

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 2948



Introduced By: REPRESENTATIVE HENRY S. OAMINAL

EXPLANATORY NOTE

The health of the nation determines its own level of energy and vigor and therefore, ultimately, its performance in social and economic development. Implicit in the development process is the existence of a reasonable citizenry capable of carrying out development goals. It is thus crystal clear that the promotion of health has always been an urgent business of society not only because it is the very foundation of an active and useful life but also the right of every Filipino.

Cognizant of this reality, the Constitution explicitly provides that the "State shall promote and protect the right to health of the people and instill health consciousness among them".

In pursuance of this expressed Constitutional mandate, this bill seeks to convert the existing Mayor Hilarion A. Ramiro, Sr. Regional Training and Teaching Hospital (MHARSRTTH) in the Province of Misamis Occidental into a medical center to be known as the Mayor Hilarion A. Ramiro, Sr. Regional Medical Center (MHARSRMC).

As a brief backgrounder, the MHARSRTTH started in 1970 as Ozamiz City Emergency Hospital with a fifty (50) bed capacity and was later renamed as the Mayor Hilarion A. Ramiro, Sr. General Hospital (MHARSGEN) with an increased bed capacity of one hundred (100) beds. In 1997, the MHARSGEN was converted into what is now the MHARSRTTH by virtue of Republic Act No. 7937 with an authorized bed capacity of One hundred fifty (150) beds.

Considering the rapidly increasing population growth and its strategic location in Region X, the average occupancy rate of the MHARSRTTH normally exceeded its authorized bed capacity as it does not only cater to the health needs of the people in the Province of Misamis Occidental but also to the people in several municipalities in the neighboring Provinces of Lanao del Norte, Lanao del Sur, Zamboanga del Sur and Zamboanga del Norte.

As the only regional training and teaching hospital in North-western Mindanao, it is quite expected that it has virtually become the primary referral center of other hospitals and this mainly contributes to the shortage of bed capacity in most cases.

With the conversion into a medical center, there is an urgent need therefore to increase its bed capacity from one hundred fifty (15) beds to three hundred (300) beds to effectively address the acute shortage of rooms.

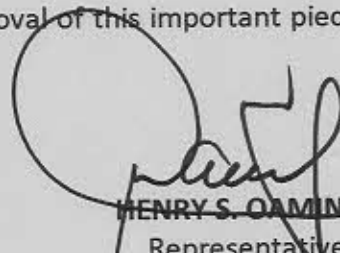
While the existing MHARSRTTH has substantial earnings due to excessive occupancy rate, it cannot be able to address the problem of overcrowding and other concerns on hospital facilities as it is being hampered by bureaucratic policies that adversely affect the hospital governance effectiveness.

The corporate form of organization as proposed under this bill will bestow fiscal and management autonomy to MHARSRMC that will lead to a better quality and more efficient delivery of health care services. This will give the hospital administrator the necessary flexibility for the effective stewardship of hospital assets, funds, management and personnel supervision.

The MHARSRMC shall assume a corporate structure but shall be accountable to the government. Under this set-up, it will have the capability to address policy, management, financial and technical concerns of the hospital.

With the advent of new technologies, expanding population and changing disease patterns, parameters to develop hospital policies must also be changed if only to get the hospital out of the vicious cycle of mediocrity.

In view of the foregoing reasons, the approval of this important piece of legislations is earnestly sought.



HENRY S. OAMINAL
Representative
Second District, Misamis Occidental

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Introduced by: HON. HENRY S. OAMINAL

AN ACT

CONVERTING THE MAYOR HILARION A. RAMIRO, SR. REGIONAL TRAINING AND TEACHING HOSPITAL (MHARSRTTH) INTO A MEDICAL CENTER TO BE KNOWN AS THE MAYOR HILARION A. RAMIRO, SR. REGIONAL MEDICAL CENTER (MHASRMC) AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the Mayor Hilarion A. Ramiro, Sr. Regional Medical Center (MHASRMC) Charter.

SEC. 2. *Declaration of Policy.* – It is hereby declared a policy of the State to protect and promote the right to health of the people by providing health care and other social services available to all at affordable cost and endeavor to provide free medical care to indigent patients. Toward this end, the conversion of the MHARSRTTH into a regional medical center aims to attain the following objectives:

- a) To provide the people, particularly in Region X, with a more affordable, quality and timely hospital care through a more efficient health care service delivery system;
- b) To promote the development of hospital facilities, the advancement in technology and establishment of the health care providers for the underprivileged;
- c) To institute reforms in the organization, administration and financial management of the hospital as a means of reducing the cost of improving the quality of public health care;
- d) To enjoy fiscal and management autonomy of the hospital that will lead to a better quality and more efficient delivery of health care services; and
- e) The corporate form of organization will give hospital administrators the necessary flexibility for the effective stewardship of hospital assets, funds, management and personnel supervision.

SEC. 3. Conversion of the Mayor Hilarion A. Ramiro, Sr. Regional Training and Teaching Hospital. – The Mayor Hilarion A. Ramiro, Sr. Regional Training and Teaching Hospital is hereby converted into a medical center, the same to be organized as a corporation to be known as the Mayor Hilarion A. Ramiro, Sr. Regional Medical Center (MHARSRMC) hereinafter referred to as the MHARSRMC.

SEC. 4. Board of Trustees. – To carry out the objectives enumerated in this Charter, there is hereby created a governing board to be known as the MHARSRMC Board of Trustees hereinafter referred to as the Board.

SEC. 5. Composition. – The MHARSRMC Board of Trustees shall be composed of the following:

1. The Secretary of the DOH as the Chairperson of the Board;
2. The DOH Regional Director in the area where the MHARSRMC is located;
3. The MHARSRMC Medical Director;
4. A representative of the Member of the House of Representatives, which has jurisdiction over the area where the MHARSRMC is located;
5. A representative from the Provincial Governor which has jurisdiction over the area where the MHARSRMC is located;
6. A representative from the City Mayor which has jurisdiction over the area where the MHARSRMC is located;
7. A member of the academe, who has direct involvement in medical practice or profession;
8. A representative from local medical and allied professional organization;
9. A representative from people's organization/socio-civic/non-government organization that has mass base membership.

The members of the Board from number 7 to 9 shall be appointed by the President of the Philippines within thirty (30) days from the effectivity of this Charter. They shall serve for a term of two (2) years renewable for another term only.

No person shall be appointed member of the Board unless he or she is a citizen and a resident of the Philippines, of good moral character and has attained proficiency, expertise and recognized competence in one or more of the following fields: hospital finance and administration, medical care, public health care, governance and public management, law, business management and marketing. They must have at least three (3) years experience in his or her field of expertise.

The Secretary shall be appointed by the Chairman of the Board to be confirmed by the majority of its members.

The Board of Trustees shall be governed by a set of laws which shall contain, but not limited to, their responsibilities, accountabilities and cause of termination.

SEC. 6. Powers and Functions of the Board. – Subject to existing laws, the Board, the policy making body of the MHARSRMC, shall have such powers as are necessary to carry out the objectives of this Charter, including the exercise of its corporate powers, shall perform the following powers and functions:

1. To promulgate and prescribe the rules and regulations for the administration of the affairs of the hospital;
2. To study, propose and approve plans for improvement of the services of the hospital;
3. To propose, study and approve or, amend or revise the organizational structure of the hospital, both medical and administrative, in order to meet the exigencies of the service, subject to existing laws and regulations on the matter and consonant with the principles of sound hospital administration;
4. To consider and approve appointments and promotions of all staff personnel, medical and administrative, and other employees including its Medical Director;
5. To investigate all cases of anomalies, negligence or misconduct of all hospital personnel, including the Medical Director. It shall have the final authority to pass upon the removal, separation, and or suspension of such personnel subject to the Civil Service Rules and Regulations;
6. To make an internal audit once a year of the business operation of the hospital;
7. To receive in trust, legacies, gifts, land grants and donations of real and personal property of all kinds, tax free, and to administer the same for the benefit of the hospital or a department of service thereof. Foreign and domestic donors of legacies, gifts, grants and donations under this Section shall be exempt from any tax of whatever kind and nature to the extent of the full amount donated, provisions of existing laws to the contrary notwithstanding.
8. To review and approve the local budget utilization of the income generated by the Medical Center.
9. To consider and approve the budget prepared by the hospital administration for submission to the Congress of the Philippines through the Department of Budget and Management.
10. To authorize such expenditures by the hospital in the interest of its effective administration and operation;
11. To acquire assets, real or personal, or interest therein, and encumber or otherwise dispose of the same as it may deem proper and necessary in the conduct of its business;
12. To create position items and personnel to fill up such created positions;
13. To exercise the general powers mentioned in the Corporation Code of the Philippines, in so far as they are not inconsistent with this Charter; and
14. To perform such acts and exercise such functions as may be necessary for the attainment of the purposes and objectives herein specified and as may be provided by law.

SEC. 7. Medical Director. – There shall be a Medical Director, elected by a majority of the Board, subject to qualification standards prescribe under the Civil Service law and regulations.

The Medical Director shall serve until otherwise incapacitated or removed for cause. He shall be responsible for the conduct of the operations and management functions of the MHARSRMC.

Specifically, the Medical Director shall perform the following functions:

- a) Be responsible for the implementation of all policies, decisions and orders of the Board;
- b) Have immediate supervision and control over the affairs of the hospital as well as its management and administration, subject to the authority of the Board;
- c) Subject to the authority of the Board, prepare plans for a residency program in the fields of medicine, surgery, pediatrics, obstetrics and gynecology, eye-ear-nose and throat, laboratory, radiology and training program for nursing and allied fields;
- d) Prepare and submit to the Board reports on the state of affairs, financial conditions, budgetary requirements and other problems of the hospital together with the corresponding recommendations thereon; and
- e) Perform such other duties as the Board may from time to time direct him to do, consonant with the dignity and responsibility of the Office.

In case of vacancy, the successor chosen by the Board of Trustees shall only be for the unexpired term of the predecessor.

In order to ensure a smooth transition, the incumbent Director of the MHARSRMC shall assume the position of Medical Director until a new Medical Director shall have been appointed and qualified.

SEC. 8. Corporate Structure. – The MHARSRMC shall follow the standard corporate structure to be formulated by the DOH, in coordination with other relevant agencies.

SEC. 9. Executive Committee and other Committees. – The Board of Trustees may, by resolution adopted by majority of all its members, create an Executive Committee of not more than five (5) members who shall be appointed by the Board of Trustees. At least three (3) members of the Executive Committee shall be members of the Board of Trustees. The Executive Committee shall regularly keep minutes of its proceedings and report the same to the Board of Trustees whenever required. The Board of Trustees shall have the power to change the members of the Executive Committee at any time, to fill vacancies therein and to discharge or dissolve, for cause, such committee.

SEC. 10. Meeting and Quorum. – The Board of Trustees shall hold meetings at least once a month. Special meetings may be convened at the call of the Chairperson or by the majority of the members of the Board of Trustees. The Chairperson or his or her designated representative shall preside over the meeting of the Board of Trustees. In the absence of

the Chairperson or his or her designated representative, a temporary presiding officer shall be designated by the majority constituting a quorum. Five (5) members of the Board of Trustees shall constitute a quorum to transact business, and the vote of the majority of those present constituting a quorum shall be considered a valid and binding act of the Board of Trustees: *Provided, however,* That the affirmative votes of at least five (5) members of the Board of Trustees is required on the following matters:

- a) Adoption or changes of policy; and
- b) Appointment, discipline and termination of the MHARSRMC Medical Director.

The appointment, discipline and termination of other officers and employees shall be by a majority vote of those present, there being a quorum.

SEC. 11. *Compensation of Members of the Board from the Private Sector.* – The appointive members of the Board from the private sector shall be entitled to per diem for each meeting actually attended at rates in accordance with Republic Act No. 10149 and other relevant laws rules and regulations.

The members of the Board, by resolution of the majority of the members in good standing of the MHARSRMC, may claim expenses for attendance in regular or special meetings of the Board: *Provided, however,* That actual and necessary traveling expenses of the members of the Board while engage in serving the interests of the MHARSRMC and in pursuit of its defined objectives may be allowed by special resolution of the Board: *Provided, further,* That these shall be in accordance with existing laws, rules and regulations governing GOCC's.

SEC. 12. *MHARSRMC Organization; Bed Capacity.* – The organization of the MHARSRMC shall include such departments and services as the Board may deem essential to carry out the objectives of this Charter but shall in no case be contrary to the basic organization plans prescribed by the Department of Health nor with the principles of sound hospital administration.

The existing bed capacity of one hundred fifty (15) is hereby increased to three hundred (300) beds, ninety percent (90%) of which shall be devoted exclusively to charity patients. It shall likewise maintain facilities and wards for emergency cases as well as those for out-patients and domiciliary services.

SEC. 13. *Heads of Departments and Services.* – The heads of departments and services as well as medical consultants and specialists shall be appointed by the Board upon the recommendation of the Medical Director.

All other personnel and employees shall be appointed by the Medical Director subject to the approval of the Board and in accordance with the Civil Service law and regulations.

SEC. 14. *Hospital Trust Funds.* – All funds and monies not coming from the general fund of the National Government such as contributions from taxes and assessments from donations, legacies, endowment, income of the pay wards, and other hospital services shall

be used and disbursed only upon authorization of the Board for the purpose of improving the hospital, its facilities and services, including the purchase of medicines, supplies and equipment.

SEC. 15. *Supervision by the Department of Health (DOH).* – The MHARSRMC shall be under the supervision of the Department of Health.

SEC. 16. *Property of the MHARSRMC.* – The property of the MHARSRMC shall consist of personal, mix and other type of property now owned by it or reserved for or may hereafter be given, donated, acquired, transferred or conveyed to it by the Philippine government, its branches and instrumentalities, or any foreign government, as well as by trust, foundation, corporations or persons, alien or domestic, in order to carry out its purposes and objectives as set forth herein

SEC. 17. *Assistance from Other Government Offices.* – The MHARSRMC may call upon any department, bureau, office, agency or instrumentality of the government, 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 the MHARSRMC in the accomplishment of its objectives and activities.

SEC. 18. *Exemption of Donations from Taxes and Duties.* – Any donation, contribution, bequest and grant which may be made to the MHARSRMC shall be exempt from the donor's tax and the same shall be considered as allowable deduction from the gross income in the computation of the income tax of the donor in accordance with the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended: *Provided*, That such donations shall not be disposed of, transferred or sold.

SEC. 19. *Auditor.* – The Commission on Audit shall appoint a representative who shall be the auditor of the MHARSRMC and such personnel as may be necessary to assist said representative in the performance of his or her duty.

SEC. 20. *Applicability of the Civil Service Law.* – The provisions of the Civil Service Law and its implementing rules and regulations shall apply in the hiring, appointment, promotion, discipline and other terms and conditions of the service of all employees of the MHARSRMC, except as otherwise provided for in this Charter.

SEC. 23. *Salaries, Benefits, and Other Compensation.* – The salaries, benefits and other compensation of the officers and employees of the MHARSRMC shall be in accordance with the existing compensation and position classification system developed by the Governing Commission for GOCCs (GCG), as provided under Republic Act No. 10149: *Provided*, That there shall be no diminution in the salaries and benefits of the employees and officers.

SEC. 24. *Early Retirement and Separation Benefits.* – Officials and employees of the MHARSRMC, who will voluntarily opt for separation or retirement, shall be entitled to the benefits provided under existing laws.

SEC. 25. Non-Registration with the Securities and Exchange Commission (SEC). – The MHARSRMC, as a government-owned and controlled hospital corporation, shall be governed by its Charter and not required to be registered in the SEC as a private corporation.

SEC. 26. Implementing Rules and Regulations (IRR). – Within fifteen (15) days from the completion of membership, the Board of Trustees shall convene to formulate the rules and regulations to formulate the implementation of this Charter, which shall be within six (6) months from the approval of this Act. The IRR shall adopt appropriate provisions of issuances of the GCG and other relevant government agencies on corporate organizational structures as well as corporate governance.

SEC. 27. Suppletory Application of the Corporation Code. – The provisions of the Corporation Code of the Philippines and Republic Act No. 10149 shall have suppletory application in matters not provided for in this Charter.

SEC. 28. Reports. – The MHARSRMC shall, within three (3) months after the end of every fiscal year, submit such periodic or other reports as may be required of it from time to time to the DOH.

SEC. 28. Appropriations. – There is hereby appropriated an amount of Two hundred fifty million pesos (P250,000,000.00) from the National Treasury not otherwise appropriated to implement the provisions of this Charter.

Such sums as may be necessary for its continued operation and maintenance shall be included in the annual General Appropriations Act.

SEC. 29. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,