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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS
Third Regular Session

H. No. 5750

Introduced By Representative Teofisto "TG" L. Guingona III

EXPLANATORY NOTE

While it is clear that it is the duty of the State to protect and promote the right to health of the people as stipulated in section 15, article II of the Constitution, it is free to partner with anyone or any organization who are willing to support government's efforts in the delivery of health services, subject only to certain limitations of the law.

In fact, section 20, article II of the Philippine Constitution provides that "[t]he State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

The partnership between the government and the private sector has often been shown to yield very encouraging results. The partnership, for instance between the Department of Education (DepEd) and the private sector through the Adopt-A-School Program created in 1998 under R.A. 8525, has already received more than two billion pesos (P2,000,000,000.00) of donations in the form of books, facilities and equipment, support in the training of teachers, and assistance in the repairs, renovations, and constructions of school rooms, among others. Thus, this program shows that given proper environment and incentive mechanism, the private sector can fill in some gaps in the delivery of better services to the people.

In addition to the basic obligation of the State to provide health services for its citizen, our country has also committed to achieve the millenium development goals by 2015, and among these goals are the following: a) reduce by two-thirds the under-5 mortality rate; b) reduce by three-quarters the maternal mortality rate; and c) halt and begin to reverse the spread of HIV/AIDS, malaria and other major diseases. These goals can very well be addressed by improving the manpower and logistics of our health centers around the country. However, with the meager resources we have for our health centers, the government certainly needs the help of the private sector.

Thus, given the urgent need for help and the encouraging example shown by the partnership in the education sector, this representation has deemed it appropriate to also bring a partnership between government and private sector in the delivery of health services through an Adopt-A-Health Center Program by providing a proper mechanism and an incentive system, and prioritizing the adoption of health centers in the twenty (20) poorest provinces of the country.

This representation believes that if education can get such support from the private sector, the need for assistance in the delivery of health services is indubitably more urgent as it addresses a very fundamental and basic human need, that of health and well-being of the people.

It is hoped that with the passage of this bill, private companies such as those in pharmaceutical industries, medicine and medical supplies and publications, both local and multinational, can very well contribute their share in the delivery of better health services and attainment of the millenium development goals on health as a way of showing their corporate citizenship.

In view of the foregoing, the passage of this bill is urgently sought.



TEOFISTO "TG" GUINGONA III
Representative
2nd District of Bukidnon

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AN ACT ESTABLISHING AN "ADOPT-A-HEALTH CENTER PROGRAM," PROVIDING
INCENTIVES THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. *Title.* — This Act shall be known and cited as the "*Adopt-A-Health Center Act of 2006.*"

SECTION 2. *Definition of a health center.* --- For purposes of this Act, a health center may refer to municipal/ city or barangay health centers, rural health units or barangay health stations.

SECTION 3. *Declaration of policy.* — It is hereby declared the policy of the State to provide quality and responsive health services to all Filipinos and recognizes the indispensable role of the private sector in the achievement of this goal. Towards this end, the State shall institute programs and incentive mechanisms to encourage private companies and enterprises to help in the upgrading and modernization of health centers in the country, particularly those in poverty-stricken provinces.

SECTION 4. *Adopt-a-Health Center Program.* — There is hereby established the "*Adopt-a-Health Center Program*" which will allow private entities to assist public health centers, preferably located in any of the twenty (20) poorest provinces identified by the Presidential Council for Countryside Development or any other government agency tasked with identifying the poorest provinces. The assistance may be in the form of, but not limited to, the following areas: training and development of barangay health workers, midwives nurses and doctors; construction of facilities; upgrading and renovation of existing facilities; and provision of medicines, medical supplies and equipments, and medical publications and other instructional materials.

A Memorandum of Agreement (MOA) specifying the details of the adoption shall be entered into between the adopting entity and the head of the health center concerned: *Provided*, That such MOA shall be subject to review and approval of the Provincial Health Officer when the MOA involves city or municipal health centers under its jurisdiction, and City or Municipal Health Officer when the MOA involves barangay health centers under its jurisdiction: *Provided, further*, That the agreement shall last for at least two (2) years with the possibility of extension: *Provided, finally*, That such period may be shortened only in cases where the adopting entity is dissolved before the end of such period unless otherwise earlier terminated

in accordance with the succeeding section.

SECTION 5. *Coordinating council.* — A Coordinating Council, hereinafter referred to as the Council, is hereby created to coordinate and monitor the implementation of this Act. The Council shall be comprised of the Secretary of the Department of Health (DOH), as chairperson; the chairperson of the Presidential Council for Countryside Development (PCCD), the heads of the National Center for Health Promotion, and the National Center for Health Facilities Development, and a representative from a national federation of chambers of commerce and industry to be appointed by the President of the Philippines, as members.

SECTION 6. *Additional deduction for expenses incurred for the adoption.* — Provisions of existing laws to the contrary notwithstanding, expenses incurred by the adopting entity for the "*Adopt-A-Health Center Program*" shall be allowed an additional deduction from the gross income equivalent to fifty percent (50%) of such expenses.

Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of the property in case said property has already been used.

SECTION 7. *Additional incentives.* — The adopting company or enterprise, in addition to the incentive provided in the preceding section, shall be entitled to have its name emblazoned beneath the name of the health center after words indicating that the health center is under the "*Adopt-a-Health Center Program*." Moreover, the adopting entity shall be represented in the local health board of the city or municipality where the adopted health center is located.

SECTION 8. *Periodic review.* — A review of the adoption shall be undertaken by the local health board of the city or municipality where the health center is located. The standards and guidelines for the review shall be formulated by the Coordinating Council created under Section 5 hereof. The results of the review shall be taken into consideration in the assessment of the application for tax credits by the adopting entity. The local health board may, after an appropriate review, recommend to the Coordinating Council the termination of the adoption. The adopting entity may appeal the assessment to the Coordinating Council whose decision shall be final and unappealable.

The Council shall meet once every three (3) months. The chairpersons and members shall not receive compensation but shall be entitled to reimbursements for reasonable expenses related to the Council's activities.

The DOH shall make provisions for the secretariat of the Council.

SECTION 9. *Rules and regulations.* — The DOH, in consultation with the Department of Finance, shall formulate the rules and regulations to implement this Act.

SECTION 10. *Separability clause.* — In the event that any provision of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

SECTION 11. *Repealing clause.* — All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,