

HOUSE OF REPRESENTATIVES

Introduced by Representative Maximo B. Rodriguez, Jr. and
Representative Rufus B. Rodriguez

House Bill No. 1634

EXPLANATORY NOTE

Section 15, Article II (*Declaration of Principles and State Policies*) of the Constitution provides that "*The State shall protect and promote the right to health of the people and instill health consciousness among them.*"

This bill seeks to establish a special health fund for the improvement of health care services in the belief that every individual's health is the concern of society. The uncertainty which attends most health problems further justifies the intervention of the State in the provision of adequate health services to every individual.

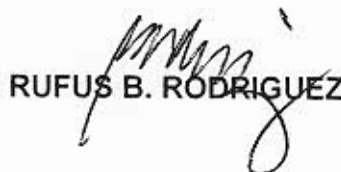
It has been more than a decade since the enactment of Republic Act (RA) No. 7160, otherwise known as the Local Government Code of 1991, which devolved health services to local government units. Many problems have been encountered in the devolution of health functions, however, because local government units were not prepared and lacked the necessary resources to exercise the new powers granted them under RA 7160. Local health boards were established without the corresponding operating resources which have resulted in an unbalanced and lopsided delivery of quality health care services. There is therefore a need to establish a special health fund which will provide each local government unit the resources necessary to support their local quality health care services.

The special health fund shall be apart from the appropriations allotted to health services by the respective local government units and remittances by the Philippine Health Insurance Corporation to the local health institutions and shall be used exclusively for the acquisition of equipment, upgrading of facilities and services, additional allowances for health workers, training and continuing education of health workers. The local health boards are likewise mandated to manage the special health fund.

In view of the foregoing, approval of this bill is highly and earnestly recommended.



MAXIMO B. RODRIGUEZ, JR.



RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Maximo B. Rodriguez, Jr. and
Representative Rufus B. Rodriguez

House Bill No. **1634**

AN ACT
ESTABLISHING THE SPECIAL HEALTH FUND FOR THE IMPROVEMENT OF
HEALTH CARE SERVICES IN THE LOCAL GOVERNMENT UNITS AND
APPROPRIATING FUNDS THEREFOR.

*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 the policy of the State to guarantee that total quality health care is available to the people at affordable costs by providing additional resources to local government units for the health needs of their respective constituencies. It is also the policy of the State to see to it that all citizens be afforded optimum health care services and make the local governments accountable for the development and improvement of health services in their respective localities.

SEC. 2. **Special Health Fund.** – There is hereby established a Special Health Fund which shall be used exclusively for the following:

- a) Upgrading of facilities and equipment of local hospitals, rural health clinics, lying-in clinics, emergency hospitals, puericulture centers, nursing homes, hospices and such other health institutions found in cities and municipalities;
- b) Hiring, training and continuing education of health workers, caregivers, volunteer health workers and other ancillary personnel employed by the local governments in their health institutions;
- c) Building of new health institutions such as secondary hospitals, specialty clinics or care centers in cities and municipalities;
- d) Purchase of needed medicines and medical supplies at the lowest costs in accordance with law; and
- e) Establishment of mobile emergency lifelines or quick-response medical and paramedical teams to respond to disasters, emergencies and other life-threatening situations in the community.

SEC. 3. **Role of the Local Health Boards.** – In addition to the functions of the Local Health Board as provided for in Section 102 (b) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, the Local Health Board shall manage the local special health fund, which shall be remitted to them by the agencies mentioned in Section 2 of this Act. The special health fund levy shall

Board shall manage the local special health fund, which shall be remitted to them by the agencies mentioned in Section 2 of this Act. The special health fund levy shall be automatically retained by the local health board as well as the proceeds from fines due to violations of health and safety laws collected by the local government units.

SEC. 4. **Funding.** – The Special Health Fund shall come from the following sources:

- a) Proceeds from a special levy of 1% from all sales in all local public and private markets which shall be collected by the local governments and allocated by the health boards;
- b) Proceeds from fines collected for violations of health and safety regulations from all establishments in cities and municipalities;
- c) 5% of revenues derived by the Philippine Charity Sweepstakes Office (PCSO) from lotto which shall be divided equally among all cities and municipalities;
- d) 5% of the net revenues of the Philippine Amusement and Gaming Corporation (PAGCOR) which shall be allotted equally among all cities and municipalities;
- e) Grants or donations and endowments to cities and municipalities from private and foreign individuals, as well as, local and international, private and public associations or foundations.

SEC. 5. **Implementing Rules and Regulations.** – The Secretary of Health shall, in coordination with the Secretary of Interior and Local Government, issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 6. **Repealing Clause.** – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 7. **Effectivity.** – This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,