



REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Manila

FIFTEENTH CONGRESS
SECOND REGULAR SESSION



COMMITTEE REPORT NO. 1503

Submitted by the Committee on Health on 15 NOV 2011

Re : House Bill No. 5471

Recommending its approval in substitution of House Bill No. 4442

Sponsors : Reps. Alfredo D. Marañon III and Joaquin Carlos Rahman A. Nava

Mr. Speaker:

The Committee on Health to which was referred House Bill No. 4442 introduced by Reps. Joaquin Carlos Rahman A. Nava and Alfredo D. Marañon III, entitled:

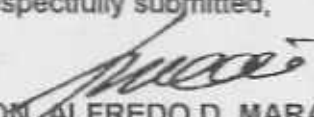
"AN ACT
STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES IN
THE PHILIPPINES."

has considered the same and recommends that the attached House Bill No. 5471
entitled:

"AN ACT
STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES IN
THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226,
OTHERWISE KNOWN AS "HOSPITAL LICENSURE ACT" AND FOR OTHER
PURPOSES"

be approved in substitution of House Bill No. 4442 with Reps. Joaquin Carlos Rahman A. Nava, Alfredo D. Marañon III, Linabelle Ruth R. Villarica, Florencio T. Flores, Jeci A. Lapuz, Loreto Leo S. Ocampos, Maximo B. Dalog, Edgar S. San Luis, Monique Yazmin Q. Lagdameo, Maria Jocelyn V. Bernos, Mary Mitzi L. Cajayon, Godofredo V. Arquiza, Rufus B. Rodriguez, Emerenciana A. De Jesus, Herminia B. Roman, Randolph S. Ting, Anthony T. Golez Jr., Joseph Gilbert F. Violago and Daryl Grace J. Abayon as authors thereof.

Respectfully submitted,


HON. ALFREDO D. MARAÑON
Chairman
Committee on Health

THE HONORABLE SPEAKER
House of Representatives
Quezon City

Republic of the Philippines
House of Representatives
Quezon City

FIFTEENTH CONGRESS
SECOND REGULAR SESSION

House Bill No. 5471

Introduced by Representatives Alfredo D. Marañon III, Joaquin Carlos Rahman A. Nava, Linabelle Ruth R. Villarica, Florencio T. Flores, Jeci A. Lapuz, Loreto Leo S. Ocampos, Maximo B. Dalog, Edgar S. San Luis, Monique Yazmin Q. Lagdameo, Maria Jocelyn V. Bernos, Mary Mitzi L. Cajayon, Godofredo V. Arquiza, Rufus B. Rodriguez, Emerenciana A. De Jesus, Herminia B. Roman, Randolph S. Ting, Anthony T. Golez Jr., Joseph Gilbert F. Violago and Daryl Grace J. Abayon

AN ACT
STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES IN THE
PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226,
OTHERWISE KNOWN AS "HOSPITAL LICENSURE ACT" AND FOR OTHER
PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the Health Facilities Regulation Act.

SEC. 2. Definitions. - As used in this Act, the following terms shall be defined as follows:

a) *Bureau* refers to the Bureau of Health Facilities & Services under the Department of Health.

b) *Health Facilities* refer to institutions and other health related establishments which provide diagnostic, therapeutic, rehabilitative, and/or other health care services except medical radiation facilities and hospital pharmacies.

c) *License* refers to a formal authorization issued by the Department of Health to an individual, partnership, corporation or association to operate a hospital and other health facilities. It is a prerequisite for accreditation of a hospital and other health facilities by any accrediting body that is recognized by the Department of Health.

d) *Licensee* refers to the person, partnership, association, corporation or private entity granted a license to operate and maintain a health facility according to an approved standard set by the Bureau.

e) *Secretary* refers to the Secretary of the Department of Health.

1 **SEC. 3. Regulating Agency.** – The Bureau of Health Facilities and Services (BHFS)
2 shall act as the regulatory agency pertaining to the regulation and licensing of health
3 facilities and services in the country.
4

5 **SEC. 4. Powers and Functions.** - The Bureau of Health Facilities and Services shall have
6 the following powers and functions:
7

8 a) To establish and prescribe rules, regulations, standards and specifications in all
9 cases related to the issued certificate of license of health facilities and other related
10 facilities and administer and enforce the same;
11

12 b) To inspect and monitor all health facilities and other related facilities to ensure their
13 continued compliance with the rules and regulations in accordance with this Act and
14 to make recommendations to directors or administrators of such health facilities for
15 the correction of deficiencies found during such inspections;
16

17 c) To study and adopt a system of classifying health facilities and other related
18 facilities in the Philippines;
19

20 d) To approve construction designs and plans for health facilities, government or
21 private, including renovation or expansion of the same in accordance with the
22 provisions of this Act;
23

24 e) To provide consultative and advisory services relative to the establishment and
25 construction of health facilities or related facilities;
26

27 f) To determine, levy, assess and collect the appropriate permit fee, registration fee,
28 license fee and surcharges pertinent to the operation of such facilities and services
29 except in cases where charges or rates are established by international bodies or
30 associations of which the Philippines is a participating member or by bodies
31 recognized by the Philippine government as the proper arbiter of such charges or
32 rates;
33

34 g) To coordinate and call the assistance of any department, office, agency or
35 instrumentality of the national or local government and other entities concerned with
36 any aspect involving health facilities for the effective implementation of this Act;
37

38 h) To maintain a register of health facilities and other related facilities with licenses
39 indicating the name of the facility, address or location, classification, name of the
40 director or administrator, ownership, number of authorized beds and such other
41 pertinent data as may be necessary;
42

43 i) To promulgate and implement the rules and regulations governing the registration,
44 licensure and operations of health facilities and related facilities and to periodically
45 review and amend the same, subject to the approval of the Secretary and in
46 consultation with the sectors concerned: *Provided, That* such rules and regulations
47 shall be in accordance with the provisions of this Act;

48 j) To grant a certificate of license for the operation and maintenance of health
49 facilities and services, and to suspend or revoke the same in accordance with the
50 provisions of this Act;

k) To submit yearly reports to the Secretary of Health, and the Chairpersons of the Committees on Health of both Houses of Congress; and

l) Perform such other functions as may be prescribed by law.

SEC. 5. Quasi-Judicial Powers. – To carry out its tasks more effectively, the Bureau shall be vested with the following quasi-judicial powers:

a) To investigate, hear and decide administrative cases initiated by the Bureau or filed by any person against a hospital or health service establishment violating any provision of this Act and its implementing rules and regulations and to impose appropriate administrative sanctions or penalties provided in this Act;

b) To promulgate rules governing the conduct of administrative hearing: *Provided*, That in such proceeding, the Bureau shall not be bound by the technical rules of evidence of the rules of court: *Provided, further*, That the latter may be applied in a suppletory manner;

c) To administer oaths and affirmations, and to issue subpoena *duces tecum* and *ad testificandum*, requiring the production of such books, contracts, correspondence, records, statement of accounts and other documents and the attendance and testimony of parties and witnesses, as may be material to the investigation being conducted by the Bureau;

d) To exercise contempt powers and impose appropriate penalties;

e) To cause the prosecution of all cases involving violations of this Act and its implementing rules and regulations; and

f) To summarily order the closure of health facilities and other related facilities operating without a license.

SEC. 6. Construction Design. – All health facilities or related facilities, government or private, to be constructed or which shall undergo renovation or expansion shall have their construction designs and plans approved by the Bureau as provided for in Section 8 of this Act.

SEC. 7. Registration and License. – All health facilities or related facilities, government or private, shall be registered and duly licensed by the Bureau before such facilities are allowed to operate or be opened to the public.

SEC. 8. Application and Approval of Construction Design. – Application for construction design of a health facility or other related facility shall be submitted to the Bureau in a form prescribed by the latter and accompanied by a plan of the facility proposed to be constructed. The approved construction design and plan issued by the Bureau shall be a prerequisite for the issuance of a building permit by the official of the municipality or city where the facility is proposed to be constructed.

SEC. 9. Application for Registration and Issuance of License. – Application for registration of a health facility or other related facility and for the issuance of a license for its operation and maintenance including medical ancillary services except the pharmacy

1 and the medical radiation facility shall be filed with the Bureau or its deputized office
2 using the form prescribed by it: *Provided*, That the applicant shall seek the approval of
3 the Food and Drug Administration (FDA) for the licensing of hospital pharmacies, and
4 the Philippine Nuclear Research Institute (PNRI) for the licensing of medical radiation
5 facilities using radioactive substances. The application for registration shall be filed and
6 a license shall be issued upon due compliance of the applicant with the rules and
7 regulations prescribed by the Bureau pursuant to the provisions of this Act.
8

9 **SEC. 10. *Validity and Renewal of License.*** - The initial license to operate and maintain a
10 health facility or other related facility shall be valid for a period of two (2) years from its
11 date of issuance, and shall be renewed regularly, subject to the rules and regulations to
12 be issued by the Bureau.
13

14 **SEC. 11. *Inspection.*** - The license to operate and maintain a health facility or other
15 related facility shall be issued by the Bureau only after it has conducted a
16 comprehensive on-site inspection and has certified that the applicant has satisfactorily
17 complied with the requisites prescribed in this Act and its Implementing Rules and
18 Regulations.
19

20 **SEC. 12. *Suspension and Revocation of License.*** - The Bureau, after conducting an
21 administrative hearing, with due notice to the licensee, may suspend or revoke the
22 license to operate and maintain a health facility or other related facility of any person,
23 partnership, association, corporation or private entity, for any of the following grounds:
24 (a) violation by the licensee of any provision of this Act or any other existing law; (b)
25 violation of rules and regulations prescribed in the implementation of this Act; or (c)
26 failure to make necessary corrections or adjustments required by the Bureau in the
27 improvement or maintenance of facilities and services.
28

29 **SEC. 13. *Appeal*** - The decision of the Bureau under Section 12 hereof shall be
30 appealable to the Court of Appeals.
31

32 **SEC. 14. *Separate Licenses Required.*** - Separate licenses shall be required for health
33 facilities or other related facilities or branches thereof maintained in separate premises
34 even though they are operated under the same management: *Provided, however*, That
35 separate licenses shall not be required for separate buildings in the same compound:
36 *Provided, further*, That the approval of the designs and plans for construction or
37 renovation of buildings within the same compound shall also be secured from the
38 Bureau to determine compliance with standards and requirements herein authorized.
39

40 **SEC. 15. *Non-Transferability of License.*** - A license for the operation of the health
41 facility or other related facility shall not be transferable. The Bureau shall be notified of
42 any change in ownership, change of name of the health facility or other related facility.
43 Transfer of location of the facility shall require an application for a new license.
44

45 **SEC. 16. *Regulation of the Price of Health Care Services.*** - The President of the
46 Philippines, upon recommendation of the Secretary of Health, shall have the power to
47 impose the maximum price over diagnostic, therapeutic, rehabilitative and other health
48 care services rendered in the facilities. Such power shall not exceed one hundred twenty
49 (120) days.

1 **SEC. 17. Rules and Regulations.** - The Secretary of Health, upon recommendation of
2 the Bureau, shall issue rules and regulations to implement the provisions of this Act
3 within sixty (60) days of its effectivity.
4

5 **SEC. 18. Penalties.** - Any person, partnership, association, or corporation who
6 establishes, operates, conducts, manages or maintains a health facility or other related
7 facility within the meaning of this Act without first obtaining a license, or violates any
8 provision of this Act or its Implementing Rules and Regulations shall be liable for a fine
9 of not less than Fifty Thousand Pesos (P50,000.00) but not to exceed One Hundred
10 Thousand Pesos (P100,000.00) for the first offense, not less than One Hundred
11 Thousand Pesos (P100,000.00) but not to exceed Five Hundred Thousand Pesos
12 (P500,000.00) for the second offense, and not less than Five Hundred Thousand Pesos
13 (P500,000.00) but not to exceed One Million Pesos (P1,000,000.00) for the third and
14 each subsequent offenses. Each day that the health facility or other related facility
15 operates after the first violation shall be considered a subsequent offense.
16

17 In addition to the penalties specified in the preceding paragraph, the Bureau may
18 summarily order the closure of any health facility or other related facility found operating
19 without a license.
20

21 **SEC. 19. Revenue Utilization.** - All payments made to the Bureau pursuant to Section
22 5(f) hereof shall be utilized by the Bureau for its operation, subject to the rules and
23 regulations of the Department of Budget and Management and the Commission on
24 Audit.
25

26 **SEC. 20. Separability Clause.** - If any part or provision of this Act shall be held
27 unconstitutional or invalid, other provisions hereof which are not affected shall continue
28 to be in full force and effect.
29

30 **SEC. 21. Repealing Clause.** - Republic Act No. 4226, otherwise known as "*Hospital*
31 *Licensure Act*" is hereby repealed. Any Presidential Decree, Executive Order, Rules and
32 Regulations and other issuances or parts thereof which are inconsistent with the
33 provisions of this Act are hereby repealed, amended or modified accordingly.
34

35 **SEC. 22. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in
36 any newspaper of general circulation.
37

38 **Approved,**

FACT SHEET

House Bill No. 4442

(In substitution of House Bill No. 4442)

AN ACT STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES IN THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS "HOSPITAL LICENSURE ACT" AND FOR OTHER PURPOSES

Introduced by: REPS. JOAQUIN CARLOS RAHMAN A. NAVA, ALFREDO D. MARAÑON III, LINABELLE RUTH R. VILLARICA, FLORENCIO T. FLORES, JECI A. LAPUZ, LORETO LEO S. OCAMPOS, MAXIMO B. DALOG, EDGAR S. SAN LUIS, MONIQUE YAZMIN Q. LAGDAMEO, MARIA JOCELYN V. BERNOS, MARY MITZI L. CAJAYON, GODOFREDO V. ARQUIZA, RUFUS B. RODRIGUEZ, EMERENCIANA A. DE JESUS, HERMINIA B. ROMAN, RANDOLPH S. TING, ANTHONY T. GOLEZ JR., JOSEPH GILBERT F. VIOLAGO AND DARYL GRACE J. ABAYON

Committee Referral: COMMITTEE ON HEALTH

Committee Chairperson: HON. ALFREDO D. MARAÑON III

OBJECTIVES:

- To ensure the safety and quality of the health facilities
- To expand and strengthen the regulation of health facilities in the Philippines

KEY PROVISIONS:

- Mandates the Bureau of Health Facilities and Services (BHFS) to be the regulatory agency for the regulation and licensing of health facilities and services in the country which include, not only hospitals and clinics as prescribed by the existing law, but also other types of health facilities such as diagnostic, rehabilitative and therapeutic establishments
- Defines the powers and functions of the BHFS such as:
 - a) Establish and prescribe rules, regulations, standards and specifications in all cases related to the issued certificate of license of health facilities and other related facilities and to administer and enforce the same;
 - b) Inspect and monitor all health facilities and other related facilities;
 - c) Approve construction designs which is a prerequisite to the issuance of a building permit by the local government concerned prior to construction, renovation or expansion of health facilities and other related facilities;
 - d) Determine, levy, assess and collect the appropriate permit fee, registration fee, license fee and surcharge pertinent to the operation of such facilities; and
 - e) Grant a certificate of license for the operation and maintenance of health facilities and services and suspend or revoke the same in accordance with the provisions of this Act, among others
- Vests the Bureau with quasi-judicial powers to enable it to investigate, hear and decide administrative cases against health service establishments found violating any provision of this Act and its

implementing rules and regulations, impose appropriate administrative sanctions or penalty and to summarily order the closure of any health facility operating without a license

- Specifies that the application for registration and issuance of license of health facility or other related facility for its operation and maintenance including medical ancillary services except the pharmacy and the medical radiation facility shall be filed with the Bureau or its deputized office
- Requires the approval of the Food and Drug Administration (FDA) for the licensing of hospital pharmacies and Philippine Nuclear Research Institute (PNRI) for the licensing of medical radiation facilities using radio active substances
- Empowers the Bureau to suspend or revoke the license to operate of those erring health facilities
- Empowers the President of the Philippines, as the situation warrants and upon recommendation of the Secretary of Health, to impose the maximum prices over diagnostic, therapeutic, rehabilitative and other health care services rendered in the facilities: *Provided*, That such period shall, in no case, exceed one hundred twenty (120) days
- Allows the Bureau to retain and utilize its revenues to improve its operations subject to the rules and regulations of the Department of Budget and Management and the Commission on Audit
- Provides for a graduated penalty that ranges from a fine of not less than Fifty Thousand Pesos (P50,000.00) but not more than One Hundred Thousand Pesos (P100,000.00) for the first offense to Five Hundred Thousand Pesos (P500,000.00) but not more than One Million Pesos (P1,000,000.00) for the third and each succeeding offenses. In addition, a summary closure shall be imposed on any health facility or other related facility found operating without a license.

RELATED LAW:

- R.A. No. 4226, "An Act Requiring the Licensure of All Hospitals in the Philippines and Authorizing the Bureau of Medical Services to Serve as the Licensing Agency"