

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Thirteenth Congress
First Regular Session

House Bill No. 1547

Introduced by REP. DOUGLAS RA. CAGAS

EXPLANATORY NOTE

The constitution under Art. II, Section 15 thereof provides that the State protect and promote the right of health of the people and instill health conciousness among them.

As a partner in promoting people's health, the government must provide assistance to private hospitals to ensure their viability and high quality service

Seventy percent (70%) of the country's hospitals are privately owned. Distributed to the different areas of the country, these institutions provide the much needed medical services and facilities that government hospitals cannot alone provide thereby filling a void in the people's health needs.

This legislation proposes a Private Hospital Development Plan, which will be drawn in coordination with the Secretary of Health, appropriate government agencies and non-government organizations. This plan shall monitor the needs of private hospitals in terms of its facilities, equipment and human resources. It shall also grant tax incentives to accredited private hospitals.

This bill likewise proposes the creation of a Special Private Hospital Fund that will be sourced from real property taxes paid by private hospitals. The money collected shall be used to finance the improvement of private hospital facilities and to assist community-based projects in various localities. This fund shall be managed and disbursed by the local health board in each municipality or chartered city with private hospitals.

Through this bill, we hope to build a bridge of cooperation between the government and private hospitals. It shall provide the needed link between the public's ever growing health care needs and the advanced medical services afforded by private hospitals to help build a healthy nation.

The immediate passage of this bill is therefore requested.

DOUGLAS RA. CAGAS
Representative
1st District, Davao del Sur

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AN ACT
ESTABLISHING A PRIVATE-HOSPITAL DEVELOPMENT PLAN AND PROVIDING ASSISTANCE TO PRIVATE HOSPITALS BY GRANTING THEM INCENTIVES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title.* - This Act shall be known as the "Private Hospital Assistance Act of 2004."

SEC. 2. *Declaration of Policy.* - It is the policy of the State to provide assistance to private hospitals to ensure their viability and enable them to continue giving quality service to the people. Towards this end, a private hospital development plan shall be promulgated and the private hospital fund established.

I. PRIVATE HOSPITAL DEVELOPMENT PLAN

SEC. 3. *The Private Hospital Development Plan.* - The Secretary of Health, in consultation with the appropriate government agencies, the Philippine Hospital Association and other non-government organizations, shall draw up a Private Hospital Development Plan that shall:

1. Assess the prevailing situation in a certain locality and identify needs in terms of facilities, equipment and human resources, provide incentives for, and

establish agreements and linkages with private hospitals and clinics to answer these needs;

2. Identify unserved or underserved areas in terms of secondary and tertiary care where private hospitals can be established and, in collaboration with other government agencies, provide proper incentives for the same;

3. Promulgate rules and regulations regarding the number, composition and other matters relating to the creation of the Private Hospital Board as provided for in Section 5 of this Act;

4. Establishing guidelines for better coordination and cooperation between government and private hospitals system in the country so as to provide better quality medical services to more people needing medical attention.

II. CREATION OF THE PRIVATE HOSPITAL FUND AND BOARD

SEC. 4. ***Private Hospital Fund.*** - All proceeds from the payment of real property taxes of private hospitals shall accrue to a special Private Hospital Fund which shall be used for the following purposes:

a) Improvement of hospital facilities to accommodate more service ward patients; and

b) Financial assistance to community-based health projects in the locality.

SEC. 5. ***The Private Hospital Fund Board.*** - The private hospital fund shall be managed and disbursed by a local Board which shall be constituted in each municipality or chartered city with private hospitals, and shall be composed of:

a) The Mayor of the municipality or chartered city as Chairperson;

b) A director from every private hospital in the municipality or city;

c) The municipal or city health officer;

d) Two (2) representatives of the private sector or non-governmental organizations.

The members of this Board shall be chosen in accordance with implementing rules and regulations to be issued by the Secretary of Health. The Private Hospital Board shall adopt its own rules and regulations, which shall enable it to finance the activities, provided for in Section 4 of this Act.

SEC. 6. ***Audit of the Private Hospital Fund.*** - The disbursement of the Private Hospital Fund shall be subject to audit by the Commission on Audit.

SEC. 7. ***Repealing Clause.*** - Any provision of law, rules and regulations inconsistent with this Act is hereby repealed or modified accordingly.

SEC. 8. ***Effectivity.*** - This Act shall take effect fifteen (15) days from its publication in the *Official Gazette* or in two (2) national newspapers of general circulation.

Approved,