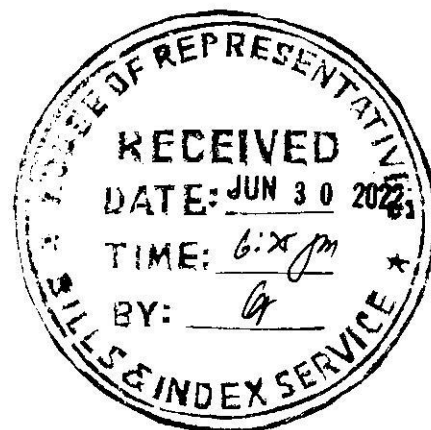


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 497



Introduced by Representative Stella Luz A. Quimbo

**AN ACT CREATING A HEALTH ECONOMICS UNIT UNDER THE DEPARTMENT
OF HEALTH AND APPROPRIATING FUND THEREOF**

EXPLANATORY NOTE

Global experience from the COVID-19 pandemic shows how important it is to efficiently and equitably allocate scarce resources for purposes of attaining health objectives, such as containing the transmission of new and emerging diseases and averting deaths. It has also underscored the value of properly analyzing and communicating with data in order to inform the public, as well as form life-saving policy decisions.

Health economists are trained for this purpose. They apply economic theories and methods to analyze behavior within health care markets, and study how to allocate resources in the health care system to achieve optimal outcomes. Research in health economics also includes evaluating the impact and effectiveness of health-related policies, such as on pricing, quality, service delivery, financing, public and private investment, use of emerging technology, among others.

Currently, the Department of Health does not have a unit dedicated to health economics. To guide regulators in their decision-making, there is a need for a specialized unit with the capacity to conduct regular data analysis and produce rigorous, policy-oriented health research.


If a chief health economist existed in government today, this individual would have functioned as the "data czar" for purposes of managing the COVID-19 pandemic. He or she would be tasked to analyze the growth trend of the virus and identify cost-effective interventions to control the spread of the virus. Moreover, he or she would manage data collection to ensure timeliness and integrity of the data. Finally, he or she would have the responsibility of providing technical leadership over a group of experts coming from both fields of medicine and economics.

This bill seeks to address this gap. It provides for the creation of a Health Economics Unit under the Department of Health, to be headed by the Chief Health Economist. This unit will be responsible for contributing the economic analyses needed for the proper design and evaluation of the DOH's policies and programs. This will enable our

government to continuously build its capacity for evidence-based policy-making, particularly for the health sector.

This measure is a key step we can take to better equip our government for the fight against any public health crisis that we may face in the future. It seeks to promote the efficient development of our health care system, and above all, a healthy Filipino people.

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



STELLA LUZ A. QUIMBO, PhD
Representative
Second District, Marikina City

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

1 SECTION 1. *Declaration of Policy.* – It is hereby declared the policy of the State to
2 support its health policy-making with economic principles and analysis, in order to
3 ensure that scarce resources for health are allocated efficiently and equitably across
4 various types of the following:

- 5 a. Health care facilities;
- 6 b. Health care personnel;
- 7 c. Health care services;
- 8 d. Social and income groups; and
- 9 e. Local government units across the country.

10 SECTION 2. *Functions of the Health Economics Unit.* – The Health Economics Unit,
11 hereinafter called the Unit, is hereby created. The Unit shall have the following
12 functions:

- 13 a. Provide economic analyses needed for the strategic planning, assessment,
14 design, monitoring, and evaluation of policy and programs of the DOH and other
15 relevant agencies;
- 16 b. Provide empirical evidence required for policy-making to the relevant units of
17 the DOH;
- 18 c. Undertake evaluation of cost-effectiveness of DOH programs, and budgetary
19 impact of drugs, devices, health-system interventions, and other technologies;
- 20 d. Disseminate research findings to relevant units of the DOH, related agencies,
21 and to stakeholders;
- 22 e. Communicate relevant research findings to the general public;
- 23 f. Consult with stakeholders and experts in related fields;

- 1 g. Manage all research funds allotted to the DOH for health policy-making; and
- 2 h. Create and maintain a data bank needed for purposes of carrying out its other
- 3 functions.

4

5 The Unit shall be established under the Department of Health (DOH). The President
6 may decide to attach the Unit to another agency when the circumstances so dictate,
7 such as if a transfer will aid the Unit in achieving its mandate as provided in this Act.

8 SECTION 3. *Creation of the Position of Chief Health Economist.* – The authority and
9 responsibility for the exercise of the mandate of the Unit and for discharge of its
10 functions shall be vested in the Chief Health Economist. The Chief Health Economist
11 must hold (i) at least a master's degree in Health Economics, or Economics with a
12 specialization in health, (ii) degrees in Medicine and Health Policy or Public Health, or
13 (iii) the equivalent degree or combination of degrees, and must have at least ten (10)
14 years of experience in health policy research. The Chief Health Economist shall have
15 the rank equivalent of undersecretary.

16 SECTION 4. *Limited Practice of Profession.* – The Chief Health Economist shall not,
17 during his/her time in office, hold any other office or employment, nor directly or
18 indirectly practice any profession except in a teaching capacity. The Chief Health
19 Economist shall strictly avoid conflict of interest in the conduct of duties.

20 SECTION 5. *Composition of the Health Economics Unit.* – The technical staff support
21 for the Unit would include, but not limited to, the following:

- 22 a. Five (5) health economists or economists;
- 23 b. Five (5) data scientists or data analysts;
- 24 c. Two (2) statisticians;
- 25 d. Five (5) technical writers; and
- 26 e. Two (2) communications specialists.

27 SECTION 6. *Continuing Education.* – The DOH shall support continuing education and
28 training for the Unit and shall allot at least twenty percent (20%) of the Unit's annual
29 budget for this purpose. This amount shall be allocated for educational activities
30 including, but not limited to:

- 31 a. Advanced degree studies;
- 32 b. Short-term programs;
- 33 c. Online courses; and
- 34 d. Participation in conferences.

35 SECTION 7. *Performance-based Incentives for Research Output.* – The DOH shall be
36 authorized to provide incentives, in addition to the standard compensation, for
37 research output generated if such has achieved international recognition, either
38 through publication in an international peer-reviewed scientific journal or accepted for
39 paper presentation in an international conference.

1 SECTION 8. *Data Bank.* – The Unit shall maintain a repository of health economics
2 research and data generated by the Unit and other public and private groups,
3 organizations, and institutions, primarily to aid the government in its policy-making.
4 The public may have access to such information upon request, subject to guidelines
5 promulgated by the DOH and requirements under Republic Act No. 10173. Otherwise
6 known as the “Data Privacy Act of 2012” and Executive Order No. 2, s. 2016 on
7 Freedom on Information.

8 SECTION 9. *Appropriations.* – Upon effectivity of this Act, all funds of the DOH
9 allocated for health policy research programs, activities, and projects shall be
10 transferred to the Unit. The additional amount necessary for the initial operation of the
11 Unit and the implementation of the provisions of this Act shall be drawn from the
12 appropriations of the Department of Health for the current fiscal year. Subsequently,
13 the funds necessary for the continuous and effective operation of the Unit shall be
14 included in the General Appropriations Act.

15 SECTION 10. *Separability Clause.* – If any provision of this Act is declared
16 unconstitutional or invalid, the remainder of the provisions thereof not affected shall
17 remain in force and effect.

18 SECTION 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) national newspapers of general circulation.

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Approved,