

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **6047**



Introduced by **REP. DOY C. LEACHON**

EXPLANATORY NOTE

The Philippines is a signatory to a number of United Nations treaties including but not limited to The Universal Declaration of Human Rights (UDHR) and International Covenant on Economic, Social and Cultural Rights (ICESCR) where the right to health is expressly recognized (Article 25 and Article 12, respectively). These provisions are also enshrined in the 1987 Constitution specifically Sec. 15, Article II where it states that, "The State shall protect and promote the right to health of the people and instill health consciousness among them. Further, Sec.11, Article XIII on Social Justice and Human Rights also provides that, "The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children. The State shall endeavor to provide free medical care to paupers."

To achieve this end, the government has had established several state owned hospitals to cater the needs of the community especially for the underprivileged patients. In the status quo, there are approximately 1,800 hospitals in the Philippines, of which 721 (40%) are public hospitals and 70 are DOH hospitals.

Philippine General Hospital (PGH) is one of the tertiary state owned government hospitals in our country. It is considered as the biggest hospital with a 1,500-bed capacity. It is a mixed-use hospital, with 1,000 beds for indigent patients and 500 beds for private patients, and offers some of the lowest rates for patients and is generally known as the hospital for indigent patients. On an average year, about 600,000 patients pass through its hospital's halls, 98% of which are indigents.

It continues to achieve its noble mission of providing health care through the subsidy it receives from the Distribution Acceleration Plan (DAP) funds that the University of the Philippines (UP) system received and the earnings from its pay patient departments, incomes from the laboratory procedures and pharmacy sales and donations from different organizations among others. Nevertheless, such funds are insufficient to finance all its essential services.

In conformity of such policies of the State to provide and ensure basic social service to its people, this bill seeks to fulfill the same by considering Philippine General Hospital or PGH as the national university hospital of the Philippines. Through this measure, enough funding will be received by the hospital. Consequently, it can now finance all its essential services. Health care would be more accessible and affordable to the people especially to the paupers and sickly patients.

In lieu of the foregoing, immediate passage of this bill is earnestly sought.

Approved,

A handwritten signature in black ink, consisting of a stylized 'P' followed by a long, sweeping horizontal line that ends in a small upward hook.

ATTY. PAULINO SALVADOR "DOY" C. LEACHON

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House Bill No. **6047**

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**AN ACT TO STRENGTHEN PHILIPPINE GENERAL HOSPITAL OR PGH BY
DECLARING IT AS THE NATIONAL UNIVERSITY HOSPITAL OF THE
PHILIPPINES, APPROPRIATING FUNDS THEREFOR 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 "**PGH ACT of 2015.**"

Section 2. Declaration of Policy. -- The PGH is hereby declared to be the National University Hospital of the Philippines. The State shall ensure, promote, protect and nurture the fundamental right of the people to health; quality and affordable health care and services.

In pursuit of this end, it is the policy of the State to strengthen the Philippine General Hospital or PGH as the national university hospital.

Section 3. Purpose(s) of the Hospital. -- As the national university hospital, it shall provide an accessible, affordable and quality health care to the poor and underprivileged patients. The PGH shall:

1. Provide the people with an accessible, quality and affordable hospital care and medical services.
2. Serve as the laboratory hospital of health science students enrolled in the University of the Philippines.
3. Serve as research university hospital in the field of medicine and other health care expertise and specialization responsive to the country's health needs and problems.
4. Provide and encourage training of physicians, nurses, medical technologists, health officers, social workers, and other health professionals on the practical and scientific conduct and implementation of health services.

Section 4. Commitment to National Development. -- The national university hospital shall harness the expertise of the members of its community and other individuals to regularly study the state of the nation in relation to its quest for national development in health care identify key concerns, formulate responsive policies regarding these concerns, and give advice and recommendations to Congress and the President of the Philippines.

The Congress of the Republic of the Philippines, the Department of Health and other government agencies and instrumentalities may request the national university hospital to conduct research or provide advice on any matter involving health care and services. The budget for such research or request for advice shall come from the appropriation of these public agencies.

Section 5. Institutional Autonomy as the National University Hospital. -- Taking into account national goals and priorities, it shall exclusively determine its administration and or management of the hospital, research plans, policies, programs and standards, and, on the basis of such determination, the national university hospital shall recommend its annual budget to the President of the Republic of the Philippines and Congress.

Section 6. Board of Regents. – The powers and functions of the hospital shall be exercised by the Board of Regents which shall be composed of six (6) members as follows:

1. Composition:

- a. The Secretary of the Department of Health as Chairperson.
- b. The Regional Director of the Department of Health Center for Health Development.
- c. The Chairperson of the Senate Committee on Health.
- d. The Chairperson of the House Committee on Health.
- e. The President of the University of the Philippines
- f. The Operations Cluster/Undersecretary of Department of Health.

2. **Vacancy** - In case of vacancy in the Board such vacancy shall be made in the same manner as provided for the predecessor, and such appointee shall hold office for the unexpired portion of the term.
3. **Compensation** - Members of the Board shall serve without compensation other than reimbursement for actual and necessary expenses incurred in attendance to meetings of the Board or other official business authorized by the Board.
4. **Meetings; Quorum** - The Board shall convene regularly. The Chairperson of the Board may call a special meeting whenever necessary: *Provided*, That members are notified in writing at least ten (10) working days prior to the

meeting: Provided, further, That the notice shall contain a brief description of the agenda items to be discussed.

A majority of all 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 representatives to act on their behalf: *Provided*, that the *ex-officio members* of the Board coming from Congress may participate and vote through teleconferencing or equivalent, verifiable means of communication.

Section 7: Powers and Duties of the Board of Regents. -- The administration of the national university hospital and the exercise of its corporate powers are vested in the Board of Regents.

The Board shall exercise the following specific powers and duties:

- (a) To define in general terms the thrusts of PGH and adopt broad policy guidelines to ensure their implementation;
- (b) To preserve the integrity of the national university hospital;
- (c) To receive and appropriate all sums as may be provided by law for the support of the national university hospital to the ends specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of PGH;
- (d) To authorize the construction, maintenance or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real and personal properties, including necessary supplies, materials and equipment;
- (e) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to administer and dispose the same when necessary for the benefit of the hospital and subject to the instructions of the donor, if any;
- (f) To borrow money from local or foreign sources as may be necessary for its operations, subject to applicable rules, laws, and regulations.
- (g) Notwithstanding any provision of law to the contrary, to authorize its doctor/s and staff to travel abroad to study, deliver papers, attend conferences and disseminate research *Provided*, That the fellowship, scholarship or grant is authorized by the Board *Provided, finally*, That research and other activities funded by the national university hospital shall likewise undertake research in fields or topics that have national interest applications, and that the doctor/s and staff involved in said research be allowed to participate in its financial or economic benefits;
- (h) To exercise the general powers set out in the Corporation Code;
- (i) To delegate any of its powers to the Chairperson of the hospital or other officials or officers as it may deem necessary;
- (j) To prescribe rules for its own government and the discipline of doctors and other personnel and to enact for the government of the national university such general policies, rules and regulations, not contrary to law, as are consistent with its purposes; and

(k) To exercise such functions and execute such acts as may be proper and necessary to carry out the objectives specified in this Act.

SEC. 8. The Secretary of the Board of Regents. -- There shall be a Secretary of the national university hospital appointed by the Board, who shall also be the Secretary of the Board, and who shall keep such records of the hospital as may be designated by the Board.

SEC. 9. Management of Funds. -- (a) There shall be an independent trust committee to be composed of the Secretary of Department of Health, as Chairperson, one (1) representative each nominated by the Bankers Association of the Philippines (BAP), the Investment Houses Association of the Philippines (IHAP), the Trust Officers Association of the Philippines (TOAP) and the Financial Executive Institute of the Philippines (FINEX). The members shall be entitled to a reasonable per diem as the Board may specify.

(b) The independent trust committee shall recommend to the Board five (5) universal banks selected on a prudent basis which trust departments shall manage the corporate and other funds through trust agreements of the national university hospital on a non directed basis: *Provided* that any such agreement shall be for a period of not more than two (2) years.

(c) The independent trust committee shall provide the Board with direction on appropriate investment objectives and permissible investments with the view to preserving the value of the funds while allowing the national university hospital to earn a reasonable return thereon.

SEC. 10. Tax Exemptions. -- The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the national university hospital used for medical purposes or in support thereof shall be exempt from all taxes and duties;

(b) Gifts and donations of real and personal properties of all kinds shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: *Provided*, that the allowable deductions shall be equivalent to 150 percent of the value of such donation. Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of property in case said property has been used:

(c) Importation of scientific and medical books, supplies, materials and equipments duly certified by the Board, shall be exempt from customs duties;

(d) The hospital shall only pay 0% value-added tax for all transactions subject to this tax; and

SEC. 11. Reportorial Requirements and Auditing of Accounts. -- The national university hospital shall submit an annual report to Congress containing the financial

statements, statement of assets and liabilities, actual projected income. All accounts and disbursements of the national university hospital shall be audited by the Commission on Audit.

SEC. 12. Rules of Construction. -- No statutory or other issuances shall diminish the powers, rights, privileges and benefits accorded to the national university hospital under this Act or enjoyed at present by it under other issuances not otherwise modified or repealed under this Act, unless subsequent legislation expressly provides for their repeal, amendment or modification. Any case of doubt in the interpretation of any of the provisions of this Charter shall be resolved in favor of the fiscal autonomy of the National University Hospital.

SEC. 13. Appropriations. -- The amount needed to carry out the implementation of this Act shall be charged against the lump sum appropriation of the current fiscal year and other internal funds of the national university hospital. Thereafter, such lump sum representing the responsibility of the national government for the continued growth, operation and maintenance of the hospital shall be included in the annual General Appropriations Act (GAA).

The national university hospital may use unexpended balances in any appropriation for purposes that the Board determines.

In addition to the regular appropriations and increases for the hospital under the annual GAA, a centennial fund shall be appropriated in the amount of three (3) billion which shall likewise be included in the annual GAA. Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 14. Separability Clause. -- Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 15. Repealing Clause. -- All laws, acts, executive orders, administrative orders, rules, regulations, inconsistent herewith are hereby repealed, amended or modified accordingly.

SEC. 16. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,