

Republic of the Philippines
House of Representatives
Quezon City

**SIXTEENTH CONGRESS
FIRST REGULAR SESSION**

House Bill No. 1151



Introduced by **Representatives JC Rahman A. Nava, M.D.**

Explanatory Note

This bill seeks to expand and strengthen the regulation of health facilities in the Philippines through the Bureau of Health Facilities and Services of the Department of Health in order to ensure the safety and quality of the health care facilities.

Dramatic changes and improvement in the field of health care during the past decades have led to the emergence and development of new types of health care facilities. Presently, we can see new types of health facilities like diagnostic, therapeutic, and rehabilitative centers unlike before when there were only hospitals and clinics. As a result, a number of such types of facilities do not anymore qualify under the regulatory mandate of the Department of Health. There is therefore a need to update the regulation of this industry.

Aside from regulating the safety and quality of health facilities, the bill also addresses another important issue in our health care system, the increasing cost of health services in the country. Health care must be not only be accessible to the people, it must also be affordable to everyone especially to the lowest income group. Thus, government must put price control to health care services when there is excessive cost and warranted by the situation.

In view of the foregoing reasons, immediate passage of this measure is earnestly requested.

A handwritten signature in black ink, appearing to read "JC Rahman A. Nava".

Hon. JC Rahman A. Nava, M.D.

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

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

Section 1. **Title.** - This Act shall be known as the Health Facilities and Services Regulation Act of 2011.

Sec. 2. **Definitions.** - As used in this Act, the following terms shall mean:

- a) Bureau - shall refer to the Bureau of Health Facilities & Services under the Department of Health
- b) Health Facilities - shall 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 - 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 - is 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 - shall refer to the Secretary of the Department of Health.

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

Sec. 4. **Staff** – The organizational structure of the Bureau of Health Facilities and Services shall have positions to carry out the purposes of this Act.

Sec. 5. **Powers and Duties of the Bureau.**- The Bureau of Health Facilities and Services shall have the following powers and duties:

- a) To 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 administer and enforce the same.
- b) To inspect and monitor all health facilities and other related facilities to ensure their continued compliance with rules and regulations in accordance with this Act and to make recommendations to directors or administrators of such health facilities for the correction of deficiencies found during such inspections;
- c) To study and adopt a system of classifying health facilities and other related facilities in the Philippines;
- d) To approve plans for health facilities, government or private, and to issue permits or authority to construct, renovate or expand health facilities or related facilities, in accordance with the provisions of this Act;
- e) To provide consultative and advisory services relative to the establishment and construction of health facilities or related facilities;
- f) To determine, levy, assess and collect the appropriate permit fee, registration fee, license fee and surcharges pertinent to the operation of such facilities and services except in cases where charges or rates established by international bodies or associations of which the Philippines is a participating member or by bodies recognized by the Philippine government as the proper arbiter of such charges or rates;
- g) To coordinate and call the assistance of any department, office, agency or instrumentality of the national or local government and other entities concerned with any aspect involving health facilities for the effective implementation of this Act;
- h) To maintain a register of health facilities and other related facilities of issued licenses to operate indicating the name of the facility, address or location, classification, name of the director or administrator, ownership, number of authorized beds and such other pertinent data as may be necessary;
- i) To submit yearly reports to the Secretary of Health, and the Chairpersons of the Committees on Health of both Houses of Congress;
- j) To promulgate and implement the rules and regulations governing the registration, licensure and operations of health facilities and related facilities and to periodically review and amend the same, subject to the approval of the Secretary and in consultation with the sectors concerned: Provided, That such rules and regulations shall be in accordance with the provisions of this Act; and
- k) Perform such other functions as may be prescribed by law.

Sec. 6. Quasi-Judicial Powers. – To carry out its tasks more effectively, the Bureau shall be vested with the following quasi-judicial powers:

- a) To grant a certificate of license for the operation and maintenance of health facilities and services, and to suspend or revoke the same in accordance with the provisions of this Act;
- b) 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 penalty provided in this Act;
- c) 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;
- d) To administer oaths and affirmations, and to issue subpoena and tesificandum and subpoena duces tecum requiring the attendance and testimony or parties and witnesses, and/or the production of such books, contracts, correspondence, records, statement of accounts and other documents as may be material to the investigation being conducted by the Bureau;
- e) To exercise contempt powers and impose appropriate penalties;
- f) To cause the prosecution of all cases involving violations of this Act and its implementing rules and regulations; and
- g) To summarily order the closure of health facilities and other related facilities operating without a license.

Sec. 7. Construction Permit. - All health facilities or related facilities, government or private, to be constructed or which shall undergo renovation or expansion shall have their plans approved and construction permit issued by the Bureau as defined in this Act.

Sec. 8. Registration and License. - All health facilities or related facilities, government or private, shall be registered and duly issued a license by the Bureau before it is allowed to operate or be opened to the public.

Sec. 9. Application and Issuance of a Permit to Construct. – Application for a permit to construct 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 permit to construct issued by the Bureau shall be a condition precedent for the issuance of a building permit by the official of the municipality or city where the facility is proposed to be constructed.

Sec. 10. 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 and the medical radiation facility shall be filed with the Bureau or its deputized office using the form prescribed by it: Provided, That the Bureau shall coordinate with the Bureau of Food and Drugs for the licensing of hospital pharmacies, with the Bureau of Health

Devices and Technology (BHDT) for the licensing of medical radiation facilities using electrical/electronic devices, and the Philippine Nuclear Research Institute (PNRI) for the licensing of medical radiation facilities using radioactive facilities using radioactive substances. Registration may be made and license issued upon compliance with the rules and regulations prescribed by the Bureau pursuant to the provisions of this Act.

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

Sec. 12. Inspection. - The license to operate and maintain a health facility or other related facility shall be issued by the Bureau only after a representative of the licensing agency has conducted a comprehensive on-site inspection and certified that the applicant has satisfactorily complied with requisites prescribed in this Act and its Implementing Rules and Regulations.

Sec. 13. Suspension and Revocation of License. - The Bureau, after conducting an administrative hearing, with due notice to the licensee and with the approval of the Secretary of Health may suspend or revoke the license to operate and maintain a health facility or other related facility of any person, partnership, association, corporation or private entity, for any of the following grounds: (a) violation by the licensee of any provision of this Act or any other existing law; (b) violation of rules and regulations prescribed in the implementation of this Act; or (c) failure to make necessary corrections or adjustments required by the Bureau in the improvement or maintenance of facilities and services.

Sec. 14 Hearing. - Any person, association, corporation, or any other private entity who has been refused a license to operate and maintain a health facility or other related facility or whose license for such health facility or other related facility has been suspended or revoked shall be entitled to an administrative hearing to be conducted by the Bureau to determine the validity of such denial, suspension or revocation of the license: Provided, That the licensee may resort to the courts, as in other cases provided by law.

Sec. 15. Separate Licenses Required. - Separate licenses shall be required for health facilities or other related facilities or branches thereof maintained in separate premises even though they are operated under the same management: Provided, However, That separate licenses shall not be required for separate buildings in the same compound: Provided, Further, That permits for construction or alteration of buildings within the same compound shall also be secured from the Bureau to determine compliance with standards and requirements herein authorized.

Sec. 16. Non-Transferrability of License. - License for the operation of the health facility or other related facility shall not be transferable. The Bureau shall be notified of any change in ownership, change of name of the health facility or other related facility, and transfer of location and in the latter case, an application for a new license should be submitted.

Sec. 17. Regulation of the Price of Health Care Services. - The President of the Philippines, upon recommendation of the Secretary of Health, shall have the power to impose the maximum prices over diagnostic, therapeutic, rehabilitative and other health care services rendered in the facilities.

The power to impose maximum prices over health care services shall be exercised within such period of time as the situation may warrant as determined by the President. No court, except the Supreme Court of the Philippines, shall issue any temporary restraining order or preliminary injunction that will prevent the immediate execution of the exercise of this power of the President of the Philippines.

Sec. 18. Rules and Regulations. - The Secretary of Health, upon recommendation of the Bureau shall issue rules and regulations to implement the provisions of this Act.

Sec. 19. Penalties. - Any person, partnership, association, or corporation who establishes, operates, conducts, manages or maintains a health facility or other related facility within the meaning of this Act without first obtaining a license or violates any provision of this Act or its Implementing Rules and Regulations shall be liable to a fine of not less than fifty thousand pesos (P50,000.00) but not to exceed one hundred thousand pesos (P100,000.00) for the first offense, and not less than one hundred thousand pesos (P100,000.00) but not to exceed five hundred pesos (P500,000.00) for the second offense, and not less than five hundred thousand pesos (P500,000.00) but not to exceed one million pesos (P1,000,000.00) for the third and each subsequent offense. Each day that the health facility or other related facility shall operate after the first violation shall be considered a subsequent offense.

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

Sec. 20. Revenue Utilization. - All payments made to the Bureau pursuant to Section 5(f) shall be utilized by the Bureau for its operation, subject to the rules and regulations of the Department of Budget and Management and the Commission on Audit.

Sec. 21. Separability Clause. - If any part or provision of this Act shall be held unconstitutional or invalids, other provisions hereof which are not affected hereby shall continue to be in full force and effect.

Sec. 22. Repealing Clause. - R.A. No. 4226 otherwise known as the Hospital Licensure Act is hereby repealed. All other laws, Presidential Decrees, Executive Orders, Rules and Regulations or parts thereof which are inconsistent with the provisions of this Act are likewise repealed or modified accordingly.

Sec. 23. Effectivity. - This Act shall take effect immediately upon its approval.

Approved,