1. **What are the legal bases for this Circular?**

The following provisions of the Revised Implementing Rules and Regulations (RIRR) of the National Health Insurance Act of 2013 served as bases for this circular:

- **Section 18(d)** - “The failure of the employer to remit the required contribution and to submit the required remittance list shall make the employer liable for reimbursement of payment of a properly filed claim in case the concerned employee or dependent/s avails of Program benefits, without prejudice to the imposition of other penalties as provided for in this Rules.”

- **Section 178 on the Failure or Refusal to Register/Deduct Contributions** – *Any employer or officer who fails or refuses to register/deduct contributions from the employee’s compensation shall be penalized with a fine of not less than Five Thousand pesos (Php 5,000.00) multiplied by the total number of employees of the firm.*

- **Section 179 on the Failure or Refusal to Remit Contributions** – *Any employer or officer authorized to collect contributions who, after collecting or deducting the monthly contributions due from the employees, fails or refuses to remit said contributions to the Corporation within thirty (30) days from the date they become due shall be punished with a fine of not less than Five Thousand pesos (Php 5,000.00) but not more than Ten Thousand pesos (Php 10,000.00) multiplied by the total number of employees of the firm.*

2. **What is the coverage of this circular?**

This Circular shall apply to all claims of employee-members and/or their qualified dependents duly paid for by PhilHealth but later found out to have no qualifying contributions. This Circular empowers PhilHealth to recover the said claim payments including unpaid premiums plus all applicable interests/penalties from delinquent, under-remitting, non-remitting and/or non-reporting employers.

3. **How does PhilHealth determine whether a duly-paid claim by an employee-member or his/her dependent does not have the qualifying contributions?**

If his/her employer has been found to be delinquent, under-remitting, non-remitting and/or non-reporting relative to the claims in question.
4. How do we know whether an employer is delinquent, under-remitting, non-remitting or non-reporting?

a. Delinquent Employers – Employers who have missed payment of the monthly contribution in behalf of all its employees for at least one (1) month within a period of six (6) months.

b. Under-remitting Employers – Employers who remitted and reported contributions for all its employees that is less than the amount of premium prescribed by the Corporation and/or employers who remitted the prescribed amount of contribution but did not include all its employees.

c. Non-remitting Employers – Employers who have not remitted any premium contributions in behalf of its employees from the start of their operations or those who have not paid any premium contributions for six months or more.

d. Non-reporting Employers – a registered or unregistered employer who may or may not have remitted premium contributions in behalf of its employees and has not submitted any reports for at least one month within a period of six (6) months.

5. What are the penalties for these violations?

In case of a properly-filed claim of an employee-member which was later found out to have no qualifying contributions, the employer will be liable to reimburse the full amount to PhilHealth.

For failure or refusal to register or deduct contributions, the employer shall be penalized with a fine of not less than five thousand pesos (Php 5,000.00) multiplied by the total number of employees of the firm.

For failure or refusal to remit (and/or report) contributions the employer shall be punished with a fine of not less than five thousand pesos (Php 5,000.00) but not more than ten thousand pesos (Php 10,000.00) multiplied by the total number of employees of the firm.