

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

001
H. B. No. 396

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

Government hospitals, while receiving subsidy from the National Government, cannot utilize their income for the maintenance and other operating expenses of the hospital. Said income is required by law to be remitted to the national treasury.

This practice of disallowing government hospitals from spending their income for MOE has the effect of limiting the capability or expansion and improvement and precisely the primary reason why government hospitals failed to deliver quality and efficient delivery of basic health services for the people.

In view of this unrealistic and counter productive approach, I am filing this proposed measure to give more meaning to the autonomy of government hospitals in the area of physical and operational development. This can be achieved with granting them the authority to utilize their income for the maintenance and other operating expenses.

Approval of this bill, therefore, is earnestly sought.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
AUTHORIZING GOVERNMENT HOSPITALS UNDER THE DEPARTMENT OF
HEALTH (DOH) TO RETAIN AND UTILIZE ALL THEIR INCOME AND INTEREST
DERIVED FROM DEPOSITS, FOR MAINTENANCE AND OTHER OPERATING
EXPENSES, CAPITAL OUTLAYS AND FOR OTHER PURPOSES

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

SECTION 1. All government hospitals under the Department of Health (DOH) are hereby authorized to retain and utilize one hundred percent (100%) of their income, which include hospital fees from in-house services and facilities, income derived from nonpatient-related services such as rental fees, parking fees, affiliation/medical/professional fees, interview and tour fees, and income derived from interest on accounts deposits, without necessarily remitting the same to the Bureau of Treasury.

SEC. 2. A trust fund constituting the income collected shall be established for the maintenance and other operating expenses, capital outlays for the purpose of equipment and infrastructure projects including construction, improvement and/or renovation of hospital facility and for other purposes recommend by the Board of the said hospital: *Provided*, That pharmacy income or proceeds from the sale of drugs and medicines and laboratory income shall be considered as a revolving fund and shall be specifically utilized by their hospital pharmacy and laboratory for purposes as may be determined by the DOH: *Provided, further*, That no amount of the said income shall be used for payment of salaries and other allowances of employees.

The trust fund shall be deposited in an authorized government depository bank/s recommended by the DOH, the Department of Finance (DOF) and the Department of Budget and Management (DBM).

SEC. 3. There shall be established a board in each national hospital retained under the DOH with the chief or head of the hospital concerned as chairman and the following as members:

- (1) A senator;
- (2) A congressman of the congressional district where the hospital is located;

- (3) A representative of the Philippine Hospital Association (PHA);
- (4) A representative of the Philippine Medical Association (PMA);
- (5) A representative of nongovernment organizations (NGOs) involved in health services;
- (6) A representative of the religious sector;
- (7) A representative of the private sector; and
- (8) A representative of the rank and file employees.

The Chairman of the Senate Committee on Health shall choose from among the senators who shall represent the Senate as a member of each of the retained national hospital health board.

The representatives from the PHA, the PMA and NGOs involved in health services, religious sector and private sector in the hospital health boards shall be appointed by the chairman of the respective health boards. The representative of the rank and file employees shall be voted upon by the entire members of the rank and file.

The powers and functions of the hospital health board shall be to monitor the collection and determine the utilization of the hospital income and perform such other functions as may be deemed necessary for the effective management of the said income.

The Board shall meet at least once a week or as often as may be necessary.

A majority of the members of the board shall be present during meetings when income utilization proposals are prepared and considered.

Members thereof who are not government officials or employees shall be entitled to necessary traveling expenses and allowances chargeable against the funds.

SEC. 4. Expenditures under this Act shall be subject to existing auditing rules and regulations. In addition, the retained hospitals shall submit quarterly reports of income and utilization thereof to the DBM and the Committee on Health of both Houses of Congress.

SEC. 5. The DOH, in coordination with the DOF, the DBM and the Commission on Audit (COA), shall formulate the necessary rules and regulations for the effective implementation of this Act within sixty (60) days from its approval.

SEC. 6. If any provision of this Act is held invalid by a competent court, any other provision not affected thereby shall continue to be valid and effective.

SEC. 7. Any laws, presidential decree, executive orders and letters of instruction which are inconsistent with any of the provisions of this Act are hereby repealed or amended accordingly.

SEC. 8. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation

Approved,