



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**

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PhilHealth@24:  
Tungo sa Kalusugan  
Para sa Lahat

**PHILHEALTH CIRCULAR**

No. 2020-0015

**TO :** ALL MEMBERS AND EMPLOYERS UNDER THE  
EMPLOYED SECTOR PROGRAM AND ALL OTHER  
CONCERNED

**SUBJECT :** Clarification on the Definition of Unwarranted Claims

**I. RATIONALE**

Pursuant to Section 18(c) of the Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 7875 or the National Health Insurance Act of 2013, the remittance of premium contribution by the employer shall be supported by a remittance list to be submitted regularly to the Corporation. Moreover, Section 18(d) thereof states that 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.

Hence, this Circular is issued to ensure the employers' compliance to the reportorial requirements of the Corporation as stated in PhilHealth Circular No. 0001 s. 2014 and provide scenarios as to the transactions that would require the recovery of payments for properly filed claims of employed members and /or their dependents but without qualifying contributions and for the settlement of arrears in compliance to the directives of Benefits Committee of the PhilHealth Board.

**II. OBJECTIVE**

This Circular aims to clarify the definition and to provide scenarios as to the transactions that would require the recovery of payments of unwarranted claims.

**III. SCOPE**

This Circular shall cover all employers in the Formal Economy for any unwarranted claims prior to the implementation of Universal Health Care Act.

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Date: 4/29/2020

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**IV. DEFINITION OF TERMS**

**Unwarranted Claims** are claims duly paid for by PhilHealth for employee-members and/or their qualified dependents but without qualifying contributions, whose employer is delinquent, under remitting and/or non-reporting.

**V. GENERAL GUIDELINES**

PhilHealth Claims paid for confinement/treatment of employee-members and/or their qualified dependents under the following scenarios shall be considered as unwarranted claims:

Scenario	Premium	Report	Description
1	On Time Payment	No Report	With on time payment but no report posted prior to the date of admission of the member or dependent
2	On Time Payment	Late Report	On time payment of premium but report submitted during or after confinement of the member or dependent
3	Late Payment	Late Report	Late payment and late report submitted by the employer during or after confinement of the member or dependent
4	Late Payment	No Report	Late payment and no report submitted by the employer prior to date of admission of the member or dependent
5	No Payment	With Report	No premium payment but with posted report by the employer prior to date of admission of the member or dependent
6	No Payment	Late Report	No premium payment but with late report by the employer prior to date of admission of the member or dependent
7	No Payment	No Report	No premium payment and no report posted by the employer prior to date of admission of the member or dependent

**VI. PENALTY CLAUSE**

**A. Legal action against delinquent Employers:**

PhilHealth shall issue demand letter to the concerned employer to pay the unwarranted claims. If said employer fails or refuses to pay, PhilHealth shall pursue appropriate action against employers who have failed to timely remit the premium contribution of its employees or have failed to comply with the PhilHealth's reportorial requirements on premium payments which resulted to unwarranted claims.

Section 18(d) of the IRR provides that 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.

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**B. Further, the same IRR states the following provisions:**

**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 the 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.

**Section 179 on the Failure of 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 the said contributions to the Corporation within (30) days from the date they become due shall be punished with the 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.

**VII. REPEALING CLAUSE**

All issuances inconsistent herewith are deemed repealed or modified accordingly.

**VIII. DATE OF EFFECTIVITY**

This Circular shall take effect after fifteen (15) days from its publication in a newspaper of general circulation and shall be deposited thereafter with the Office of National Administrative Register (ONAR) of the University of the Philippines Law Center.

BGEN. RICARDO C. MORALES, AFP (RET) FICD   
President and CEO

Date signed: 4/27/20

Clarification on the Definition of Unwarranted Claims

