

H. No. 5547
S. No. 2630

Republic of the Philippines
Congress of the Philippines

Metro Manila

Twelfth Congress

Third Regular Session



Begun and held in Metro Manila, on Monday, the twenty-eighth day of July, two thousand three.

[**REPUBLIC ACT NO. 9241**]

AN ACT AMENDING REPUBLIC ACT NO. 7875, OTHERWISE KNOWN AS "AN ACT INSTITUTING A NATIONAL HEALTH INSURANCE PROGRAM FOR ALL FILIPINOS AND ESTABLISHING THE PHILIPPINE HEALTH INSURANCE CORPORATION FOR THE PURPOSE"

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

SECTION 1. Section 4 of Republic Act No. 7875 is hereby amended to read as follows:

"SEC. 4. *Definition of Terms.* – For the purpose of this Act, the following terms shall be defined as follows:

a) *Beneficiary* – Any person entitled to health care benefits under this Act.

b) *Benefit Package* – Services that the Program offers to its members.

c) *Capitation* – A payment mechanism where a fixed rate, whether per person, family, household, or group, is negotiated with a health care provider who shall be responsible for delivering or arranging for the delivery of health services required by the covered person under the conditions of a health care provider contract.

d) *Contribution* – The amount paid by or in behalf of a member to the Program for coverage, based on salaries or wages in the case of formal sector employees, and on household earnings and assets, in the case of self-employed, or on other criteria as may be defined by the Corporation in accordance with the guiding principles set forth in Article 1 of this Act.

e) *Coverage* – The entitlement of an individual, as a member or as a dependent, to the benefits of the Program.

f) *Dependent* – The legal dependents of a member are: 1) the legitimate spouse who is not a member; 2) the unmarried and unemployed legitimate, legitimated, illegitimate, acknowledged children as appearing in the birth certificate; legally adopted or stepchildren below twenty-one (21) years of age; 3) children who are twenty-one (21) years old or above but suffering from congenital disability, either physical or mental, or any disability acquired that renders them totally dependent on the member for support; 4) the parents who are sixty (60) years old or above whose monthly income is below an amount to be determined by the Corporation in accordance with the guiding principles set forth in Article I of this Act.

g) *Diagnostic Procedure* – Any procedure to identify a disease or condition through analysis and examination.

h) *Emergency* – An unforeseen combination of circumstances which calls for immediate action to preserve the life of a person or to preserve the sight of one or both eyes; the hearing of one or both ears; or one or two limbs at or above the ankle or wrist.

i) *Employee* – Any person who performs services for an employer in which either or both mental and physical efforts are used and who receives compensation for such services, where there is an employer-employee relationship.

j) *Employer* – A natural or juridical person who employs the services of an employee.

k) *Enrollment* – The process to be determined by the Corporation in order to enlist individuals as members or dependents covered by the Program.

l) *Fee for Service* – A reasonable and equitable health care payment system under which physicians and other health care providers receive a payment that does not exceed their billed charge for each unit of service provided.

m) *Global Budget* – An approach to the purchase of medical services by which health care provider negotiations concerning the costs of providing a specific package of medical benefits is based solely on a predetermined and fixed budget.

n) *Government Service Insurance System* – The Government Service Insurance System created under Commonwealth Act No. 186, as amended.

o) *Health Care Provider* – Refers to:

(1) a health care institution, which is duly licensed and accredited devoted primarily to the maintenance and operation of facilities for health promotion, prevention, diagnosis, treatment, and care of individuals suffering from illness, disease, injury, disability or deformity, drug addiction or in need of obstetrical or other medical and nursing care. It shall also be construed as any institution, building, or place where there are installed beds, cribs, or bassinets for twenty-four hour use or longer by patients in the treatment of diseases, injuries, deformities, or abnormal physical and mental states, maternity cases or sanitarial care; or infirmaries, nurseries, dispensaries, rehabilitation centers and such other similar names by which they may be designated; or

(2) a health care professional, who is any doctor of medicine, nurse, midwife, dentist, or other health care professional or practitioner duly licensed to practice in the Philippines and accredited by the Corporation; or

(3) a health maintenance organization, which is an entity that provides, offers, or arranges for coverage of designated health services needed by plan members for a fixed prepaid premium; or

(4) a community-based health care organization, which is an association of indigenous members of the community organized for the purpose of improving the health status of that

community through preventive, promotive and curative health services.

p) *Health Insurance Identification (ID) Card* – The document issued by the Corporation to members and dependents upon their enrollment to serve as the instrument for proper identification, eligibility verification, and utilization recording.

q) *Indigent* – A person who has no visible means of income, or whose income is insufficient for the subsistence of his family, as identified by the Local Health Insurance Office and based on specific criteria set by the Corporation in accordance with the guiding principles set forth in Article I of this Act.

r) *Inpatient Education Package* – A set of informational services made available to an individual who is confined in a hospital to afford him with knowledge about his illness and its treatment, and of the means available, particularly lifestyle changes, to prevent the recurrence or aggravation of such illness and to promote his health in general.

s) *Member* – Any person whose premiums have been regularly paid to the National Health Insurance Program. He may be a paying member, an indigent member, or a pensioner/retiree member.

t) *Means Test* – A protocol administered at the barangay level to determine the ability of individuals or households to pay varying levels of contributions to the Program, ranging from the indigent in the community whose contributions should be totally subsidized by government, to those who can afford to subsidize part but not all the required contributions for the Program.

u) *Medicare* – The health insurance program currently being implemented by the Philippine Medical Care Commission. It consists of:

(1) Program I, which covers members of the SSS and GSIS including their legal dependents; and

(2) Program II, which is intended for those not covered under Program I.

v) *National Health Insurance Program* – The compulsory health insurance program of the government as established in this Act, which shall provide universal health insurance coverage

and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines.

w) *Pensioner* – An SSS or GSIS member who receives pensions therefrom.

x) *Personal Health Services* – Health services in which benefits accrue to the individual person. These are categorized into inpatient and outpatient services.

y) *Philippine Medical Care Commission* – The Philippine Medical Care Commission created under Republic Act No. 6111, as amended.

z) *Philippine National Drug Formulary* – The essential drugs list for the Philippines which is prepared by the National Drug Committee of the Department of Health in consultation with experts and specialists from organized professional medical societies, medical academe and the pharmaceutical industry, and which is updated every year.

(aa) *Portability* – The enablement of a member to avail of Program benefits in an area outside the jurisdiction of his Local Health Insurance Office.

(bb) *Prescription Drug* – A drug which has been approved by the Bureau of Food and Drug and which can be dispensed only pursuant to a prescription order from a physician who is duly licensed to do so.

(cc) *Public Health Services* – Services that strengthen preventive and promotive health care through improving conditions in partnership with the community at large. These include control of communicable and non-communicable diseases, health promotion, public information and education, water and sanitation, environmental protection, and health-related data collection, surveillance, and outcome monitoring.

(dd) *Quality Assurance* – A formal set of activities to review and ensure the quality of services provided. Quality assurance includes quality assessment and corrective actions to remedy any deficiencies identified in the quality of direct patient, administrative, and support services.

(ee) *Residence* – The place where the member actually lives.

(ff) *Retiree* – A member of the Program who has reached the age of retirement or who was retired on account of disability.

b) *Appointment and Tenure* – The President of the Philippines shall appoint the Members of the Board upon the recommendation of the Chairman of the Board and in consultation with the sectors concerned. Members of the Board shall have a term of four (4) years each, renewable for a maximum of two (2) years, except for members whose terms shall be co-terminous with their respective positions in government. Any vacancy in the Board shall be filled in the manner in which the original appointment was made and the appointee shall serve only the unexpired term of his predecessor.

c) *Meetings and Quorum*. – The Board shall hold regular meetings at least once a month. Special meetings may be convened at the call of the Chairperson or by a majority of the members of the Board. The presence of a majority of all the members shall constitute a quorum. In the absence of the Chairperson and Vice Chairperson, a temporary presiding officer shall be designated by the majority of the quorum.

d) *Allowances and Per Diems* – The members of the Board shall receive a *per diem* for every meeting actually attended subject to the pertinent budgetary laws, rules and regulations on compensation, honoraria and allowances."

SEC. 4. Section 29 of the Law shall now read as follows:

"SEC. 29. *Payment of Indigent Contributions*. – Contributions for indigent members shall be subsidized partially by the local government unit where the member resides. The Corporation shall provide counterpart financing equal to the LGU's subsidy for indigents: *Provided*, That in the case of fourth, fifth and sixth class municipalities, the National Government shall provide up to ninety percent (90%) of the subsidy for indigents until such time that they shall have been upgraded to first, second or third class municipalities. The share of the LGUs shall be progressively increased until such time that its share becomes equal to that of the National Government."

SEC. 5. Section 32 of the same Act shall now read as follows:

"SEC. 32. *Accreditation Eligibility* – All health care providers, as enumerated in Section 4(o) hereof and operating for at least three (3) years may apply for accreditation: *Provided*, That a health care provider which has not operated for at least three (3) years may likewise apply and qualify for accreditation

if it complies with all the other accreditation requirements of and further meets any of the following conditions:

(a) Its managing health care professional has had a working experience in another accredited health care institution for at least three (3) years;

(b) It operates as a tertiary facility or its equivalent;

(c) It operates in a local government unit where the accredited health care provider cannot adequately or fully service its population; and

(d) Other conditions as may be determined by the Corporation."

SEC. 6. The third paragraph of Section 44 (Penal Provisions) of the same Act shall be amended to read as follows:

"Where the violations consist of failure or refusal to deduct contributions from the employee's compensation or to remit the same to the Corporation, the penalty shall be a fine of not less than Five hundred pesos (P500) but not more than One thousand pesos (P1,000) multiplied by the total number of employees employed by the firm and imprisonment of not less than six (6) months but not more than one (1) year."

SEC. 7. Section 54 of the Law shall be amended to read as follows:

"SEC. 54. *Oversight Provision.* – Congress shall conduct a regular review of the National Health Insurance Program, which shall entail a systematic evaluation of the Program's performance, impact or accomplishments with respect to its objectives or goals. Such review shall be undertaken by the Committees of the Senate and the House of Representatives, which have legislative jurisdiction over the Program.

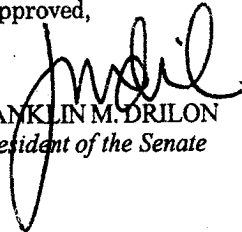
The National Economic and Development Authority, in coordination with the National Statistics Office and the National Institutes of Health of the University of the Philippines shall undertake studies to validate the accomplishments of the Program. The budget required to undertake such study shall come from the income of the PhilHealth."

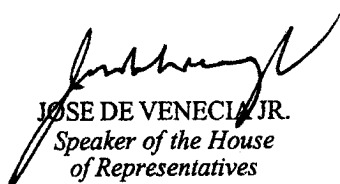
SEC. 8. *Separability Clause.* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions, which are not affected thereby, shall continue to be in full force and effect.

SEC. 9. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

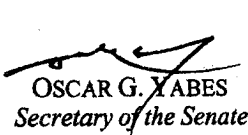
SEC. 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least three (3) national newspapers of general circulation.

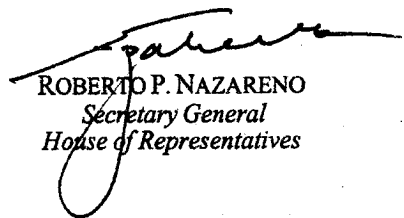
Approved,


FRANKLIN M. DRILON
President of the Senate



JOSE DE VENEZIA JR.
*Speaker of the House
of Representatives*

This Act which is a consolidation of House Bill No. 5547 and Senate Bill No. 2630 was finally passed by the House of Representatives and the Senate on October 15, 2003 and October 14, 2003, respectively.


OSCAR G. XABES
Secretary of the Senate


ROBERTO P. NAZARENO
*Secretary General
House of Representatives*

Approved: FEB 16 2004


GLORIA MACAPAGAL ARROYO
President of the Philippines

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