

1 Republic of the Philippines
2 HOUSE OF REPRESENTATIVES
3 Quezon City

4
5 FIFTEENTH CONGRESS
6 First Regular Session

7 HOUSE BILL NO. 2615
8
9

10 Introduced by HON. JOSEPH EMILIO A. ABAYA

11
12 EXPLANATORY NOTE
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15 Health research is vital in the improvement of the blueprint and strategies for health
16 interventions, policies and service delivery. It encompasses all different types of
17 research including basic, fundamental, laboratory, biomedical, clinical, applied,
18 epidemiology, psychosocial, population health, health promotion, policy
19 development, health economics, health systems and health delivery systems. Many
20 of the components of a successful research environment include among others, the
21 need for training, skilled researchers, protection of time, a supportive environment,
22 peer review, dissemination and implementation of research results, effective
23 alliances and partnerships, and, of course, the financial resources to support the
24 activity.

25
26 The health research landscape is composed mainly of national agencies such as
27 the Department of Health (DOH) and Department of Science and Technology
28 (DOST), the academe, people's organizations, medical societies and policy-
29 makers. The implementation of researches is accomplished through a health
30 research network composed of public and private research institutions working in
31 unison or independently to respond to the national health needs.

32
33 In Republic Act No. 8503, also known as the "Health Research and Development
34 Act of 1998" the National Institutes of Health, a unit of the University of the
35 Philippines-Manila (UPM), was established as a center for excellence for health
36 research and development, mandated to (1) promote science and technology
37 research and development in the field of health; (2) promote the development of
38 study groups and research programs; (3) establish mechanisms for the
39 dissemination and utilization of research outputs; and (4) ensure that the results
40 of health research and development activities are utilized to improve the health of
41 the people.

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43 Executive Order No. 102 mandates the Department of Health to provide
44 assistance to local government units, peoples' organizations, and other members
45 of the civic society in effectively implementing programs, projects and services

1 that will promote the health and well-being of every Filipino, prevent and control
2 diseases among populations at risk, protect individuals, families and communities
3 exposed to hazards and risks that could affect their health, and treat, manage
4 and rehabilitate individuals affected by disease and disability.

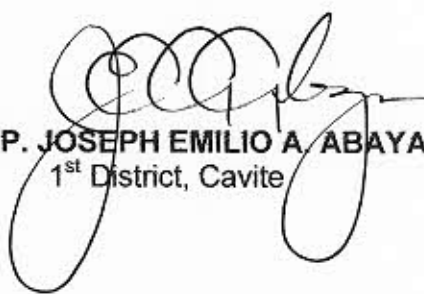
5
6 By virtue of Executive Order No. 128, the Department of Science and Technology
7 through the Philippine Council for Health Research and Development, is
8 mandated to (1) provide central direction, leadership and coordination of scientific
9 and technological efforts; (2) formulate and implement policies, plans, programs
10 and projects for the development of scientific and technological activities in the
11 public and private sectors; and (3) ensure that the results of scientific and
12 technological activities are properly applied and utilized to accelerate economic
13 and social development.

14 In the 1999 Center for Economic Policy Research study on the flow of funds for
15 health research and development, it was reported that the government's budget in
16 1996 allocated less than 1% for research and development resources, only 17% of
17 which was allotted for health research. Respondents to the survey claimed that a
18 large chunk of health R & D funds came from the private sector (45%) led by private
19 hospitals. However, despite increasing support from the private sector, the total
20 health R & D expenditures are still far below the World Health Organization-
21 recommended level of 5% of total health expenditures.

22 Our country's ability to ensure optimum health for every Filipino hinges on the
23 degree of priority we grant to health research and development (R & D) activities.
24 This bill, therefore, seeks to oblige a number of government institutions to allocate a
25 particular portion of their gross annual revenue or charge additional fees for health
26 research and development activities.

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

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REP. JOSEPH EMILIO A. ABAYA
1st District, Cavite

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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HOUSE BILL NO. 2615

Introduced by **HON. JOSEPH EMILIO A. ABAYA**

**AN ACT INSTITUTIONALIZING THE PHILIPPINE NATIONAL HEALTH
RESEARCH SYSTEM, ESTABLISHING THE PHILIPPINE NATIONAL HEALTH
RESEARCH FUND PROVIDING FOR ITS ADMINISTRATION
AND FOR OTHER PURPOSES**

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

Article 1

SECTION 1. *Short Title.* This Act shall be known as the "Philippine National Health Research System Act of 2010."

SEC 2. *Declaration of Policy.* It is hereby declared the policy of the State to:

(A) protect and promote the right of health to the people and instill health consciousness among them; and

(B) improve the quality of life of every Filipino through health research and development initiatives.

SEC. 3. *Definition of Terms.* For purposes of this Act, the term:

(A) "Health" is defined as a state of optimal physical, mental and social well-being and ability to function at the individual level.

1 (B) "Research and Development" (R & D) for health refers to the generation of
2 knowledge on all aspects of health, the factors affecting it, and ways of
3 promoting, protecting and improving it.

4
5 (C) "Philippine National Health Research System (PNHRS)" is a framework
6 anchored on the principles of Essential National Health Research on
7 inclusiveness, participation, quality, equity, efficiency and effectiveness,
8 which connect to, and converge with, the wider health, economic, political,
9 educational and science and technology (S & T) systems of the country.

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11 (D) "Regional Health Research Systems" refers to the regional health
12 research consortia or communities in the 16 regions of the country which
13 mirror the PNHRS framework at the regional level.

14
15 (E) "National Unified Health Research Agenda" is a set of research priorities
16 determined by the country's stakeholders which addresses the health needs
17 of the population especially the marginalized, disadvantaged and those with
18 special needs. This agenda is a platform to advocate for local, national, and
19 international support.

20
21 (F) "Core agencies" refer to the principal national health and health research
22 related agencies namely: the Department of Health (DOH), the Department of
23 Science and Technology-Philippine Council for Health Research and
24 Development (DOST-PCHRD), University of the Philippines Manila - National
25 Institutes of Health ((UPM-NIH), and the Commission on Higher Education
26 (CHED).

27
28 (G) "Philippine National Health Research Fund (PNHRF)" refers to a special
29 fund which by legislative action segregates specified revenues for health
30 research purposes.

31
32 (H) "Health research stakeholders" include the national and the local private
33 and public health agencies, policy makers, the academe, medical societies,
34 people's organizations, and others who are concerned with and affected by
35 health and development

36
37 (I) "Management of Fund" - involves the generation, allocation and utilization,
38 of the PNHRF, including government and non-government sources, and both
39 domestic and international sources.

40 41 Article 2

42 43 The Philippine National Health Research System

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45 SEC. 4. *Creation of the Philippine National Health Research System.* The
46 Philippine National Health Research System (PNHRS) is hereby constituted to
47 improve the health status, productivity, and the quality of life of Filipinos by:

- (1) Ensuring that health research is linked to the health system needs;
- (2) Ensuring that investments in health research yield the most benefit;
- (3) Promoting good governance in research towards high performing and ethical health research organizations;
- (4) Engaging in national and international partnerships and networks for health research development.

SEC. 5. *Composition of the PNHRS.* The PNHRS shall be composed of the Governing Council (GC), Steering Committee, the Technical Working Committees (TWC), the Secretariat, and the whole health research community. The interrelationships among these various components shall be described in the IRR of this Act.

SEC. 6. *Creation of the PNHRS Governing Council.* The PNHRS GC expands the existing Governing Council of the Philippine Council of Health Research and Development (PCHRD), and shall be composed of the following:

- (1) The Secretary of the Department of Science and Technology (DOST), as Chair;
- (2) The Secretary of the Department of Health (DOH) or his/her designated permanent representative as Co-Chair;
- (3) The Chair of the Commission on Higher Education (CHED);
- (4) The Chancellor of the University of the Philippines Manila (UPM);
- (5) The National Nutrition Council Director;
- (6) The PCHRD Executive Director;
- (7) President of the Philippine Health Insurance Corporation (PHIC);
- (8) The Director General of the National Economic Development Authority (NEDA);
- (9) The Professional Regulation Commission (PRC) Chairperson
- (10) The Administrator of the National Statistics Office
- (11) Assistant Secretary, DENR
- (12) Representative from the Philippine health industry;

- 1
2 (13) Representative from non-government organizations (NGO);
3
4 (14) Representative from Academe;
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6 (15) Representative from League of Governors; and
7
8 (16-17) Representatives from the Regional Health Research Systems.
9

10 Representatives 1-11 shall serve as Ex-Officio Members while those mentioned in
11 numbers 12 to 17 shall be nominated by the core agencies, and appointed by the
12 President of the Philippines for a term of three (3) years; provided however, that for
13 those first appointed representatives from Philippine health industry, NGO network
14 and academe shall serve for three (3) years and those first appointed
15 representatives from the League of Governors and the Regional Health Research
16 Development Committees shall serve for two (2) years. The qualifications of the
17 representatives in numbers 12-17 shall be provided for in the Implementing Rules
18 and Regulations of this Act.
19

20 Majority of the members of the GC shall constitute a quorum in all meetings.
21

22 SEC. 7. *Functions of the PNHRS Governing Council.* The PNHRS GC shall:
23

- 24 (1) set policies and directions for the PNHRS;
25
26 (2) periodically review and approve the long-term plans and programs of the
27 PNHRS;
28
29 (3) evaluate and approve the National Unified Health Research Agenda
30 developed and integrated by the Core Agencies, and identify areas that will
31 serve as the foci of the National Health Research Agenda;
32
33 (4) establish the criteria for individuals/groups/organizations/institutions which
34 can apply for grants;
35
36 (5) approve investments of the PNHRF created under Section 11 of this Act
37 and described in Section 14 of this Act;
38
39 (6) review and approve grants and/or donations to any government agency
40 related to health research from domestic and international funding agencies;
41
42 (7) review and approve research programs; and,
43
44 (8) create committees as the need arises.
45

1 SEC. 8. *Creation and Functions of the Steering Committee.* The GC shall
2 create a Steering Committee composed of the Chairs of the six PNHRS Technical
3 Working Committees. The functions of the Steering Committee are as follows:

- 4 (1) recommend policies to the Governing Council;
- 5 (2) perform oversight function on the implementation of PNHRS activities;
- 6 (3) coordinate and harmonize the activities of the six PNHRS Technical
7 Working Committees, and;
- 8 (4) monitor and report the progress of the committees' programs to the
9 Governing Council.

10 SEC. 9. *Creation of PNHRS Technical Working Committees.* The GC shall
11 create the following Committees composed of representatives from the Core
12 Agencies and various stakeholders:

- 13 (1) Research Management - provide technical and policy advice in setting
14 health research agenda, formulating policies and addressing matters related
15 to priority setting, proposal review and funding, research fund management,
16 and project monitoring and evaluation;
- 17 (2) Ethics - ensure adherence to universal ethical principles and values for the
18 protection of the dignity and welfare of health research participants and for the
19 preservation of the integrity of research data;
- 20 (3) Capacity Building - provide technical support and policy advice in the
21 development of quality human and institutional resources for health research;
- 22 (4) Structure, Organization, Monitoring and Evaluation - provide technical
23 support and policy advice to ensure that the stewardship and leadership of
24 the PNHRS espoused health research that connects to health needs and
25 desired health outcomes, policy and action;
- 26 (5) Research Utilization - provide technical support and policy advice to
27 develop and sustain knowledge management systems, communication
28 advocacy strategies to ensure that research is translated to desired health
29 outcomes, policy and action;
- 30 (6) Resource Mobilization - provide technical support and policy
31 advice/support to secure sustainable financing, and ensure equity, effective
32 and efficient use of resources for health research and development.

33 The Committees shall develop and monitor their respective strategic plans. They
34 shall work closely with the core agencies and plan implementers.

1 SEC. 10. *The Executive Director and Secretariat.* The PCHRD Executive
2 Director shall be the PNHRF Executive Director, responsible for, among others, the
3 coordination and oversight functions of the System assisted by the PCHRD
4 secretariat.
5

6 SEC. 11. *Regional Health Research Systems.* The PNHRF framework shall
7 be mirrored in all the regions of the country, forming a network of regional research
8 consortia. The consortium set-up varies depending on the culture and resources of
9 the region. Each regional health research system shall address concerns relating to
10 health research agenda, development of human resource in health research,
11 conduct of researches, dissemination of research results, research utilization,
12 resource mobilization, leadership and management.
13

14 Article 3

15 The Philippine National Health Research Fund

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18 SEC. 12. *Creation and Nature of the Philippine National Health Research*
19 *Fund.* A Special Research Fund hereinafter called the Philippine National Health
20 Research Fund (PNHRF) is hereby created under the management of the GC
21 through the Secretariat.
22

23 The PNHRF shall not be used for purposes other than those provided in Section 13
24 of this Act. Moreover, no portion of the funds of the PNHRF or income thereof shall
25 accrue to the General Fund of the national government and its political subdivisions,
26 instrumentalities and other agencies including government-owned and controlled
27 corporations except as may be allowed under this Act.
28

29 SEC. 13. *Uses of the PNHRF.* The main objective of this fund is to provide
30 sustained financial support for knowledge management and its translation into
31 efficient and effective health policies and service delivery; a strengthened health care
32 system; and improved health for all Filipinos. It shall ensure that the Government
33 invests in health research as part of its commitment to secure the well-being of its
34 citizens. Specifically, it shall be utilized for any or all of, but not limited to, the
35 following:
36

37 (1) support quality ethical research and the application of ethical principles to
38 health research and development activities;
39

40 (2) create a robust health research environment in the Philippines that will
41 attract, develop and keep excellent researchers and provide them with the
42 opportunity to contribute to the improvement of people's health in the country
43 and the world;
44

45 (3) fulfill an integrated health research agenda across disciplines, sectors and
46 regions that reflect the emerging health needs of Filipinos and the evolution of
47 the health system, and that supports health policy making;

(4) promote research that meets the highest international scientific standards of excellence and ethics and that pertain to all aspects of health, including biomedical research, clinical research, health systems, health services, the health of populations, societal and cultural dimensions of health and environmental influences on health;

(5) address emerging health opportunities, threats and challenges (e.g. swine/avian flu, SARS) and accelerate the discovery of cures and treatments and improvements to healthcare, prevention and wellness strategies;

(6) promote the dissemination of research-based knowledge, technologies, and innovations and the application of health research to improve the health of Filipinos and, provide support for the participation of Filipino health scientists in international collaboration and partnerships in health research.

SEC. 14. Sources of PNHRF and Method of Collection.

- (1) The PNHRF shall raise Ten Billion Pesos for PNHRF;
- (2) The PNHRF shall be sourced out from the following agencies, but not limited to:
 - a. Ten percent (10%) of the allowable administrative expense of the Philippine Health Insurance Corporation (PHIC) until the PNHRF reaches the sum of 10 Billion pesos.
 - b. Three percent (3%) of the annual revenue collected by the National Statistics Office (NSO) from birth, death and marriage certificate issuances;
 - c. Ten percent (10%) of the total fees collected by the Professional Regulation Commission (PRC) from the issuance and renewal of all professional licenses;
 - d. Ten pesos (P10.00) for every motor vehicle transaction at the Department of Transportation and Communications-Land Transportation Office (DOTC-LTO);
 - e. One percent (1%) of the total revenues generated by the Department of Environment and Natural Resources from fines and penalties collected under the Clean Air Act and the Clean Water Act;
 - f. Other appropriations from the General Appropriations Act; and
 - g. Donations and grants from domestic and international sources duly accepted/approved by the GC which do not constitute a breach of

Philippine laws and recognized international treaties.

- (3) All agencies mentioned in the preceding paragraph are hereby directed to automatically remit semi-annually the amount prescribed by this Act to the specified account established by the GC on or before the 31st day of January and July of each year. This does not preclude the agencies from making advance contributions provided they fall within the specifications of this Act.
- (4) The rates indicated in Paragraph 1 hereof shall be reviewed and updated every five (5) years.
- (5) Collections shall continue until the PNHRF reaches ten billion pesos.

SEC. 15. Management and Allocation of Fund

- (1)The GC shall manage PNHRF in accordance with generally accepted auditing standards;
- (2)The PNHRF shall be deposited in the authorized government depository bank.
- (3)The GC shall allocate the interest income and investment earnings of the PNHRF to programs and projects in the National Unified Health Research Agenda (NUHRA).
- (4)The GC authorizes the depository bank to invest the PNHRF that was not allocated/obligated during the current year in any of the following:
 - a. Interest-bearing bonds, securities, and other evidence of indebtedness of the Republic of the Philippines and other evidences to which full faith and credit and unconditional guarantee of the Republic of the Philippines are pledged.
 - b. In interest-bearing deposits and loans to or securities in any domestic bank doing business in the Philippines: Provided, that in the case of such deposits, this shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller. Provided, further, that said bank shall first have been designated as depository for this purpose by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP); and
 - c. In preferred stocks of any solvent corporation or institution created or existing under the laws of the Philippines: Provided, that the issuing, assuming, or guaranteeing entity or its predecessor has paid regular dividends upon its preferred or guaranteed stocks for a period of at least

three (3) years immediately preceding the date of investment in such preferred or guaranteed stocks. Provided further, that if the stocks are guaranteed, the amount of stocks so guaranteed is not the excess of fifty percent (50%) of the amount of the preferred common stocks as the case may be of the issuing corporation. Provided furthermore, that if the corporation or institution has not paid dividends upon its preferred stocks, the corporation or institution has sufficient retained earnings to declare dividends for at least two years on such preferred stocks and in common stocks options.

d. Board can also invest in common stocks of any solvent corporation or institution created or existing under Philippine laws, in the stock exchange with proven track record of profitability and payment of dividends over the last three (3) years, or in the common stocks of a newly organized corporation about to be listed in the Philippine stock exchange. Provided, finally, that such duly organized corporation shall have been rated "A", double "A's" or triple "A's" by authorized accredited domestic rating agencies or in mutual funds including allied investments.

- (5) The core agencies, namely: DOST-PCHRD, DOH, CHED and UP-NIH shall continue. The operational expenses of the PNHRF shall come from the Maintenance and Other Operating Expenses (MOOE) budget of the
- (6) The GC, through the Secretariat shall submit periodic reports to agencies mentioned in Section 6 on the use of the PNHRF.

Article 4

Final Provisions

SEC. 16 Monitoring, Evaluation, Accountabilities, and Annual Report. Regular monitoring and evaluation mechanisms shall be done by the GC through the secretariat to determine the accountabilities of the System to the Contributing Agencies. The specifics/details of monitoring, evaluation, accountabilities and annual reporting shall be provided for in the Implementing Rules and Regulations of this Act.

SEC. 17. *Implementing Rules and Regulations.* The Core Agencies shall promulgate the Implementing Rules and Regulations of this Act within a year after the effectivity hereof.

SEC. 18. *Separability Clause.* If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

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2 SEC. 19. *Repealing Clause.* Any law, Presidential Decree or issuance,
3 Executive Order, Letter of Instruction, administrative order, rule or regulation contrary
4 to or inconsistent with the provisions of this Act is hereby repealed, modified or
5 amended accordingly.
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7 SEC. 20. *Effectivity Clause.* This Act shall take effect fifteen (15) days after
8 its publication in at least two (2) newspapers of general circulation.
9