

[BSP CIRCULAR NO. 165, May 14, 1998]

BANKS AS COLLECTION AGENTS FOR THE NATIONAL HEALTH INSURANCE PROGRAM

Pursuant to Monetary Board Resolution No. 605 dated 22 April 1998 approving the request of the Philippine Health Insurance Corporation (PhilHealth) to contract banks as collection agents for the National Health Insurance Program premiums, Books I, II and III of the Manual of Regulations, are hereby amended as follows:

SECTION 1. Subsections 1604.6 (Book I), 2604.6 (Book II) and 3604.6 (Book III) are hereby added to the Manual of Regulations to read as follows:

"Subsec. __604.6 **Collection agents of the PhilHealth** — Commercial (Book I)/Thrift (Book II)/Rural (Book III) banks are authorized to act as collecting agents of the Philippine Health Insurance Corporation (PhilHealth) under which agency:

- a. PhilHealth members may pay their premium contributions to the PhilHealth through the said banks and the funds thus collected shall be remitted to the PhilHealth in accordance with PhilHealth's agreed remittance schedule which in no case shall exceed thirty (30) days from receipt thereof;
- b. During the period that such premium contributions are in the custody of the banks, such funds shall not earn interest; and
- c. The banks shall not collect from the PhilHealth any service charge for such agency.

The funds collected by commercial (Book I)/thrift (Book II)/rural (Book III) banks shall be handled by the operating departments (cash departments) of the banks concerned and not their trust operations: Provided, however, that such funds shall be subject to the reserve requirement on deposits and to the liquidity floor on government deposits."

SECTION 2. The first sentence of the second paragraph of Sections 1255 (Book I), 2255 (Book II) and 3255 (Book III) is hereby amended to read as follows:

"Included among deposits (demand, savings and time) subject to reserve requirements are (a) proceeds from sales of DBP Progress Bonds; and (b) collection of premium contributions from the Social Security System **and the Philippine Health Insurance Corporation (PhilHealth)** which shall be treated as demand deposits."