

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

PHILIPPINE HEALTH INSURANCE CORPORATION, a Government Owned and Controlled Corporation duly organized and existing by virtue of Republic Act No. 7875 otherwise known as the National Health Insurance Act of 1995, with principal office address at No. 709, City State Center Bldg., Shaw Blvd., Pasig City, duly represented herein by its President and Chief Executive Officer, **ALEXANDER A. PADILLA**, hereinafter referred to as "**PHILHEALTH**",

and

LAND BANK OF THE PHILIPPINES, a government financial institution duly created and existing under and by virtue of R.A. No. 3844, as amended with principal office at the Land Bank Plaza 1598 M.H. Del Pilar Street, Malate, Manila, Philippines, represented herein by its President and Chief Executive Officer, **GILDA E. PICO**, hereinafter referred to as "**LANDBANK**";

WITNESSETH: That

WHEREAS, in order to provide a more efficient and convenient payment channel to **PHILHEALTH**'s registered employers, **PHILHEALTH** has decided to adopt and implement an electronic and web-based collection platform herein referred to as "**PHILHEALTH Electronic Premium Reporting System (EPRS)**";

WHEREAS, **LANDBANK** has agreed to provide and interface the "**LANDBANK Electronic Collection Facility**" with the **EPRS** in order for **PHILHEALTH** to accept payments from registered employers online using their **LANDBANK** accounts and **LANDBANK** shall likewise provide reports necessary for **PHILHEALTH** to efficiently monitor payments made under the system;

NOW THEREFORE, for and in consideration of foregoing premises and the mutual covenants and conditions hereinafter set forth, the parties hereto have agreed, as they hereby agree, as follows:



ARTICLE I OBJECTIVE

This Agreement has been entered into by the Parties with the primary purpose and objective of providing **PHILHEALTH** registered employers an electronic online payment and collection facility.

The Parties shall provide a web-based solution for internet originated payments and collections supported by all necessary facilities for the effective and efficient management and handling of the collection of **PHILHEALTH** contributions due from registered employers.

ARTICLE II COMMITMENTS AND UNDERTAKINGS

In order to attain the objectives of this Agreement, each Party hereby commits itself as follows:

PHILHEALTH shall:

1. Inform its registered employers that they may open a Current/Savings Account with no Average Daily Balance (ADB) requirement with **LANDBANK** where its remittances for **PHILHEALTH** shall be debited;
2. Inform all its registered employers that they may utilize the **EPRS** and **LANDBANK Electronic Collection Facility** for the remittance of contributions due to **PHILHEALTH**;
3. Provide **LANDBANK** with all the necessary data and information, as well as other pertinent technical requirements, specifications, procedures and facilities for the interface of the **LANDBANK Electronic Collection Facility**;
4. Open and maintain a Non-Interest Bearing Current Account with no ADB requirement with **LANDBANK** in order to implement the objectives of this Agreement;
5. Allow **LANDBANK** to put on hold for a period of fifteen (15) days on the daily collections remitted to the Non-Interest Bearing Current Account of **PHILHEALTH**; and
6. Accept and post all transactions and/or payments sent by **LANDBANK** in accordance with the terms and conditions set herein.



LANDBANK shall:

1. Handle the opening of Current/Savings Accounts with no Average Daily Balance (ADB) requirement for **PHILHEALTH** registered employers where remittances for **PHILHEALTH** shall be debited;
2. Interface the **LANDBANK Electronic Collection Facility** with **PHILHEALTH's** system which shall allow **PHILHEALTH** to accept remittances of contributions from registered employers electronically;
3. Secure all the necessary approvals, permits, and clearances for the implementation of the project;
4. Accept, for and in behalf of **PHILHEALTH**, remittances of membership contributions from registered employers;
5. Provide **PHILHEALTH** an online viewing facility for proper monitoring of fund balances and collections;
6. Submit the Collection RF2 Files containing all the details of the remittances received by **LANDBANK** on behalf of **PHILHEALTH** to **PHILHEALTH** via Secure File Transfer Protocol (SFTP) or any other secured means on or before the agreed time of the following day;
7. Implement a hold period of fifteen (15) calendar days on the daily collections remitted to the Non-Interest Bearing Current Account of **PHILHEALTH**; and
8. Make funds withdrawable from the **PHILHEALTH** Non-Interest Bearing Current Account on the 16th day from the date of collection. Should this fall on a non-banking day, the funds shall be withdrawable on the next banking day.

ARTICLE III IMPLEMENTATING GUIDELINES

1. **LANDBANK**, in accepting the remittances on behalf of **PHILHEALTH**, does not in any way guarantee that the amount remitted by the registered employer is the correct amount due or the correct payment for the state period or the employees covered therein, it being understood that by virtue of the foregoing collection arrangement, **LANDBANK** shall not be required to verify with **PHILHEALTH** the correctness of the amount paid. **LANDBANK** shall, however, ensure that the amount paid corresponds to the figures reflected in the system-generated acknowledgement receipt which is displayed in each successful transaction.



2. **LANDBANK** agrees to provide **PHILHEALTH** an electronic facility for downloading of Collection Files containing all the details of the remittances received by **LANDBANK** on behalf of **PHILHEALTH** and other electronic files that may be required by **PHILHEALTH**.
3. Subject to regular security procedures, **PHILHEALTH** reserves the right and **LANDBANK**, upon prior written notice by **PHILHEALTH**, agreed to allow **PHILHEALTH** to examine the Current/Savings Account arising from and by virtue of this Agreement during reasonable business hours of any banking day as **PHILHEALTH** may deem necessary, provided that the registered employer concerned has expressly given its consent to the disclosure of deposit information to **PHILHEALTH** or waived its right under applicable bank secrecy law. It is understood that such examination by **PHILHEALTH** shall strictly be limited only to the records pertaining to **PHILHEALTH** and such other miscellaneous payments for the account of **PHILHEALTH**.

Pursuant thereto, **PHILHEALTH** agrees to keep the confidentiality of any and all customer information and data obtained in connection with or relating to such examination. It shall likewise be the responsibility of **PHILHEALTH** to ensure that the employees or representatives who are recipients of the Confidential Information covenant on similar terms to keep such information strictly confidential.

4. **LANDBANK** shall undertake, in proper coordination with **PHILHEALTH**, an information dissemination campaign regarding arrangements embodied in this Agreement.

ARTICLE IV EFFECTIVITY

The Agreement shall be effective as of the date of the full compliance of the terms and conditions herein set forth and shall be enforceable until terminated by either Party upon sixty (60) days prior written notice served to the other party. Upon such termination, **LANDBANK** shall remit to **PHILHEALTH** all collections due to the latter, if any, and the relevant reports, records and documents required, pursuant to this Agreement.

ARTICLE V COMPLAINTS

1. Except for **LANDBANK**'s failure to credit the Current Account for any payments received pursuant to and under the Agreement, **PHILHEALTH** shall be responsible for handling and/or settlement of registered employer's complaints. For this purpose, all registered employers who have complaints against **PHILHEALTH** shall be referred/directed by **LANDBANK** to **PHILHEALTH**.



