



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7326**

Introduced by
REPRESENTATIVE JOEL MAYO Z. ALMARIO

AN ACT
REVERTING TO THE NATIONAL GOVERNMENT THE
DISCHARGE OF BASIC HEALTH SERVICES DEVOLVED TO
MUNICIPAL AND PROVINCIAL LEVELS AND AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN
AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

As it is part of the mandate of the Constitution that the State shall protect and promote the right to health of the people, the Local Government Code of 1991 provides for the devolution of the support and supervision of local public hospitals and health centers from the Department of Health (DOH) to the local government units (LGUs). To provide more elbow room for local government units to manage their own areas, they were granted wider autonomy in supervising medical facilities and providing health services to their people, based on the premise that LGU executives have better knowledge of what their citizens need and would know how to provide the required health services firsthand.

Unfortunately, due to failure to effectively decentralize and devolve powers to the LGUs that would allow them to raise sufficient

revenue for the construction, operation, maintenance, and repairs of the hospitals, the quality of health care deteriorated.

Given these conditions, and pending the shift to a federal form of government, this measure seeks to amend certain sections of the Local Government Code of 1991 and revert to the national government the control and supervision of the health system for municipal and provincial hospitals to ensure that the public will receive the kind of health services they deserve. The powers devolved to chartered cities in operating and managing hospitals will still be retained given that they are more fiscally capable to manage the construction, operation, maintenance, and repairs of hospitals.

In view of the foregoing, approval of this measure is earnestly sought.



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

SECTION 1. Title. – This Act shall be known as the “Re-nationalization of Devolved Health Services and Facilities Act.”

SECTION 2. Declaration of Policy. – It is the declared policy of the State that it shall protect and promote the right of health of the people and instill health consciousness among them. Further, the State shall endeavor to make essential goods, health and other services available at affordable cost.

SECTION 3. Objectives. – The Objectives of this Act are:

- (a) To prevent the further deterioration of government health services and facilities brought about by devolution;
- (b) To provide essential health services to the people especially the sick, the poor and marginalized sector of the society;

- (c) To improve and uplift the morale, social and economic well-being of devolved health workers; and
- (d) To develop a professional health manpower that is responsive to the people's health needs and problems.

SECTION 4. *Re-nationalization.* - All health services and facilities devolved to the municipal and provincial levels are hereby re-nationalized or returned to the national government. For this purpose, the following provision of the Local Government Code or RA 7160 are hereby deleted and declared no longer enforceable and effective:

- (a) Section 17 (b) paragraph (1) (ii), paragraphs (2) (iii) and (3) (iv);
- (b) Section 102 (a) (1) and (3); and
- (c) Other related provisions of the Local Government Code that pertain to devolved health services and facilities to municipalities and provinces.

SECTION 5. *Authority to Use Income.* - Re-nationalized hospitals and Rural Health Units/Centers are hereby authorized to use their income derived from their operations to improve and upgrade their services: Provided, that the supporting financial and work plans are first approved by the Secretary of Health.

SECTION 6. *Appropriations.* - In the year following the enactment of this Act into law, the cost of the devolved health services and facilities shall be deducted by the Department of Budget and Management from the Internal Revenue Allotment of the Local Government Units and shall be used as funding source to implement the provision of this Act. Any deficiency shall be charged against the Organizational Adjustment fund and appropriations saving/reserves. Thereafter, such sums as may be needed for its continued implementation shall be included in the Annual General Appropriations Act.

The Internal Revenue Allotment of Local Government Units in the succeeding years shall be the net of the cost of devolved health services and facilities.

SECTION 7. *Implementing Rules and Regulations.* - The Department of Health, in consultation with the Department of Interior and Local

Government, shall formulate the Implementing Rules and Regulations within three (3) months after the enactment of this law.

SECTION 8. *Repealing Clause.* All laws, presidential decrees, executive orders, and rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 9. *Separability Clause.* – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions thereof shall not be affected thereby.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in any two (2) newspapers of national circulation.

Approved,