

EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

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HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 7800

Introduced by **REPRESENTATIVES VIRGILIO S. LACSON, ENRICO A. PINEDA, AND
MICHAEL L. ROMERO**

EXPLANATORY NOTE

It is the policy of the State to protect and promote the right to health of the people and instill health consciousness among them;¹ but, the Covid-19 pandemic posed unprecedented challenges to the capacity of healthcare systems all over the world, including the Philippines which has recorded a total of 63,066 active cases and 5,284 reported deaths as of 26 September 2020.²

While private sector funding eclipses government health expenditure,³ even the private health sector buckled under the enormous weight of Covid-19 cases, with five private hospitals declaring that they exceeded full capacity to care for new cases and that admitting more patients will “seriously impact [the] ability to deliver critical level of care and attention”.⁴ Though, the total health expenditure of the Philippines has consistently increased since 2005,⁵ the pandemic exposed that the country’s public healthcare system’s vulnerability and still suffers from shortages and inadequacies.

The World Health Organization (WHO) recommendation is 1 hospital bed for every 500 people, there is no region in the country that has reached this recommended ratio.⁶ Here, the Department of Health (DOH) set a modest target of 1 hospital bed for every 800 people, which has only been reached by the National Capital Region (NCR).⁷ The Philippines currently has 88,394 hospital beds out of the total target of 131,235, or a shortage of 42,856 hospital beds in the country.⁸

The UP COVID-19 Pandemic Response Team observed that the country has only 3.7 doctors for every 10,000 persons, far below the WHO’s prescribed ratio of 10 doctors per 10,000 persons. Further, there is an extreme gap in accessibility across regions, with NCR meeting the prescribed ratio,

¹ Section 15, Article II of the 1987 Constitution.

² Department of Health Covid-19 Bulletin #196

³ The Philippines Health System Review. World Health Organization 2018.

⁴ Yamsuan, C. and Yee, J. (25 March 2020). “5 Metro Manila hospitals reach full capacity for COVID-19 cases.” *Inquirer.net*. <<https://newsinfo.inquirer.net/1247913/5-metro-hospitals-reach-full-capacity-for-covid-19-cases>>

⁵ The Philippines Health System Review, *supra*.

⁶ (10 January 2019). “Pasyentiis: What Ails the Philippine Health Care Sytem?” citing DOH PHL Health Facility Development Plan, 2017-2022. *GMA News Affairs*. <<https://www.gmanetwork.com/news/specials/content/41/pasyentiis-what-ails-the-philippine-health-care-system/>>

⁷ *Supra*.

⁸ *Supra*.

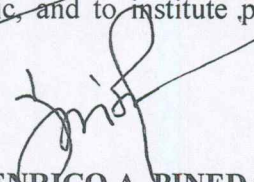
while the Bangsamoro Autonomous Region has only 0.8 doctor per 10,000 people.⁹ The Covid-19 pandemic underscores the need to infuse adequate funds to public health infrastructure. However, considering that the government debt has stacked up to Php8.6 Trillion in April alone¹⁰ to support a comprehensive recovery from the plunge of the national and global economy, it is imperative to look into alternative sources of funding for public health;

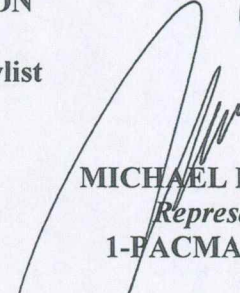
Public-private partnerships (PPPs) can help relieve the massive fiscal burden of improving infrastructure,¹¹ while some PPPs are even able to raise revenue for the government. Balanced and well-structured PPPs will enable the government to work on its infrastructure agenda, preserve the already strained budget for other spending priorities, and benefit from knowledge and technology transfer.¹² It may be worth looking into the Malampaya project as a model PPP and one of the most successful in the country's history.¹³ The Malampaya has generated over \$11 Billion in revenues for the government. Its scale of remittance has ranged from \$800 Million to \$1.1 Billion annually,¹⁴ which revenue may be tapped to augment the needs of the public health care sector, through an amendment of Presidential Decree 910.

In 2013, the Supreme Court in the case of *Belgica v Executive Secretary* held unconstitutional the phrases: (1) "and for such other purposes as may be hereafter directed by the President" as contained in Section 8 of P.D. No. 910; and (2) "to finance the priority infrastructure development projects" as contained in Section 12 of P.D. No. 1869, as amended. Thus, without an amendment to P.D. No. 910, the Malampaya Fund may only be used to finance further energy development programs of the Government

Verily, it will serve the national interest if a portion of the government revenue derived from such projects is redirected to public health infrastructure to ensure the efficiency, capacity, and accessibility of adequate healthcare during the Covid-19 pandemic, and to institute preparedness measures for future health emergencies.


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⁹ (22 April 2020). "Not Enough Beds, Healthcare Workers to Address COVID-19 Cases in Case of Surge – UP Research." *One News*. <<https://www.onenews.ph/not-enough-beds-healthcare-workers-to-address-covid-19-cases-in-case-of-surge-up-research>>

¹⁰ De Vera, B. (2 June 2020). "COVID-19 financing pushes PH loans to new high of P8.6T". *Inquirer.net*. <<https://business.inquirer.net/298956/covid-19-financing-pushes-ph-loans-to-new-high-of-p8-6t>>

¹¹ Ignacio, M and Buensuceso, R. (2 June 2020). "Commentary: PPPs key to infrastructure building amid pandemic." *Philstar Global*. <philstar.com/business/2020/06/02/2018215/commentary-ppps-key-infrastructure-building-amid-pandemic>

¹² *Supra*.

¹³ Arceo-Dumlao, T. (17 September 2018). "Malampaya puts stamp on PH." *Inquirer.net*. <<https://business.inquirer.net/257373/malampaya-puts-stamp-ph>>

¹⁴ Velasco, M. (7 July 2019). "Gov't share from Malampaya to reach \$11 B." *Manila Bulletin*. <<https://business.mb.com.ph/2019/07/07/govt-share-from-malampaya-to-reach-11-b/>>

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HOUSE BILL NO. 7800

Introduced by **REPRESENTATIVES VIRGILIO S. LACSON, ENRICO A. PINEDA, AND
MICHAEL L. ROMERO**

**AN ACT AMENDING PRESIDENTIAL DECREE NO. 910 TO ALLOW CONGRESS TO
APPROPRIATE A PORTION OF THE MALAMPAYA FUNDS AND SIMILAR OTHER
PROJECTS TO IMPROVE THE STATE OF THE PUBLIC HEALTH CARE BY
ALLOWING ITS APPROPRIATION FOR PUBLIC HEALTH INFRASTRUCTURE**

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

SECTION 1. Title. – This Act shall be known as the Public Health Infrastructure Act.

SECTION 2. It is the policy of the State to promote the health and welfare of its citizens by providing more funds into the development of more public health infrastructure, wherever these may be sourced.

SECTION 3. Section 8 of Presidential Decree No. 910 is hereby amended to read as follows:

“SECTION 8. Appropriations. — The sum of Five Million Pesos out of any available funds from the National Treasury is hereby appropriated and authorized to be released for the organization of the Board and its initial operations. Henceforth, funds sufficient to fully carry out the functions and objectives of the Board shall be appropriated every fiscal year in the General Appropriations Act.

All fees, revenues and receipts of the Board from any and all sources including receipts from service contracts and agreements such as application and processing fees, signature bonus, discovery bonus, production bonus; all money collected from concessionaires, representing unspent work obligations, fines and penalties under the Petroleum Act of 1949; as well as the government share representing royalties, rentals, production share on service contracts and similar payments on the exploration, development and exploitation of energy resources, shall form part of a Special Fund to be used to finance energy resource development and exploitation programs and projects **AS WELL AS, TO FINANCE PUBLIC HEALTH INFRASTRUCTURE PROJECTS**, of the government, **AS MAY BE APPROPRIATED BY CONGRESS.**”

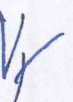
SECTION 4. Separability Clause. – If, for any reason, any part or provision of this Act is declared invalid, such declaration shall not affect other provisions of this Act.

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SECTION 5. Repealing Clause. – Any law, presidential decree or issuance, executive order, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 6. Effectivity. – This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a single name.