

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7113



INTRODUCED BY
REP. ALFRED VARGAS

AN ACT
PROHIBITING FURTHER PRIVATIZATION AND CORPORATIZATION OF
PUBLIC HOSPITALS, PUBLIC HEALTH FACILITIES, AND PUBLIC
HEALTH SERVICES, AND PROVIDING PENALTIES
FOR VIOLATIONS THEREOF

EXPLANATORY NOTE

Filipinos still struggle in accessing health services in the country. The World Health Organization has characterized the health care system of the Philippines as "fragmented"¹. Inequality, inefficiency, and ineffectivity is seen in the performance of the health services which affects the poor significantly.

Private health facilities are only afforded by the minority of the Filipinos, and aside from being expensive, private facilities tend to have better quality of care as compared to public facilities.

On the other hand, public facilities require more attention and improvement due to the lack of medical staff, resources, and facilities. To compensate for inequality, it is only fair to maintain public health facilities, and improve it further.

For some Filipinos, it would require at least three (3) months' worth of salary just to be able to pay for one hospitalization, and in some cases do not even get the opportunity to see a doctor due to hospital congestion. Moreover, in far flung areas of the country, it would take kilometers just to be able to reach the nearest health care facility.

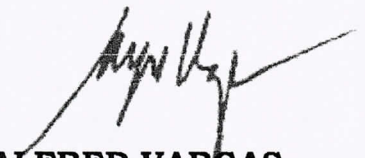
¹ Dayrit, Manuel M. 2018. The Philippines Health System Review. Health Systems in Transition Vol. 8 No. 2 2018. World Health Organization.

This situation is further aggravated when hospitals refuse to treat a patient due to their inability to pay, subject patients to unreasonable "user fees", or ask patients and their families for collateral "pawnshop style" payments.

When public hospitals are privatized, the orientation of providing health care changes from public service and human right to income and profit. It is vital to make public healthcare more accessible and available to everyone.

This bill seeks to prohibit the further privatization and corporatization of public health hospitals, public health facilities, and public health services, and upholds the health and well-being of the people as a human right.

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



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

SECTION 1. Short Title. – This Act shall be known as the “Anti-Privatization of Public Hospitals, Health Facilities, and Health Services Act”.

SECTION 2. Declaration of Policy. – It is the policy of the State to ensure the protection and promotion of the right to health of the people and to instill health consciousness among them. Further, the State shall endeavor to make essential goods, health, and other services available to all people at affordable cost.

SECTION 3. Definition of Terms. – As used in this Act:

- (a) *Indigent/ Service / Poor patients* refer to those who have no source of income, or whose family income are below the mandated minimum daily wage and/or below the minimum monthly cost of living as set by appropriate government agencies;
- (b) *Privatization* refers to the process in which nongovernment actors become increasingly involved in the financing and the provision of health care services which include: outright sale; public-private partnership; corporatization; contracting out of equipment; joint

venture; franchising; management control and corporatization; leasing; and user charges;

- (c) *Public hospitals* refer to all Department of Health (DOH)- retained and national hospitals, provincial and regional hospitals under the local government, including specialty hospitals with separate legislative charters like the Philippine Heart Center, the National Kidney and Transplant Institute, the Lung Center of the Philippines and the Philippine Children's Medical Center;
- (d) *Public health facilities* refer to health centers; lying-in clinics, and barangay health stations under the national or local government; and
- (e) *Public health services* refer to all diagnostic, laboratory, medical, surgical, and health-related services provided by public hospitals and public health facilities to indigent, service or poor patients.

SECTION 4. *Prohibition of Privatization of Public Hospitals, Public Health Facilities, and Public Health Services.* – No public hospital, public health facility, and public health services shall be privatized. Likewise, under no circumstance shall the Secretary of Health or any person, whether natural or juridical, initiate, cause, and approve the privatization of any public hospital, public health facility or public health services.

This prohibition against privatization shall cover specialty hospitals which separate legislative charters like the Philippine Heart Center, the National Kidney and Transplant Institute, the Lung Center of the Philippines and the Philippine Children's Medical Center.

SECTION 5. *Bed Allotment of Indigent/ Service/ Poor Patients in Public Hospitals.* – At least ninety percent (90%) of the total bed capacity of all public hospitals shall be allotted for indigent/service/ poor patients, pursuant to Republic Act No. 1939, otherwise known as “*An Act Prescribing the Appropriate Share of the National, Provincial City and Municipal Governments in the Financial Contributions for the Operation and Maintenance of Free Beds in Government Hospitals and/or the Establishment of Additional Wards or Hospitals in the Philippines.*”

SECTION 6. *Liability and Accountability.* – Any person whether natural or juridical who initiates, causes, and approves the privatization of any public hospital, public health facility or public health services shall be considered in violation of this Act.

SECTION 7. Penalties. – Any person who violates any provision of this Act shall be penalized accordingly:

- (a) First offense- A fine of not less than One hundred Thousand Pesos (Php 100,000.00) but not more than Two hundred thousand pesos (Php 200,000.00) and suspension of one (1) to two (2) years from public office;
- (b) Second Offense- A fine of not less than Two hundred thousand Pesos (Php200,00.00) but not more than Five hundred thousand Pesos (Php 500,000.00) and temporary disqualification form holding any public office for not less than three (3) years but not more than six (6) years; and
- (c) Third Offense- A fine of not less than Five Hundred thousand Pesos (Php 500,000.00) but not more than Eight hundred thousand Pesos (Php 800,000.00) and removal from public office and perpetual disqualification from holding any public office and perpetual disqualification from holding any public position or office;

SECTION 8. Implementing Rules and Regulations. – The Secretary of the Department of Health shall promulgate the rules and regulations necessary to implement the provisions of this Act within ninety (90) days from its effectivity.

SECTION 9. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 10. Repealing Clause. – All laws, orders, decrees, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation

Approved,