

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

H.B. No. 8688



Introduced by: HON. LORD ALLAN JAY Q. VELASCO

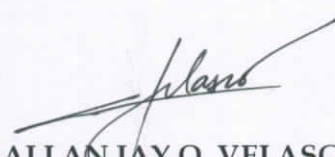
EXPLANATORY NOTE

Article II, Section 15 of the 1987 Philippine Constitution lays down the important policy that "[t]he State shall protect and promote the right to health of the people and instill health consciousness among them." In its social justice provisions, the Constitution also instructs the State to "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."¹

These provisions mandate that every Filipino has the basic right to health products and services and the right to receive them at affordable costs. But in this country where the minimal fluctuation of oil prices in the global market can result in the surge of inflation rate, it behooves the government to intervene from time-to-time and ensure that the price of health services remain affordable and convenient for Filipinos, especially the poor.

Hence, this measure has been filed to ascertain that, whenever it becomes necessary, the price of medical services in health facilities and other related facilities will remain stable and affordable. Not only will it help mitigate the effects of inflation, but it will also supplement the goal of the country towards economic development. National progress and development, after all, can only be achieved through a healthy and able-bodied citizenry and workforce. With this bill, a price freeze on medical services can be ordered by the President, through the appropriate recommendation of the Secretary of the Department of Health, should the need arise. As a pro-poor measure, its purpose is to help uplift the lives of the thousands and millions of Filipinos who can barely afford the basic services, such as blood testing, provided by health practitioners in private hospitals across the country.

In view thereof, the approval of this bill is earnestly sought.


LORD ALLAN JAY Q. VELASCO

¹ 1987 Philippine Constitution, Article XIII, Section 11.

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11
12 "AN ACT STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND
13 SERVICES IN THE PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC
14 ACT NO. 4226, OTHERWISE KNOWN AS THE HOSPITAL LICENSURE ACT, AND
15 FOR OTHER PURPOSES"

16
17 *Be it enacted by the Senate and the House of Representatives of the Philippines in Congress*
18 *assembled:*

19
20 SECTION 1. *Short Title.* - This Act shall be known as the "Health Facilities
21 Regulation Act."

22
23 SECTION 2. *Definitions.* - As used in this Act:

- 24
25 (a) *Bureau* shall refer to the Bureau of Health Facilities and Services (BHFS) under
26 the Department of Health (DOH);
27
28 (b) *Health Facilities* shall refer to institutions and other health-related
29 establishments which provide diagnostic, therapeutic, rehabilitative, and/or
30 other health care services except medical radiation facilities and hospital
31 pharmacies;
32
33 (c) *License* shall refer to a formal authorization issued by the DOH to an individual,
34 partnership, corporation or association to operate a hospital and other health
35 facilities. It is a prerequisite for accreditation of a hospital and other health
36 facilities by any accrediting body that is recognized by the DOH; and
37
38 (d) *Licensee* shall refer to the person, partnership, corporation or association
39 granted a license to operate and maintain a health facility according to an
40 approved standard set by the Bureau.

41
42 SECTION 3. *Regulating Agency.* - The Bureau shall act as the regulatory agency
43 pertaining to the licensing and operation of health facilities and services in the country.
44

1 **SECTION 4. Powers and Functions.** – The Bureau shall have the following powers
2 and functions:

- 3
- 4 (a) To establish and prescribe rules, regulations, standards and specifications in all
5 cases related to the issued certificate of license of health facilities and other
6 related facilities and administer and enforce the same;
- 7
- 8 (b) To regularly inspect and monitor all health facilities and other related facilities
9 to ensure their continued compliance with the rules and regulations in
10 accordance with this Act and to make recommendations to directors or
11 administrators of health facilities for the correction of deficiencies found
12 during the inspections;
- 13
- 14 (c) To study and adopt a system of classifying health facilities and other related
15 facilities in the Philippines;
- 16
- 17 (d) To periodically study and oversee the average costs of medical services
18 provided by health facilities and other related establishments throughout the
19 country and to make the proper recommendation to the Secretary of DOH,
20 whenever, in the interest of the public, the average costs of medical services in
21 the country or in a particular region requires regulation or readjustment.
- 22
- 23 (e) To determine, levy, assess and collect the appropriate permit fee, registration
24 fee, license fee and surcharges pertinent to the operation of facilities and
25 services except in cases where charges or rates are established by international
26 bodies or associations of which the Philippines is a participating member or by
27 bodies recognized by the Philippine government as the proper arbiter of such
28 charges or rates;
- 29
- 30 (f) To coordinate and call the assistance of any department, office, agency or
31 instrumentality of the national or local government and other entities
32 concerned with any aspect involving health facilities for the effective
33 implementation of this Act;
- 34
- 35 (g) To maintain a register of health facilities and other related facilities with
36 licenses indicating the name of the facility, address or location, classification,
37 name of the director or administrator, ownership, number of authorized beds
38 and such other pertinent data as may be necessary;
- 39
- 40 (h) To promulgate and implement the rules and regulations governing the
41 registration, licensure and operations of health facilities and other related
42 facilities and to periodically review and amend the same, subject to the
43 approval of the Secretary and in consultation with the sectors concerned;

1 *Provided*, That such rules and regulations shall be in accordance with the
2 provisions of this Act;

- 3
- 4 (i) To grant a certificate of license for the operation and maintenance of health
5 facilities and services, and to suspend or revoke the same in accordance with
6 the provisions of this Act;
- 7
- 8 (j) To grant a certificate of license for the operation and maintenance of health
9 facilities and services, and to suspend or revoke the same in accordance with
10 the provisions of this Act;
- 11
- 12 (k) To submit yearly reports to the Secretary of Health, and the Chairpersons of
13 the Committees on Health of both Houses of Congress; and
- 14
- 15 (l) Perform such other functions as may be prescribed by law.
- 16

17 **SECTION 5. Quasi-Judicial Powers.** – To carry out its tasks more effectively, the
18 Bureau shall be vested with the following quasi-judicial powers:

19

- 20 (a) To investigate, hear and decide administrative cases initiated by the Bureau
21 *motu proprio* or filed by any person against a hospital or health service
22 establishment violating any provision of this Act and its implementing rules
23 and regulations and to impose appropriate administrative sanctions or
24 penalties provided in this Act;
- 25
- 26 (b) To promulgate rules governing the conduct of administrative hearings;
27 *Provided*, that in such proceedings, the Bureau shall not be bound by the
28 technical rules of evidence of the Rules of Court; *Provided, further*, that the latter
29 may be applied in a suppletory manner;
- 30
- 31 (c) To administer oaths and affirmations, and to issue subpoena *duces tecum* and
32 *ad testificandum*, requiring the production of such books, contracts,
33 correspondence, records, statement of accounts and other documents and the
34 attendance and testimonies of parties and witnesses, as may be material to the
35 investigation being conducted by the Bureau;
- 36
- 37 (d) To exercise contempt powers and impose appropriate penalties;
- 38
- 39 (e) To cause the prosecution of all cases involving violations of this Act and its
40 implementing rules and regulations; and
- 41
- 42 (f) To summarily order the closure of health facilities and other related facilities
43 operating without a license.
- 44

1 **SECTION 6. *Registration and License.*** – All health facilities and other related
2 facilities, government or private, shall be registered and duly licensed by the Bureau
3 before such facilities are allowed to operate or be opened to the public.
4

5 **SECTION 7. *Application for Registration and Issuance of License.*** – An
6 application for registration of a health facility or other related facility and for the issuance
7 of a license for its operation and maintenance, including that of a facility performing
8 medical ancillary services, shall be filed with the Bureau or its deputized office using the
9 form prescribed by it; *Provided*, That an applicant for a license to operate and maintain a
10 hospital pharmacy or a medical radiation facility shall seek the approval of the Food and
11 Drug Administration (FDA) and the Philippine Nuclear Research Institute (PNRI),
12 respectively. The application for registration shall be filed and a license shall be issued
13 upon due compliance of the applicant with the rules and regulations prescribed by the
14 Bureau pursuant to the provisions of this Act.
15

16 **SECTION 8. *Inspection.*** – The license to operate and maintain a health facility or
17 other related facility shall be issued by the Bureau only after it has conducted a
18 comprehensive on-site inspection and has certified that the applicant has satisfactorily
19 complied with the requisites prescribed in this Act and its implementing rules and
20 regulations (IRR).
21

22 **SECTION 9. *Suspension and Revocation of License.*** – The Bureau, after
23 conducting an administrative hearing, with due notice to the licensee, may suspend or
24 revoke the license to operate and maintain a health facility or other related facility of any
25 person, partnership, corporation or association for any of the following grounds:
26

- 27 (a) Violation by the licensee of any provision of this Act or any other existing law;
- 28
- 29 (b) Violation of the rules and regulations prescribed in the implementation of this
30 Act; and
- 31
- 32 (c) Violation of the President's order, issuance or directive that imposes a
33 maximum price over diagnostic, therapeutic, rehabilitative and other health
34 care services rendered in health facilities and other related facilities; and
- 35
- 36 (d) Failure to make necessary corrections or adjustment required by the Bureau in
37 the improvement or maintenance of facilities and services.
38

39 **SECTION 10. *Appeal.*** – The orders, rulings or decisions of the Bureau shall be
40 appealable to the Secretary of DOH.
41

42 **SECTION 11. *Nontransferability of License.*** – A license for the operation of a
43 health facility or other related facility shall not be transferable. The Bureau shall be

1 notified of any change in ownership, change of name of the health facility or other related
2 facility. Transfer of location of the facility shall require an application for a new license.
3

4 **SECTION 12. *Regulation of the Price of Health Care Services.*** – The President of
5 the Philippines, upon recommendation of the Secretary of DOH, shall have the power to
6 impose the maximum price over diagnostic, therapeutic, rehabilitative and other health
7 care services rendered in the facilities. Such price regulation shall be reviewed within
8 ninety (90) days from its imposition, in order to determine whether it shall be lifted or
9 extended as may be warranted.
10

11 **SECTION 13. *Penalties.*** – Any person, partnership, association or corporation
12 who establishes, operates, conducts, manages or maintains a health facility or other
13 related facility within the meaning of this Act without first obtaining a license, or violates
14 any provision of this Act or its IRR shall be liable to a fine of not less than Fifty thousand
15 pesos (P50,000.00) but not to exceed One hundred thousand pesos (P100,000.00) for the
16 first offense, not less than One hundred thousand pesos (P100,000.00) but not to exceed
17 Five hundred thousand pesos (P500,000.00) for the second offense, and not less than Five
18 hundred thousand pesos (P500,000.00) but not to exceed One million pesos
19 (P1,000,000.00) for the third and subsequent offenses. Each day that the health facility or
20 other related facility operates after the first violation shall be considered a subsequent
21 offense.
22

23 In addition to the penalties specified in the preceding paragraph, the Bureau may
24 summarily order the closure of any health facility or other related facility found operating
25 without a license.
26

27 **SECTION 14. *Implementing Rules and Regulations.*** – The Secretary of DOH,
28 upon the recommendation of the Bureau, shall issue the necessary rules and regulations
29 for its effective implementation within sixty (60) days upon the effectivity of this Act.
30

31 **SECTION 15. *Separability Clause.*** – If any part or provision of this Act shall be
32 held unconstitutional or invalid, other provisions hereof which are not affected shall
33 continue to be in full force and effect.
34

35 **SECTION 16. *Repealing Clause.*** – Republic Act No. 4226, otherwise known as the
36 Hospital Licensure Act, is hereby repealed. Presidential decrees, executive orders, rules
37 and regulations and other issuances or parts thereof which are inconsistent with the
38 provisions of this Act are hereby repealed, amended or modified accordingly.
39

40 **SECTION 17. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
41 publication in the Official Gazette or in any newspaper of general circulation.
42

43 *Approved.*