

**[ REPUBLIC ACT NO. 10606, June 19, 2013 ]**

**AN ACT AMENDING 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 House of Representatives of the Philippines in  
Congress assembled:*

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

"SECTION 1. *Short Title.* – This Act shall be known as the 'National Health Insurance Act of 2013'."

SEC. 2. Section 2 of the same Act is hereby amended to read as follows:

"SEC. 2. *Declaration of Principles and Policies.* – It is hereby declared the policy of the State to 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 cost and to provide free medical care to paupers. Towards this end, the State shall provide comprehensive health care services to all Filipinos through a socialized health insurance program that will prioritize the health care needs of the underprivileged, sick, elderly, persons with disabilities (PWDs), women and children and provide free health care services to indigents.

"Pursuant to this policy, the State shall adopt the following principles:

"x x x."

SEC. 3. Section 4 of the same Act is hereby further amended to read as follows:

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

"x x x

"(f) *Dependent* – The legal dependents of a member are:

"x x x

"(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; and

"(5) parents with permanent disability that render them totally dependent on the member for subsistence.

"x x x

"(l) *Fee-for-service* – A fee pre-determined by the Corporation for each service delivered by a health care provider based on the bill. The payment system shall be based on a pre-negotiated schedule promulgated by the Corporation.

"x x x

"(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 Department of Social Welfare and Development (DSWD) based on specific criteria set for this purpose in accordance with the guiding principles set forth in Article I of this Act.

"x x x

"(s) *Member* – Any person whose premiums have been regularly paid to the National Health Insurance Program who may be a paying member, a sponsored member, or a lifetime member.

"x x x

"(ff) *Retiree* – A member of the Program who has reached the age of retirement as provided for bylaw or who was retired on account of permanent disability as certified by the employer and the Corporation.

"x x x

"(mm) *Abandoned Children* – Children who have no known family willing and capable to take care of them and are under the care of the DSWD, orphanages, churches and other institutions.

"(nn) *Case-based Payment* – Hospital payment method that reimburses to hospitals a predetermined fixed rate for each treated case or disease; also called per case payment.

"(oo) *Health Technology Assessment* – A field of science that investigates the value of a health technology such as procedure, process, products, or devices, specifically on their quality, relative cost-effectiveness and safety. It usually involves the science of epidemiology and economics. It has implications on policy, decision to adopt and invest in these technologies, or in health benefit coverage.

"(pp) *Informal Sector* – Units engaged in the production of goods and services with the primary objective of generating employment and income for the persons concerned. It consists of households, unincorporated enterprises that are market and nonmarket producers of goods, as well as market producers of services.

"These enterprises are operated by own-account workers, which may employ unpaid family workers as well as occasional, seasonally hired workers.

"To this sector belong, among others, street hawkers, market vendors, pedicab and tricycle drivers, small construction workers and home-based industries and services.

"(qq) *Other Self-earning Individuals* – Individuals who render services or sell goods as a means of livelihood outside of an employer-employee relationship, or as a career, but do not belong to the informal sector. These include businessmen, entrepreneurs, actors, actresses and other performers, news correspondents,

professional athletes, coaches, trainers, and other individuals as recognized by the Department of Labor and Employment (DOLE) and/or the Bureau of Internal Revenue (BIR).

“(rr) *Out-patient Services* – Health services such as diagnostic consultation, examination, treatment, surgery and rehabilitation on an out-patient basis.

“(ss) *Professional Practitioners* – Include doctors, lawyers, certified public accountants, and other practitioners required to pass government licensure examinations in order to practice their professions.

“(tt) *Traditional and Alternative Health Care*– The application of traditional knowledge, skills and practice of alternative health care or healing methods which include reflexology, acupuncture, massage, accupressure, chiropractics, nutritional therapy and other similar methods in accordance with the accreditation guidelines set forth by the Corporation and the Food and Drug Administration (FDA).

“(uu) *Lifetime Member* – A former member who has reached the age of retirement under the law and has paid at least one hundred twenty (120) monthly premium contributions.

“(vv) *Members in the Formal Economy* – Workers with formal contracts and fixed terms of employment including workers in the government and private sector, whose premium contribution payments are equally shared by the employee and the employer.

“(ww) *Members in the Informal Economy* – Workers who are not covered by formal contracts or agreements and whose premium contributions are self-paid or subsidized by another individual through a defined criteria set by the Corporation.

“(xx) *Migrant Workers* – Documented or undocumented Filipinos who are engaged in a remunerated activity in another country of which they are not citizens.

“(yy) *Sponsored Member* – A member whose contribution is being paid by another individual, government agency, or private entity according to the rules as may be prescribed by the Corporation.”

SEC. 4. Section 6 of the same Act is hereby amended to read as follows:

“SEC. 6. *Mandatory Coverage*. – All citizens of the Philippines shall be covered by the National Health Insurance Program. In accordance with the principles of universality and compulsory coverage enunciated in Section 2(b) and 2(l) hereof, implementation of the Program shall ensure sustainability of coverage and continuous enhancement of the quality of service: *Provided*, That the Program shall be compulsory in all provinces, cities and municipalities nationwide, notwithstanding the existence of LGU-based health insurance programs: *Provided, further*, That the Corporation, Department of Health (DOH), local government units (LGUs), and other agencies including nongovernmental organizations (NGOs) and other national government agencies (NGAs) shall ensure that members in such localities shall have access to quality and cost-effective health care services.”

SEC. 5. Section 7 of the same Act is hereby amended to read as follows:

“SEC. 7. *Enrollment*. –The Corporation shall enroll beneficiaries in order for them to avail of benefits under this Act with the assistance of the financial arrangements

provided by the Corporation under the following categories:

- "(a) Members in the formal economy;
- "(b) Members in the informal economy;
- "(c) Indigents;
- "(d) Sponsored members; and
- "(e) Lifetime members.

"The process of enrollment shall include the identification of beneficiaries, issuance of appropriate documentation specifying eligibility to benefits, and indicating how membership was obtained or is being maintained."

SEC. 6. Section 8 of the same Act is hereby amended to read as follows:

"SEC. 8. *Health Insurance Identification (ID) Card and ID Number.* – In conjunction with the enrollment provided above, the Corporation through its local office shall issue a health insurance ID with a corresponding ID number which shall be used for purposes of identification, eligibility verification, and utilization recording. The issuance of this ID card shall be accompanied by a clear explanation to the enrollee of his rights, privileges and obligations as a member. A list of health care providers accredited by the Local Health Insurance Office shall likewise be provided to the member together with the ID card.

"The absence of the ID card shall not prejudice the right of any member to avail of benefits or medical services under the National Health Insurance Program (NHIP).

"This health insurance ID card with a corresponding ID number shall be recognized as a valid government identification and shall be presented and honored in transactions requiring the verification of a person's identity."

SEC. 7. Section 10 of the same Act is hereby amended to read as follows:

"SEC. 10. *Benefit Package.* –

"Members and their dependents are entitled to the following minimum services, subject to the limitations specified in this Act and as may be determined by the Corporation:

"(a) Inpatient hospital care:

"(1) room and board;

"(2) services of health care professionals;

"(3) diagnostic, laboratory, and other medical examination services;

"(4) use of surgical or medical equipment and facilities;

"(5) prescription drugs and biologicals, subject to the limitations stated in Section 37 of this Act; and

"(6) inpatient education packages;

"(b) Outpatient care:

“(1) services of health care professionals;

“(2) diagnostic, laboratory, and other medical examination services;

“(3) personal preventive services; and

“(4) prescription drugs and biologicals, subject to the limitations described in Section 37 of this Act;

“(c) Emergency and transfer services; and

“(d) Such other health care services that the Corporation and the DOH shall determine to be appropriate and cost-effective.

“These services and packages shall be reviewed annually to determine their financial sustainability and relevance to health innovations, with the end in view of quality assurance, increased benefits and reduced out-of-pocket expenditure.”

SEC. 8. Section 11 of the same Act is hereby further amended to read as follows:

“SEC. 11. *Excluded Personal Health Services.* – The Corporation shall not cover expenses for health services which the Corporation and the DOH consider cost-ineffective through health technology assessment.

“The Corporation may institute additional exclusions and limitations as it may deem reasonable in keeping with its protection objectives and financial sustainability.”

SEC. 9. Section 12 of the same Act is hereby amended to read as follows:

“SEC. 12. *Entitlement to Benefits.* – A member whose premium contributions for at least three (3) months have been paid within six (6) months prior to the first day of availment, including those of the dependents, shall be entitled to the benefits of the Program: *Provided*, That such member can show that contributions have been made with sufficient regularity: *Provided, further*, That the member is not currently subject to legal penalties as provided for in Section 44 of this Act.

“The following need not pay the monthly contributions to be entitled to the Program’s benefits:

“(a) Retirees and pensioners of the SSS and GSIS prior to the effectivity of this Act; and

“(b) Lifetime members.”

SEC. 10. Section 16 of the same Act is hereby amended to read as follows:

“SEC. 16. *Powers and Functions.* – The Corporation shall have the following powers and functions:

“x x x

“(c) To supervise the provision of health benefits and to set standards, rules, and regulations necessary to ensure quality of care, appropriate utilization of services, fund viability, member satisfaction, and overall accomplishment of Program objectives;

“x x x