

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 122



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Introduced by: **REP. JULIET MARIE DE LEON FERRER**

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#### EXPLANATORY NOTE

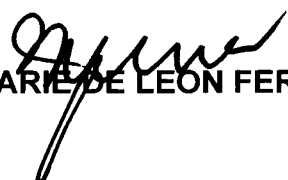
The attached bill seeks to establish the Negros Occidental Heart, Lung and Kidney Center.

Section 15, Article II of the 1987 Constitution declares that "the State shall protect and promote the right to health of the people and instill health consciousness among them." Further, Section 11, Article XIII also provides that "the State shall 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. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children."

At present, there is an increasing number of residents in the province of Negros Occidental diagnosed of certain Heart, Lung and Kidney illnesses. The current medical facilities in the province of Negros Occidental do not provide for specialized treatment of these illnesses, the nearest hospital facilities that can treat these illnesses are in Cebu City or Iloilo City. It is thus imperative that specialized medical services should be provided for those with heart, Lung, Kidney and other allied diseases in the province of Negros Occidental.

The establishment and maintenance of Negros Occidental Heart, Lung and Kidney Center will give true meaning to the constitutional policy of providing efficient and effective health care system that is responsive to the health needs and problems of the people.

In view of the foregoing, the approval of this bill is earnestly requested.

  
JULIET MARIE DE LEON FERRER

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**AN ACT**  
**ESTABLISHING THE NEGROS OCCIDENTAL HEART, LUNG AND KIDNEY**  
**CENTER AND APPROPRIATING FUNDS THEREOF**

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

**SECTION 1. Short Title.** – This Act shall be known as the “Heart, Lung and Kidney Center of the Philippines Act.”

**SEC. 2. Establishment of the Heart, Lung and Kidney Center of the Philippines.** – There is hereby established a Heart, Lung and Kidney Center of the Philippines, hereinafter referred to as the Heart, Lung and Kidney Center, a government corporate facility that will offer comprehensive care of patients with Heart, Lung and Kidney disorders including kidney transplant services, a strong teaching program and research capability to serve the Filipino people. The Heart, Lung and Kidney Center shall be located in Bacolod City, Negros Occidental. The Heart, Lung and Kidney Center shall have the attribute of perpetual succession and shall be vested with the powers of a corporation and shall continue to exist until dissolved for a lawful cause and/or by joint resolution of Congress.

**SEC. 3. Purposes and Objectives.** – The Heart, Lung and Kidney Center shall have the following purposes and objectives:

- a. Establish and operate a Heart, Lung and Kidney rehabilitation, treatment or transplant center for the public welfare;
- b. Offer comprehensive care for patients with Heart, Lung and Kidney diseases;
- c. Conduct training and research on the prevention and treatment of blood Heart, Lung and Kidney diseases and those related to Heart, Lung and Kidney regeneration and transplant services including sponsorship and conduct of relevant congresses, conventions, seminars and conferences;
- d. Establish a state-of-the-art Heart, Lung and Kidney diseases laboratory including a molecular laboratory.
- e. Establish a Heart, Lung and Kidney Stem Cell transplant program and donor registry;

- f. Recruit retain and case for voluntary Heart, Lung and Kidney donors;
- g. Collect Heart, Lung and Kidney organs from qualified voluntary donors;
- h. Process whole Heart, Lung and Kidney into Heart, Lung and Kidney components;
- i. Collect Heart, Lung and Kidney components;
- j. Store, issue, transport and distribute whole Heart, Lung and Kidney to end-user hospitals and non-hospital health facilities;
- k. Ensure that safe supply of Heart, Lung and Kidney and Heart, Lung and Kidney products to all hospitals and other health facilities are adequate in terms of distribution and delivery;
- l. Implement and monitor quality assurance to selected regional Heart, Lung and Kidney centers;
- m. Test Heart, Lung and Kidney infections; and
- n. Provide special and confirmatory tests and perform Heart, Lung and Kidney examinations.

**SEC. 4. Powers and Functions.** – The Heart, Lung and Kidney Center shall have the following powers and functions:

- a. Adopt a code of by-laws to implement this Chapter;
- b. Adopt and use a corporate seal which shall be a matter of judicial notice;
- c. Determine its organizational structure and the number and salaries of its officers and employees in accordance with the provision of Republic Act No. 10149, otherwise known as the Government-Owned and Controlled-Corporation (GOCC) Governance Act of 2011;
- d. Establish and maintain professional and technical educational systems for the sustained development of the necessary manpower to manage and operate its affairs and business;
- e. Invest its funds as it may deem proper and necessary, but subject to applicable law, rules and regulations, in any activity related to the Center, including in any bonds or securities and guaranteed by the Government of the Philippines;
- f. Acquire assets, real or personal, interest therein and encumber or otherwise dispose the same as it may deem proper and necessary in the conduct of its business;
- g. Borrow money from local or foreign sources as may be necessary for its operations, subject to applicable laws, rules and regulations;
- h. Accept any gifts, contributions, endowments, grants, bequests and devices of any kind of real or personal property which are necessary and proper for the attainment of the purpose of the hospitals; and
- i. Perform such acts and exercise such functions as may be necessary and proper for the attainment of the purposes and objectives herein specified.

**SEC. 5. Board of Trustee.** – The affairs and business of the Liver Center shall be directed; its properties managed; and its corporate powers exercised, unless otherwise provided in this Act, by its own Board of Trustees which shall be composed of seven (7) members, as follows:

- a. The Secretary of the Department of Health as Chairman of the Board or his duly authorized representative;
- b. The Undersecretary/Assistance Secretary of the Department of Health;
- c. One (1) member from the private sector preferably with experience in finance, administration or management;
- d. One representative who will provide expertise in Heart, Lung and Kidney diseases;
- e. One representative who will provide expertise in Heart, Lung and Kidney transplant;
- f. One representative from non-government organization; and
- g. The Heart, Lung and Kidney Center Executive Director.

The term of office, manner of appointment of the trustees and other matters pertaining to the governance of the Heart, Lung and Kidney Center shall be determined in accordance with the pertinent provisions of R.A. No. 10149.

The Board of Trustees shall be governed by a set of by-laws, which shall contain, among others, an enumeration of each of the member's responsibilities, accountabilities, and cause of termination.

**SEC. 6. Powers and Functions of the Board.** – The Board of Trustees which shall be the policy-making body of the Heart, Lung and Kidney Center shall have the following powers and functions:

- a. Determine the general policies of the Heart, Lung and Kidney Center within the scope of its powers, objectives and financial resources;
- b. Establish the organizational structure of the Heart, Lung and Kidney Center, define the duties and responsibilities of all officials and employees and adopt a compensation and benefit scheme, subject to the pertinent provisions of Republic Act No. 10149;
- c. Acquire, hold and own in any manner, property of whatever nature or description, and to dispose of such property under mode of encumbrance or conveyance;
- d. Enter into, make, perform and carry out contracts of every kind and for any lawful purpose with any person, firm, association or corporation, whether public or private, domestic or foreign;
- e. Mortgage, lease, sell, transfer, convey or otherwise dispose of its properties;
- f. Solicit and receive donations, endowments and funds in the form of contributions, whether in cash or in kind, from both public and private sectors and from domestic or foreign sources;
- g. Open such accounts in banks and other financial institutions, and to disburse such funds or invest the same as the Board of Trustees may direct to accomplish or advance the purposes or interest of the Heart, Lung and Kidney Center;

- h. Invite foreign or local health specialist and similar experts in the various medical fields to train the personnel, trainees, fellows or residents of the Heart, Lung and Kidney Center;
- i. Send the personnel of the Heart, Lung and Kidney Center to research institutes, medical institutes or universities for advance training or observation and to attend international or regional conventions, conferences, congresses or seminars as the Board of Trustees may deem necessary to accomplish the purposes and objectives of the Heart, Lung and Kidney Center;
- j. Enter into such agreements and arrangements with other medical or similar institutions, domestic or foreign, as may be deemed desirable by the Board of Trustees toward promoting the purposes and objectives of the Heart, Lung and Kidney Center;
- k. Adopt set of by-laws, rules, regulations, policies, guidelines and procedures consistent with law and provisions hereof to govern the administration and operation of the hospital; and
- l. Do all such other acts and things as are or may be necessary for or incidental to the accomplishment of the purposes and objectives of the Heart, Lung and Kidney Center.

**SEC. 7. *Duties and Responsibilities of the Executive Director.*** – The Heart, Lung and Kidney Center shall be headed by the Executive Director who shall have the following duties and responsibilities:

- a. Prepare the agenda for the meetings of the board, and to submit for consideration of the board such policies and measures as he/she believe(s) necessary to carry out the purposes and objectives of this Act;
- b. Execute, administer and implement the policies and measures approved by the board;
- c. Exercise such other powers and perform such other duties provided in the by-laws and as vested to him by the board.

**SEC. 8. *Program for Indigents.*** – The Department of Health shall ensure that the Heart, Lung and Kidney Center shall adopt and enforce a program for indigents needing Heart, Lung and Kidney products and patients with Heart, Lung and Kidney diseases in accordance to the implementing guidelines on classification of patients on Availment of Medical Social Services in Government Hospitals.

**SEC. 9. *Retention of Income.*** – The Heart, Lung and Kidney Center is hereby authorized to retain and utilize their income derived from its operation and non-patient related activities for the maintenance of the other operating expenditures, including capital outlay especially in the acquisition of equipment and supplies, subject to auditing rules and regulations. Further, no amount from such income shall be used to augment the salaries and other compensation of the Heart, Lung and Kidney Center personnel beyond the amounts determined by the Governance Commission for Government-Owned and Controlled Corporations (GOCC), as provide for in RA No. 10149.

The Department of Health (DOH), in coordination with the Department of Budget and Management (DBM) shall issue the necessary rules and regulation to implement this provision.

**SEC. 10. *Exemption from Taxes.*** – The Heart, Lung and Kidney Center shall be exempt from the payment of taxes on all contribution thereto and all accruals on its income and investment earnings.

Any donation, contribution, bequest, subsidy or financial aid which may be made to it shall constitute allowable deduction from the income of the donor for the income tax purposes and shall be exempt from donor's tax subject to such conditions as provided in the National Internal Revenue Code of 1997, as amended.

The Heart, Lung and Kidney Center shall be exempt from all other taxes, whether direct or indirect on its income, properties and operations.

**SEC. 11. *Contracts.*** – The Heart, Lung and Kidney Center shall have the authority to enter into contracts with any person or entity, domestic or foreign and with government for the undertaking of the varied aspects of the Heart, Lung and Kidney Center, including the acquisition, by way of purchase, lease, rent or other deferred payment arrangements of equipment and/or raw materials and supplies, as well as for services connected therewith under such terms and conditions as it may deem proper and reasonable.

In the acquisition and disposal of property real or personal, a bidding process shall be necessary to conform to the requirements of public bidding as provided for in Republic Act No. 9184, otherwise known as the Government Procurement Reform Act and related laws.

**SEC. 12. *Supervision.*** – The Heart, Lung and Kidney Center shall be under the direct supervision of the Department of Health for purposes of policy direction and control. It shall submit an annual report, pursuant to the pertinent provisions of R.A. No. 10149.

**SEC. 13. *Implementing Rules and Regulations.*** – Within thirty (30) days from the completion of the appointment of its members, the Corporation's Board of Trustees shall convene to formulate the rules and regulations necessary for the implementation of this Act.

**SEC. 14. *Appropriations.*** – The amount of Two Hundred Million Pesos (Php 200,000,000.00) is hereby appropriated for the initial operation and maintenance of the Heart, Lung and Kidney Center shall be included in the annual General Appropriations Act.

**SEC. 15. *Separability Clause.*** – If, for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions hereof which are not affected shall continue to be in full force and effect.

**SEC. 16. *Repealing Clause.*** – All laws, decrees, executive orders, proclamations, rules and regulations or parts thereof inconsistent herewith are hereby repealed.

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

Approved.