

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10660



Introduced by Rep. Precious Hipolito-Castelo

EXPLANATORY NOTE

Medicines and drugs can cure, stop or prevent diseases. Because of their uses, medicines and drugs are considered to be one of the primary needs of every Filipino even before the outbreak of the COVID-19 virus. No wonder that there is increase in production of prescription and over-the-counter medicines and drugs because of the high demand of the populace for it.

The continuous need for drugs and medicines are truly overwhelming. That being said, consumers' access to effective and affordable medicines should be a priority because it is imperative for public health, social equity and economic development.

It is the declared policy of the State to protect public health and, when the public interest or extraordinary circumstances so require, it shall adopt measures to ensure access to best quality medicines and drugs at affordable costs.

This proposed measure seeks to establish the Drug Price Regulatory Board that will monitor and regulate the prices of drugs and medicines in the Philippine industry throughout the time and not just during the existence of a pandemic.

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


PRECIOUS HIPOLITO-CASTELO

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AN ACT
ESTABLISHING THE DRUG PRICE REGULATORY BOARD TO
MONITOR AND REGULATE THE PRICES OF DRUGS AND MEDICINES
IN THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT
NO. 9502, OTHERWISE KNOWN AS THE “UNIVERSALLY
ACCESSIBLE CHEAPER AND QUALITY MEDICINES ACT OF 2008”
AND FOR OTHER PURPOSES

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

SECTION 1. Chapter 3 of Republic Act No. 9502 will now be titled, “DRUGS AND MEDICINES PRICE REGULATORY BOARD”.

SECTION 2. Sections 17 to 22 of Republic Act No. 9502 will be amended to read as follows:

“SECTION 17. Creation and Composition of the Drug Prices Regulation Board.

(a) It is hereby created the Drug Prices Regulation Board, which shall be an agency attached with the Department of Health (DOH) and Department of Trade and Industry (DTI), consisting of seven (7) members as follows:

- (1) Secretary of Health or his duly designated representative as chairperson;
- (2) Secretary of Trade and Industry or his duly authorized representative as vice chairperson;

- (3) Director of Food and Drugs Administration or his duly authorized representative as member;
- (4) Chairman of Philippine Health Insurance Corporation as member;
- (5) One (1) economist from the academe as member;
- (6) Two (2) representatives from the consumers' sector as members.

(b) The members of the Board representing the academe and the consumers' sector shall be appointed by the President of the Philippines and shall serve for a term of two (2) years, provided that, representatives from the consumers' sector shall not be eligible for reappointment for another term.

SECTION 18. Powers of the Board. – The Board shall have the following powers:

(a) Power to Determine the Maximum Retail Price of Drugs or Medicines Subject to Price Regulation. –

(1) Upon application or *motu proprio* when the public interest so requires, the Board shall have the power to monitor and regulate the retail prices of drugs and medicines listed under Section 19 hereof, including their dosage form and packing. They should be readily available to the market at affordable retail price from their respective manufacturers, importers, traders, distributors, wholesalers or retailers and after a proper determination as the Board may deem fit, fix from time to time, by publishing the maximum retail price at which shall be the governing prices for sale;

(2) No retailer shall sell drugs and medicines at a retail price exceeding the maximum retail price fixed by the Board: Provided that, until the maximum retail prices of drugs and medicines subject to price regulation is fixed by the Board, the retail price thereof shall be the price which prevailed immediately before the effectivity of this Act. No manufacturer, importer, trader, distributor, wholesaler or retailer of such drug or medicine shall sell the same at retail price exceeding the price prevailing immediately before the effectivity of this Act.

For purposes hereof, drugs and medicines shall include but not limited to single- and multi-ingredient medicines included in the Philippine National Drug Formulary (PNDF) Essential Drug List and sold under their generic and brand names.

(b) Power to Include Other Drugs or Medicines in the List Subject to Price Regulation. – Upon application or *moto proprio* when the public interest so requires and after proper determination, the Board may order the inclusion of drugs and medicines to the list subject to price regulation under Section 19 hereof.

(c) Power to Implement Cost-Containment and Other Measures. –

1. The Board shall have the power to determine the fair price of drugs or medicines for purposes of public health insurance and government procurement; and
2. The Board shall have the power to implement any other measures that the government may avail of to effectively reduce the cost of drugs or medicines that shall include, but not limited to, competitive bidding, price-volume negotiations, and other appropriate mechanisms that influence supply, demand, and expenditures on drugs and medicines.

d. Power to Impose Administrative Fines and Penalties. – After due notice and hearing, the Board shall have the power to suspend or revoke the license to operate (LTO) , professional or business license, as the case may be, of any person, manufacturer, importer, trader, distributor, wholesaler, retailer, or any other entity, and impose administrative fines in such amount as it may deem reasonable, which shall in no case be less than Fifty Thousand Pesos (Php50,000.00) nor more than Five Million Pesos (Php5,000,000.00) for violations of the maximum retail price fixed pursuant to this section.”

SECTION 3. Sections 19 to 22 will be deleted and Section 23 thereof will become Section 19 and the corresponding numbering for the subsequent sections adjusted accordingly.

SECTION 4. Sections 26 will be amended to read as follows:

“SECTION 22. Display of Price Fixed by the Board for Drugs or Medicines Subject to Price Regulation. – (a) Within a reasonable period as may be determined by the Board, and provided that it conforms to existing drug product labeling requirements, every manufacturer, importer, distributor, wholesaler, trader, or retailer of a drug and medicine intended for sale shall display the retail price which shall not exceed the maximum retail price fixed by the Board. The maximum retail price shall be printed on the label of the immediate container of the drug and medicine and the minimum pack thereof offered for retail sale with the words “RETAIL PRICE NOT TO EXCEED” preceding it, and “UNDER DRUG PRICE REGULATION” on a red strip provided that in case of a container consisting of smaller saleable packs, the retailer price of such smaller pack shall also be displayed on the label of each smaller pack and such price shall not be more than the pro-rata retail price of the main pack rounded off to the nearest centavo.

(b) Within a period as may be determined by the Board from time to time, every manufacturer, importer, or trader shall issue a price list to wholesalers, distributors, retailers and to the Board, indicating the retail price, the maximum retail price, and such other information as may be required by the Board.

SECTION 23. *Display of Price and Price List of Drugs or Medicines Excluded from the List Subject to Price Regulation.* – Every manufacturer, importer, trader, distributor, wholesaler, or retailer of a drug or medicine excluded from the list subject to price regulation under Section 19 hereof shall display in indelible print mark on the label of the immediate container of the drug or medicine and the minimum pack thereof offered for retail sale, the words “NOT UNDER PRICE REGULATION” on a green strip.”

SECTION 5. Chapter 8 on Miscellaneous Provisions will be amended and will be read as follows:

“Chapter 8: Amendments to Republic Act No. 9994 or the Expanded Senior Citizens Act of 2010.

Section 42. Exemption of drugs and medicines under price regulation from the “Expanded Senior Citizens Act of 2010” – Drugs and medicines under price regulation as fixed by the Board will not be included in the grant of twenty percent (20%) discount and exemption from the value-added tax (VAT) to senior citizens availing the provisions of Republic Act 9994 or the “Expanded Senior Citizens Act of 2010”

SECTION 6. *Repealing Clause.* All laws, presidential decrees, executive orders, or issuances, or any part thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 7. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved.