

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5418



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

The Constitution mandates that the State shall adopt an integrated and comprehensive approach to health development which would enable all the citizens to afford basic social services such as health. Even with the passage of the Quality Affordable Medicine Law, however, other costs of commodities continue to increase; thus, limiting people's access to medical care.

Moreover, the devolution of the health services to the local government units via the Local Government Code of 1991 was a welcome development to the LGUs. However, the function of delivering health care services to their people met several setbacks such as financial and budgetary constraints.

This bill, thus, seeks to introduce a cost sharing scheme between LGUs and their residents, and the Department of Health to institutionalize local health delivery system and solve the problem with regard to access to medical services. The bill also seeks to establish a Board of Trustees that shall manage the proposed system. With this proposed measure, it is hoped that no Filipino will then be denied access to quality and affordable health care.

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


GARY C. ALEJANO

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AN ACT
ESTABLISHING A COST SHARING SCHEME TO PROVIDE FOR A HOSPITAL
CARE PROGRAM IN LOCAL GOVERNMENT UNITS AND FOR OTHER PURPOSES

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

SECTION 1. Declaration of Policy. - It is the policy of the State to provide for adequate health services for all its citizens as mandated by the Constitution. As a basic service, this function is now a responsibility of Local Government Units (LGUs). As such, all local government units, as mandated in the Local Government Code of 1991 or Republic Act No. 7160, are required to render health facilities and to provide access to proper medical care possible. Local government units shall utilize the powers and authority given to them to fulfill this mandate including consolidating or coordinating their efforts, services and resources for purposes commonly beneficial among them, and the provision of budgetary allocations for health programs and services.

SEC. 2. Establishment of a Cost Sharing Scheme for Hospital Care Program - Every province or city, in cooperation with the municipalities and barangays, shall establish a Cost Sharing Scheme for a Hospital Care Program. This scheme shall ensure the access of their residents to affordable quality and accessible medical care from health facilities and hospitals. The Hospital Care program will cover all residents of the local government units under their respective jurisdictions.

SEC. 3. The Cost Sharing Scheme. - Every province or city, municipality and barangay shall appropriate funds for the Hospital Care Program, which shall be placed in Trust Fund for this purpose. The contribution of each local government shall be as follows:

City Dwellers (per person)	Municipal Residents
Resident ----- P 30.00	Resident -----P30.00
Barangay ----- P15.00	Barangay -----P15.00
City Government ----- P120.00	Municipal Government -----P70.00
Dept. of Health ----- P75.00	Provincial Government -----P50.00
Total ----- P240.00	Department of Health -----P75.00
	Total----- P240.00

1 The contributions to the Cost Sharing Scheme may be adjusted by the Board of Trustees
2 who will manage the program according to the needs of its beneficiaries and to improve the
3 quality of health care services: *Provided, however,* That any adjustment in the National
4 Government contribution shall be decided by the Department of Health according to the needs of
5 the respective local government units and the availability of funds.

6
7 The trust fund shall be used solely for the purposes of the Hospital Care Program and the
8 improvement of the health facilities. The fund shall be deposited into a bank account and
9 managed by the Board of Trustees: *Provided, however,* That the fund shall not be invested in any
10 financial instrument or undertaking that may jeopardize the feasibility and viability of the
11 Hospital Care Program.

12
13 **SEC. 4. Identification Card System.** - There is hereby established an ID System which
14 shall require the issuance of an identification card to every citizen as proof of their qualification
15 to the program, and which shall contain the following information:

- 16 a) residence address;
17 b) date of birth;
18 c) blood type;
19 d) thumb mark;
20 e) civil status; and
21 f) picture.

22
23 The identification card shall be signed by the barangay treasurer, municipal/ city treasurer
24 and municipal/ city health officer. Every citizen seeking medical attention shall present said ID
25 upon admission to any hospital. Said ID shall be accepted as proof of identity in all government
26 sectors including the COMELEC.

27
28 **SEC. 5. Creation of the Board of Trustees.** - There shall be a Board of Trustees in every
29 province to manage the Hospital Care Program and the Trust Fund.

- 30 a) For provinces, the Board of Trustees shall be composed of the Provincial Governor as
31 Chairman, Provincial Health Officer as President and Chief Executive Officer, and the
32 following as members:

- 33 1. President of the Provincial Mayor's League;
34 2. Chairman of the Provincial Councilor's League;
35 3. Chairman of the Provincial Barangay's League;
36 4. Vice Governor of the Province;
37 5. Chairman of the Provincial Health Board; and
38 6. Four (4) Representatives from four (4) Non-Government Organizations.

b) For Highly Urbanized Cities, the Board of Trustees shall be composed of the City Mayor as Chairman, City Health Officer as President and Chief Executive Officer, and the following as members:

1. President of Mayors' League;
2. Chairman of the Councilors' League;
3. Chairman of the Barangays' League;
4. Vice Mayor of the City;
5. Chairman of the City Health Board; and
6. Four (4) Representatives from four (4) Non-Government Organizations.

The Non-Government Organization representatives shall be selected by the Provincial Governor or City Mayor, as the case may be, from NGOs involved in providing health and social services operating in the province or city. The members of the Board shall have a term of three (3) years and shall receive reasonable allowances as determined by the Board.

SEC. 6. Powers and Functions of the Board of Trustees. - The Board of Trustees shall have the following powers and functions:

- a) To administer the Hospital Care Program and manage the Trust Fund;
- b) To formulate and promulgate policies for the sound administration of the program;
- c) To set standards necessary to ensure the quality of hospital service, the proper utilization of services, viability of the Trust fund and other rules that may be needed for the successful implementation of the Hospital Care Program;
- d) To formulate the rules and guidelines for the proper availment of the services of the Hospital Care Program including limits to the amount of service and medicine that can be availed, amendments to the coverage and other relevant aspects or the program;
- e) To amend the contributions to the cost sharing scheme to make it more responsive to the needs of the Hospital Care Program and other external factors;
- f) To set the guidelines for the accreditation of the health facilities;
- g) To negotiate and enter into contracts with health care institutions, health professionals and their juridical or natural persons regarding the financing, payments, pricing design and administrative systems and procedures necessary for the delivery of the services of the Hospital Care Program;
- h) To collect, deposit, administer and disburse the Trust fund in accordance with the provisions of this Act;
- i) To monitor and inspect the delivery of services to ensure the appropriate delivery of quality hospital service and make certain the satisfaction of the beneficiaries;
- j) To solicit, receive and manage grants, donations and other forms of assistance;

- 1 k) To organize its office, fix the compensation of and appoint personnel as may be deemed
- 2 necessary for the successful implementation of the Hospital Care Program; and
- 3 l) To submit a report on the financial condition and status of operations for the Hospital
- 4 Care Program to the Sangguniang Panlalawigan or Sangguniang Bayan of all
- 5 municipalities. The reports shall likewise be posted in every municipality and made
- 6 available to the beneficiaries.

7

8 **SEC. 7. *The Hospital Care Program.*** - There shall be created a Hospital Care Program

9 in every province or city which shall provide the following services to their residents:

10 a) **In-patient Hospital Care:**

- 11 1. room and board;
- 12 2. services of health care professionals;
- 13 3. diagnostic, laboratory and other medical examinations;
- 14 4. use of surgical or medical equipment and facilities; and
- 15 5. prescription drugs and biologicals, subject to limitations set forth.

16

17 b) **Outpatient Care:**

- 18 1. services of health care professionals;
- 19 2. diagnostic, laboratory, and other medical examination services;
- 20 3. personal preventive services; and
- 21 4. prescription drugs and biologicals, subject to limitations set forth.

22

23 The following treatments shall be excluded from the coverage of the Outpatient Care:

- 24 a) eyeglasses and optometric services;
- 25 b) dental examinations and dentures;
- 26 c) expensive and sophisticated procedures such as CT scans, and the Hospital Care
- 27 Program;
- 28 d) cosmetic procedures and surgery;
- 29 e) non-prescription drug and devices;
- 30 f) drug and alcohol abuse and dependency; and
- 31 g) other ailments as may be declared by the Board of Trustees.

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33 **SEC. 8. *Accreditation of Health Facilities.*** -The Board of Trustees shall ensure that

34 health facilities shall be available for the Hospital Care Program. All government health facilities

35 shall participate in the program and in addition, private health facilities shall be accredited to

36 provide services for the program.

1 **SEC. 9. *Enrolment Beneficiaries.*** - Every barangay shall enroll their residents in the
2 Hospital Care Program. The barangay captain shall certify that the person to be enrolled is a
3 resident of the barangay based on official records such as the municipal civil registry,
4 community tax certificates and others. The municipal local treasurers in coordination with the
5 barangay treasurers shall collect the contributions of the residents and remit them to the
6 provincial or city treasurer.

7
8 **SEC. 10. *The Department of Health.*** - The DOH shall maintain its subsidy for indigent
9 patients who are for confinement in specialty hospitals as well as the other hospitals under its
10 jurisdiction. Said hospitals shall be covered by the cost-sharing scheme.

11
12 **SEC. 11. *Separability Cause.*** - If any section or provision of this Act is declared
13 unconstitutional, the rest of the provisions not affected thereby shall continue to be valid.

14
15 **SEC. 12. *Repealing Clause.*** - All laws, as well as pertinent rules and regulations thereof,
16 which are inconsistent with the provisions of this Code, are hereby repealed or amended
17 accordingly.

18
19 **SEC. 13. *Effectivity.*** - This Act shall take effect fifteen (15) days after its complete
20 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,