LGUs~~
17 ~~shall be progressively increased until such time that its share becomes equal to~~
18 ~~that of the National Government.~~]

19
20 IN CASE OTHER SPONSORS / DONORS WANT TO PARTICIPATE IN
21 THE PROGRAM, THEY MAY COVER THE POOREST SEGMENT OF THE
22 INFORMAL SECTOR OR MAY ADOPT THE PARTIAL SUBSIDY SCHEME FOR
23 THEIR COVERAGE IN THE PROGRAM. THE PREMIUM SHARE OF A
24 PARTIALLY SUBSIDIZED MEMBER SHALL BE BASED ON THE ABILITY TO
25 PAY A PORTION OF THE ANNUAL REQUIRED PREMIUM. THE
26 CORPORATION SHALL ISSUE THE NECCESARY GUIDELINES FOR THE
27 IMPLEMENTATION OF THIS SCHEME.

28
29 **SEC. 4. *Implementing Rules and Regulations.*** - The Department of Health
30 (DOH), the Philippine Health Insurance Corporation (PHIC) and the Department of
31 Social Welfare and Development (DSWD) shall, within sixty (60) days from the
32 effectivity of this Act, promulgate the necessary rules and regulations for the effective
33 implementation of the provisions of this Act.

1 **SEC.5. *Separability Clause.*** - If any provision of this Act is declared
2 unconstitutional or invalid, the provisions not affected thereby shall continue to be in
3 full force and effect.

4
5 **SEC. 6. *Repealing Clause.*** - All laws, including Republic Act No. 7875 as
6 amended, decrees, orders, rules and regulations or other issuances inconsistent with the
7 provisions of this Act are hereby repealed, amended or modified accordingly.

8
9 **SEC. 7. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its
10 publication in two (2) national newspapers of general circulation.

11

12 Approved,