

**[ REPUBLIC ACT NO. 9241, February 10, 2004 ]**

**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 in 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 step-children below twenty-one (21) years of age; 3) children who are twenty-one (21) years old and above but suffering from congenital disability, either physical or mental, or any disability acquired that renders them totally dependent on the member of our 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 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 the 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 profession 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.

gg) *Self-employed* - A person who works for himself and is therefore both employee and employer at the same time.

hh) *Social Security System* - The Social Security System created under Republic Act No. 1161, as amended.

ii) *Treatment Procedure* - Any method used to remove the symptoms and cause of a disease.

jj) *Utilization Review* - A formal review of a patient utilization or of the appropriateness of health care services, on a prospective, concurrent or retrospective basis.

kk) *Rehabilitation Center* - Refers to a facility, which undertakes rehabilitation of drug dependents. It includes institutions, agencies and the like which have for their purpose, the development of skills, or which provides counseling, or which seeks to inculcate, social and moral values to clientele who have a drug problem with the pain of weaning them from drugs and making them drug-free, adapted to their families and peers, and readjusted into the community as law-abiding, useful and productive citizens.

ll) *Home Care and Medical Rehabilitation Services* - Refer to skilled nursing care, which members get in their homes/clinics for the treatment of an illness or injury that severely affects their activities or daily living. Home care and medical rehabilitation services include hospice or palliative care for people who are terminally ill but does not include custodial and non-skilled personal care."