

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

Third Regular Session

House Bill No. **5916**

Introduced by Hon. Rozzano Rufino B. Biazon

EXPLANATORY NOTE

It is the Age of Wellness. And so, not surprisingly, the huge interest in “medical tourism.” Which is due in part to the huge revenue potential of this industry which, according to the International Trade Commission in Geneva, Switzerland, is a \$40-billion global industry, and expected to grow to \$188 Billion in 2013. In Asia, at least four countries are reputed to be enjoying the fruits of their medical tourism programs: in 2005 Thailand had 1,000,000 medical tourist arrivals, India 600,000, Singapore 350,000, and Malaysia 400,000. In 2005 their earnings were: Thailand US\$1.1 Billion, India \$600 Million, and Malaysia \$400 Million.

The Philippines expects it can get a considerable share of the pie, perhaps initially, conservatively, only \$125 Million, and growing progressively each year. After all, our medical professionals are among the best in the world, and among the most sought after, many having been also educated and trained in Europe, United States and other parts of the world.

Executive Order No. 372, issued by the President on October 18, 2004, created a private-public sector partnership to promote the development of three service sectors, namely: a) Information and Communications Technology; b) Health and Wellness; and c) Logistics. The task force is chaired by the Secretary of Department of Trade and Industry for the public sector, and currently former DTI Secretary Rizalino Navarro for the private sector.

For the Health and Wellness sector, which now has the “Philippine Medical Tourism Program (PMTP),” eleven government agencies were tasked to work together to promote the same. The different mandates and expertise of each agency are supposed to contribute much to the development of the Philippine Medical Tourism Program.

Unfortunately, due to the number of participating agencies, and despite the good intentions of the Executive Order, a certain amount of confusion has been experienced in the process – by both the agencies involved and by the private sector desiring to participate, and there is still much to be desired in the rate in which the Task Force is achieving its objectives two years after its issuance.

While we laud the active efforts of the Department of Health, we believe that its focus should be the provision of health services to *Filipinos*, and that as such, its role in the medical tourism program should be to ensure that, despite the influx of medical tourists, adequate health services are made available for the citizens by participating hospitals and clinics. It should thus serve as a check to the efforts of the DOT and the private sector, which we fear it cannot do as well if it were the principal agency promoting the same.

This bill, therefore, seeks to centralize the functions of the Task Force, and to integrate most of the different functions of the different agencies pertinent to the PMTP, in one office.

This bill seeks the creation of the Medical Tourism Bureau, hereinafter referred to as the Bureau, within the Department of Tourism. The Bureau shall, among others: 1) formulate the policies relative to the development of the industry; 2) implement the plans and programs relative thereto; 3) administer, coordinate and supervise all activities of the government concerning health and wellness; 4) facilitate the simplification of procedures and regulations for the availment of medical services by foreign tourists and returning OFWs and other Filipinos from abroad; 5) represent the government in all such conferences concerning health and wellness; 6) formulate standards for health and wellness-oriented establishments that will prescribe minimum levels of operating quality and efficiency in order to ensure that facilities, personnel and services are maintained in accordance with acceptable local and international norms in the operations of tourism-oriented establishments.

The Department of Tourism has been at the forefront of medical tourism for years prior to the issuance of Executive Order No. 372, underscoring its expertise in the industry. Its programs, and promotion and marketing efforts have been launched several years ago and have slowly but steadily reaped gains for the country. Specifically, the department has launched a Philippine Health Tourism Program that had been planned with a Development Approach divided into three stages, and a comprehensive study of the program's prospects, components, and profiles of target markets.

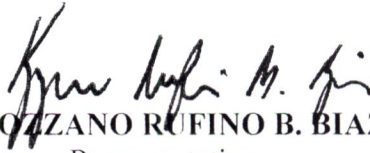
Just as an example, it is well worth noting that to its credit, the exhaustive efforts made by the department in organizing the spa service providers into an association, and setting standards for the quality of service they render have resulted in the impressive awards received by some of its spa establishments and organization from several prestigious award-giving bodies in the Asian spa community.

Medical tourism has several components, and medical treatments or services are only one of them. To become a medical tourist one must needs travel to avail of such service, and usually such choice is made considering the competitive cost of the service/treatment required, and also the other leisurely activities, products, and comforts for the patient and his companion/s. The Department of Tourism, with its many years of experience in this field, has very satisfactorily developed the latter; and, since the former concern is not greatly dissimilar, it would only be a matter of time, and with assistance from the other concerned agencies, for it to have all of these components running very smoothly.

For the Philippines, promoting and advancing our health and wellness sector, especially the medical tourism industry, has at least three important implications: the acceleration of socio-economic development, earning of foreign exchange, and a stop to the exodus of our medical professionals.

There is urgent need to position the country as a medical tourism destination now. The sooner that this office is established, the sooner we can achieve our goals.

For the reasons cited above, the passage of this bill is urgently sought.


ROZZANO RUFINO B. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT
CREATING THE MEDICAL TOURISM BUREAU WITHIN THE DEPARTMENT OF
TOURISM, DEFINING ITS POWERS AND FUNCTIONS,
AND FOR OTHER PURPOSES

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

Section 1. Declaration of Policy. – It is hereby declared a policy of the State to promote, encourage and develop its health and wellness sector, in particular the medical tourism industry, as a major national activity in which private sector investment effort and initiative are fostered and supported, and through which socio-economic development may be accelerated, foreign exchange earned, and international and returning Filipino medical tourists offered a choice of special packages of medical services coupled with leisure components.

Section 2. Statement of Objectives. – This Act seeks to establish at the seat of government a bureau whose task will be to properly and adequately address the needs of foreign tourists as well as Filipino balikbayans and OFWs seeking medical treatment in the country, and of the private sector seeking to provide the services for those needs.

Section 3. Definition of Terms – For purposes of this Act, the following terms are herein defined:

- (A) "Medical Tourism" – travel to the Philippines for the purpose of availing healthcare services or treatment of illnesses and health problems in order to maintain one's health and well-being (DOT, DOH, PEZA 2006). The concept of this new tourism product is to offer cost-effective medical treatments while showcasing tourist attractions in the Philippines.
- (B) "Health and Wellness" – refers to the sector under which the medical tourism industry falls, covers a wide spectrum of services that promote physical well-being which ranges from holiday packages bundled with everything from spa to cosmetic treatments to cardiovascular surgery; and diagnostic services to rehabilitative care. May be used interchangeably with the term "medical tourism."
- (C) "Health care facility" means any institution, building, or agency or portion thereof, whether public or private (for-profit or nonprofit) that is used, operated, or designed to provide health services, medical treatment, or nursing, rehabilitative, or preventive care to any person or persons. This includes, but is not limited to, ambulatory surgical facilities, health maintenance organizations, home health agencies, hospices, hospitals, infirmaries, intermediate care facilities, kidney treatment centers, long-term care facilities, medical assistance facilities, mental health centers, outpatient facilities, public health centers, rehabilitation facilities, residential treatment facilities, skilled nursing facilities, and adult daycare centers.

The term also includes, but is not limited to, the following related property when used for or in connection with the foregoing: laboratories, research facilities, pharmacies, laundry facilities, health personnel training and lodging facilities, and patient, guest, and health personnel food service facilities, and offices and office buildings for persons engaged in health care professions or services.

- (D) "Health care provider" means any person or entity who provides health care services including, but not limited to, hospitals, medical clinics and offices, special care facilities, medical laboratories, physicians, pharmacists, dentists, physician assistants, nurse practitioners, registered and other nurses, paramedics, firefighters who provide emergency medical care, emergency medical or laboratory technicians, and ambulance and emergency medical workers.

Section 4. Creation of the Medical Tourism Bureau – There is hereby created a Medical Tourism Bureau under the Department of Tourism. The Bureau shall be headed by a Director.

Within ninety (90) days from the approval of this Act, the Bureau shall draw up the plans, programs and policies to implement the National Medical Tourism Program, and conduct a briefing for all concerned government agencies. The plan shall serve as the framework for the government's medical tourism program.

Section 5. Powers and Responsibilities of the Bureau – The Bureau shall have the following powers and responsibilities, which it shall exercise:

1. Formulate policies, plans, programs and projects to promote the Medical Tourism industry of the country;
2. Administer, coordinate and supervise all activities of the government concerning health and wellness;
3. Advise the Secretary on the promulgation of laws relative to the policy, plans, programs and projects designed to promote and develop the health and wellness sector and medical tourism industry;
4. Facilitate the simplification of procedures and regulations for the availment of medical services by foreign tourists and returning OFWs and Filipino balikbayans;
5. Represent the government in all such conferences concerning health and wellness/medical tourism;
6. Formulate standards for health and wellness/medical tourism-oriented establishments that will prescribe minimum levels of operating quality and efficiency in order to ensure that facilities, personnel and services are maintained in accordance with acceptable local and international norms in the operations of tourism-oriented establishments;
7. Approve the construction standards of accredited health care facilities with the assistance of the Department of Health;
8. Approve the construction standards of accredited medical tourism-oriented and – related establishments including hotels, resorts, inns, and other related facilities and services and prescribe information reporting on the purchase, sale or lease of the said establishments and facilities;
9. Undertake research studies and surveys for the continuing analysis of economic conditions and trends in the global medical tourism field; and maintain a statistical data bank on the health and wellness and medical tourism industry;
10. Promote the country as a premier Health and Wellness destination through international local expositions, fairs and conferences;
11. Design products and implement programs to encourage private-sector investment and participation in health and wellness and medical tourism activities and projects;
12. Monitor and evaluate plans, programs and projects of the Bureau;
13. Promulgate rules and regulations necessary to carry out the Bureau's objectives, policies and functions;
14. Analyze specific geographic areas with potential medical tourism value and encourage private sector investment in these areas;

15. Enlist the aid, assistance and support of any and all government agencies, civil or military, in the implementation of the laws pertaining to the bureau's rules and regulations;
16. Recommend sanctions for criminal liability of those who are in violation of the provisions of this Act or any of its rules and regulations promulgated pertaining to the medical tourism industry;
17. Exercise such other powers and functions as may be necessary or incidental to the attainment of its mandate.

Section 6. Structure and Staffing Pattern. – Within sixty (60) days from approval of this Act, the Secretary of Tourism, upon the recommendation of the Director of the Bureau, shall design and recommend for approval of the President the Bureau's positions, structure and staffing pattern. The positions hereunder created shall be filled with regular appointments.

Section 7. Transitory Provision. – The functions of the Office of Product Research and Development, or any such office performing the task, pertaining to health and wellness are hereby transferred to the Bureau.

The functions of the different agencies involved in the Task Force for Health and Wellness pertaining to medical tourism, including the accreditation of facilities, granting of licenses, are also hereby transferred to the Bureau.

Section 8. Appropriations. – The amount necessary for the effective implementation of this Act shall be taken from the current fiscal year's appropriation of the DOT. Thereafter, such sum as may be necessary for the implementation of this Act shall be included in the annual budget of the DOT under the General Appropriations Act.

Section 9. Implementing Authority. – The Secretary of the Department of Tourism shall promulgate the implementing rules and regulations, orders and other issuances as may be necessary to implement and carry out the intent, objectives, purposes and provisions of this Act.

Section 10. Separability Clause. – If any part, section or provision of this Act is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

Section 11. Repealing Clause - All other laws, decrees, orders, issuances, rules and regulations that are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 12. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.