

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES
House Bill No. 307



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

EXPLANATORY NOTE

The Veterans Memorial Medical Center (VMMC) is one of the landmark institutions dedicated to honor the bravery and nationalism of Filipino soldiers. It is one of the historical institutions that remind us of the patriotism of our soldiers ready to fight and defend our sovereignty.

The VMMC as we know it today has a colorful history. The hospital was constructed by virtue of Public Law 965 signed by then President Harry S. Truman which appropriated funds for the construction of a veterans hospital in the Philippines. As Philippine counterpart to the appropriation of US Congress, President Elpidio Quirino issued Proclamation 169, reserving a parcel of land with an area of 54.9 hectares located in the District of Diliman, Quezon City, for the Veterans Memorial Hospital (now VMMC). It was a joint Philippine-American undertaking dedicated to the thousands of Filipino soldiers who fought with the US Armed forces during the WWII.

It was officially inaugurated on November 20, 1955 by President Ramon Magsaysay. It is both a historical monument which reflects the vibrancy of Philippine heritage and culture and a patrimony of our nation that should be conserved and protected.

The VMMC has played a key role in history, like no other hospital in the country. The first President of the Philippine Republic, Emilio Aguinaldo lived out his last few weeks in one of the hospital suites before he peacefully succumbed to heart failure in December 1964. Pres. Sergio Osmeña and Pres. Carlos P. Garcia both received medical care in this medical institution. The late Senator Benigno "Ninoy" Aquino, Jr. was

confined in the said hospital due to complications when he initiated a hunger strike during the Martial Law period while opposing the rule of Pres. Ferdinand E. Marcos. Pres. Joseph Estrada, and the undersigned stayed and received medical care at the VMMC. The VMMC played a vital role in giving outstanding health care and the same quality of medical service to the thousands of veterans and their dependents.

The Veterans Hospital has emerged as one of the leading state hospitals in the Philippines, equipped with excellent facilities and competent staffing. During the administration of the undersigned, Pres. George W. Bush initiated a program of providing \$USD 500,000.00 annually for the hospital. Various medical universities and colleges became affiliates of the Veterans Hospital. However, the capacity of VMMC to provide continuing quality service and develop itself into a medical institution of prestige and excellence is greatly challenged. With the enactment of Republic Act No. 6948, which standardized and upgraded the benefits for military veterans and their dependents, the medical center's patient clientele has expanded to include retirees of the Armed Forces of the Philippines and their dependents. As a result, every year, more patients in need of medical care and hospitalization are treated in VMMC, including retirees and their dependents.

The mandate of VMMC is to serve our veterans and their dependents, but it may not be able to carry out this service to the fullest extent because of the severely financial limitations. The budget it receives is a measly 1% of the Department of National Defense's (DND) annual budget. It has no other source of income to support the free care and treatment of the veterans, the retirees and their dependents, except the very limited number of paying patients admitted on the availability of bed space.

The VMMC is unlike the Philippine Heart Center, Lung Center, Kidney Center, Philippine General Hospital and Philippine Children's Medical Center. Although these centers are government medical institutions, their use and services are not free. They enjoy autonomous and corporate identity. These medical institutions have their own charters, yet the Veterans Memorial Medical Center, a tertiary hospital that has served this country for 53 years and it is staffed by highly qualified and board certified medical specialists and other paramedical personnel, does not have its own charter.

Given the importance of VMMC's mandate of serving veterans, military retirees and their dependents, which no other government medical facility is tasked with, this bill seeks to strengthen an important historical and medical institution. It is the objective of this bill to make VMMC a prime state hospital. It aims to provide the hospital with a juridical or corporate personality to preserve its viability and existence. This measure will vest the VMMC with the power to own real and personal properties, and shall have

a governing body that will direct the accomplishment of its mission as defined and delineated by the charter.

Recognizing the invaluable sacrifices and services of our veterans and military retirees, it is only imperative that a medical facility dedicated to serve their medical needs as well as their dependents must provided stability, viability and ample resources to ensure that they receive quality medical and health services.

In view of the urgency of this bill and the welfare of veterans, military retirees and their dependents, the passage of this measure is earnestly requested.



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**AN ACT TO GIVE JURIDICAL PERSONALITY TO THE PRESENT VETERANS
MEMORIAL MEDICAL CENTER (VMMC) AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as "The Veterans Memorial Medical Center Charter of 2013".

SEC 2. *Declaration of Policy.* - It is hereby declared the policy of the State to help foster the socioeconomic security and well-being of the country's veterans and retired military personnel in recognition of their patriotic services in times of war and peace for the cause of freedom and democracy; for the attainment of national unity, independence and socioeconomic advancement; and for the maintenance of peace and order in keeping with the goals of the government and the aspirations of the people.

SEC. 3. *Veterans Memorial Medical Center (VMMC) as a Corporate Entity.* - There is hereby created a body corporate, for the benefit primarily of the Filipino veterans, under the name of the Veterans Memorial Medical Center, hereinafter referred to as the VMMC.

To provide greater flexibility in its operations, the VMMC shall be treated in a manner consistent with its institutional mission to serve the veterans and shall be autonomous in the exercise of its jurisdiction.

SEC.4. *Purposes and Objectives of the Hospital.* - The VMMC shall have the following objectives:

- (a) Construct, establish, operate and maintain a veterans' hospital primarily for the veterans' welfare;
- (b) Stimulate and/or undertake scientific researches on the biological, demographic, social, economic, eugenic, physiological aspects of health disorders and abnormalities and their control; and gather, compile, present and publish the findings of such researches for public dissemination;
- (c) Facilitate and encourage the dissemination and exchange of ideas and information on the prevention, treatment and control of diseases; to arouse, enhance and develop public interest and awareness on general health and physical fitness;
- (d) Encourage and/or undertake the trainings of physicians, nurses, medical technologists, health officers and social workers on the practical and scientific conduct and implementation and delivery of health services, and related activities;
- (e) Assist universities, hospitals and research institutions in their studies of health problems, to encourage advanced training on matters of, or affecting the physical and mental well-being of the people;
- (f) Encourage the formation of other organizations on the national, provincial, city, municipal or barangay level and to coordinate their various efforts and activities for the purpose of achieving a more effective and pragmatic approach on the common problems relative to the objectives herein enumerated; and
- (g) Extend medical outreach programs to the general public to help prevent, relieve or alleviate the innumerable afflictions and maladies of the people especially the poor and the less fortunate in life, without regard to race, creed, color or political belief.

SEC.5. *Social Responsibility.* - The VMMC is primarily committed to serve the Filipino veterans as defined in Republic Act No. 6948, as amended by Republic Act No. 7696 and Republic Act No. 9396.

SEC.6. *Powers.* - For the attainment of the above purposes and objectives, the VMMC, as a body corporate, acting through its Board of Trustees, shall have all powers pertaining to a juridical person, and is therefore authorized to:

- (a) Acquire and hold in any manner property of whatever nature or description;
- (b) Enter into contracts;

- (c) Solicit and receive donations, endowments and funds in the form of contributions, whether in cash or in kind, from both the public and private sectors;
- (d) Open such accounts in banks and other financial institutions, and to disburse such funds or invest the same as the Board may direct to accomplish or advance the purpose or interest of the VMMC;
- (e) Invite foreign specialist and other similar experts in the various medical fields to train the personnel or trainees or residents of the VMMC;
- (f) Send the VMMC personnel to research institutes, medical institutes or universities for medical training or observation and to attend international and regional conventions, conferences, congresses and seminars, as the Board may deem necessary, to accomplish the purposes and objectives of the VMMC;
- (g) Enter into such agreements and arrangements with other medical or other institutions, domestic or foreign, as may deemed desirable by the Board, for the purpose of promoting its purposes and objectives;
- (h) Adopt a set of bylaws, rules and regulations not inconsistent with the law and the provision hereof to govern the administration and operation of the affairs of the VMMC;
- (i) Establish branches of the VMMC in other provinces or cities of the Philippines as may be deemed necessary for greater service coverage to the veterans and their dependents that are living in almost all parts of the country; and
- (j) Perform all such other acts and things as are or may be necessary or incidental for the accomplishment of the purposes and objectives of the VMMC.

SEC.7 Board of Trustees. - The VMMC shall be governed by a Board of Trustees, composed of the following:

- (a) Secretary of National Defense as Chairperson;
- (b) Medical Director of the VMMC as Vice Chairperson;
- (c) Chairperson of the Senate Committee on Defense and Security;
- (d) Chairperson of the House Committee on Veterans Affairs and Welfare;
- (e) Secretary of Health;
- (f) Administrator, Philippine Veterans Affairs Office;
- (g) Chairman of the Philippine Veterans Bank;
- (h) President of the Veterans Federation of the Philippines; and
- (i) Three (3) appointive members who are veterans and who have distinguished themselves in their professions or areas of specialization and have exerted conspicuous efforts towards the promotion of veterans' welfare and well-

being. They shall be appointed by the President of the Philippines and shall serve for a term of three (3) years. In case of vacancy, such vacancy shall be filled in the same manner as provided for the predecessor, and such appointee shall hold office for the unexpired term.

SEC.8. *Meeting and Quorum.* - The Board of Trustees shall convene at least once a month. The Chairman of the Board may call a special meeting whenever necessary: *Provided*, That the members are notified in writing at least three (3) days prior to the said meeting. A majority of all the members of the Board holding office at the time the meeting is called shall constitute a quorum for Board meetings. In no case shall any and all members of the Board appoint a representative to act on their behalf.

SEC.9. *Medical Director.* - The Medical director shall be appointed by the President of the Philippines upon the recommendation of the Board and shall serve for a term of six (6) years. The Medical Director shall serve as the Chief Executive Officer of the VMMC and shall perform the following functions:

- (a) Organize the VMMC into a streamlined medical institution with admirable facilities and competent staffs to ensure quality service;
- (b) Appoint members of the professional and administrative staffs and other employees and personnel of the VMMC through a screening process based strictly on academic qualifications, experiences and other selection standards; determine the terms and conditions of their employment, and remove them for cause in accordance with law and due process;
- (c) Determine a position qualifications and compensation plan and adjust salaries and benefits for all personnel of the VMMC, subject to the Compensation and Position Classification System of Governance Commission for Government-Owned and -Controlled Corporations (GOCCs); and
- (d) Carry out necessary managerial and administrative functions that may be deemed necessary or as directed by the Board of Trustees in furtherance of the objectives of the VMMC set in this Act.

SEC.10. *Secretary.* - There shall be a Secretary of the VMMC as appointed of the Board of Trustees, who shall be the Secretary of the Board and who shall keep such records of the hospital as may be designated by the Board.

SEC. 11. *Hospital Executive Committee.* - There shall be an Executive Committee consisting of the Medical Director as the presiding officer and the Heads of the Administrative, Medical, Surgical, Rehabilitative, Dental, Psychiatric, Diagnostic and other critical medical departments.

The Committee shall exercise the following functions:

- (a) Fix the requirement for admission to the hospital;
- (b) Prescribe the rules and regulations as to the discharge of patients;
- (c) Adopt internal rules of procedures consistent with the provision of the Charter in order to promote administrative efficiency in the treatment, rehabilitation and discharge of patients of the hospital; and
- (d) Carry out administrative and managerial task to assist the Medical Director in the efficient operations and management of the hospital.

SEC.12. *Personnel and Medical Staff.* - The VMMC shall have the autonomy to employ such employees and medical personnel, or otherwise enter such arrangements with medical specialist and other consultants as its Board of Trustees shall determine. The personnel and medical staff of the present VMMC shall automatically be transferred to and absorbed by the VMMC as herein created. The incumbent Medical Director shall continue to serve as such for a period of three (3) years or until his successor shall have been appointed by the President of the Philippines.

SEC.13. *Assistance from Government Offices.* - The VMMC may call upon any department, bureau, office, agency or instrumentality of the government, including the GOCCs, for such assistance as it may need in the pursuit of its purposes and objectives.

All individuals, entities and institutions are hereby enjoined to render full assistance and cooperation to VMMC in the accomplishment of its objectives and activities.

SEC.14. *Property of the Medical Center.* All existing assets of the VMMC including, but not limited to, the parcel of land belonging to the private domain of the government situated in the District, Quezon City and more particularly described in the Bureau of Lands as Lot R.P.-3-B-4-A, BSD-10352, all its buildings and other properties shall remain with the VMMC as a corporate entity, including those that may hereafter be given, donated, acquired, transferred or conveyed to the Medical Center or its branches and instrumentalities by any foreign government, as well as those given by trust, foundations, corporations or persons (alien or citizen). The absolute ownership of the Medical Center over these landholdings including those covered by original and transfer certificates of title in the name of the VMMC is hereby confirmed. Where the issuance of proper certificates of title is still pending for these landholdings the proper government office shall expedite issuance thereof within six (6) months from the date of effectivity of this Act: *Provided*, That all registration requirements necessary for the issuance of the said titles have been submitted and complied with.

SEC.15. *Land Grants and Other Real Properties.* - The use of properties and proceeds of such properties shall be governed by the following:

- (a) The State shall support the VMMC in the sum or lump sum amount, through general appropriations and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further the ends of the hospital, as may be decided by the Board of Trustees in furtherance of the declared hospital objectives under this Act;
- (b) Such parcels of land ceded by law, decree or presidential issuance to the hospital are hereby declared to be reserved for the purposes intended;
- (c) The Board of Trustees shall plan, design and approve and/or cause the implementation of contracts, mechanisms and financial instruments, such as joint ventures, long-term leases, fully-owned subsidiaries and securitization to give the hospital the flexibility to generate revenues and other resources from land grants and other properties: *Provided*, That such mechanism and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the medical core zone of the hospital: *Provided, finally*, That such mechanism and arrangements shall not conflict with the medical or health services and academic mission of the hospital; and
- (d) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the hospital shall be consistent with the hospital mission and orientation as a vehicle to extend health services to veterans and their dependents.

SEC.16. *Safeguards on Asset Disposition.* - The preservation of the value of the assets of the hospital shall be of primordial consideration. The exclusive core zone of the VMMC as defined in Section 14 shall not be sold, transferred, ceded, conveyed, assigned and encumbered.

SEC.17. *Annual Report.* - The VMMC shall render to the President of the Philippines an annual report of its activities and recommendations.

SEC.18. *Effect of the Dissolution.* - If, for any reason, the VMMC is dissolved, its property remaining at the time of such dissolution shall revert to the Republic for disposition in accordance with law.

SEC.19. *Implementing Rules.* - The implementing rules and regulations shall be formulated within ninety (90) days from the approval of this Act.

SEC.20. *Separability Clause.* - If any provision of this Act is declared unconstitutional, all the other provisions not affected shall remain in force and effect.

SEC.21. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC.22. *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,