

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



House Bill No. 2667

Introduced by Representative ROMMEL RICO T. ANGARA

AN ACT

ESTABLISHING SATELLITE SPECIALTY HOSPITALS TO FACILITATE ACCESS TO SPECIALIZED MEDICAL CARE IN IDENTIFIED REGIONS OF THE PHILIPPINES AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

A study conducted by the University of the Philippines in 2015 revealed that six out of ten Filipinos die without access or without even seeing a medical professional. This is attributed to the high cost of health care in the country. Many Filipinos would rather seek the help of quack doctors and traditional medicine as they are more accessible and would entail costs which are within their meager budget. On top of the obvious medical expenses, miscellaneous costs needed to get medical assistance, such as transportation costs to go to and from health facilities and additional expenses incurred by family members who accompanied patients seeking medical help, are also burdens highly considered by our fellow Filipinos. This scenario occurs most especially in medical conditions which require the use of specialized health facilities. This includes but is not limited to patients suffering from heart, lung, kidney and pediatric diseases. Local hospitals normally do not have the facilities required for the proper treatment of these special medical conditions and so patients are constrained to travel to major city hospitals such as the Philippine General Hospital (PGH) to get the required medical attention. It cannot, however, be denied that public hospitals like the PGH which has the facilities are swamped with too many patients which all require equal amount of medical attendance.

A study by the World Health Organization revealed that despite several efforts of the national government to reform and strengthen the country's health care system, there still exists regional and socioeconomic disparity in the availability and accessibility of resources which resulted in the highly uneven distribution of health infrastructure and human resources across and within the regions. According to Department of Health, the ratio of hospital beds is 1.2 beds per 1,000 population,

which is comparable to the poorest countries in the world, such as the Sub-Saharan Africa. In fact, the Philippines has a 10-year backlog in terms of expanding government beds.

To address the current inequities and geographical barriers in accessing specialized health care as most remote areas have been given less medical attention, the DOH issued Department Order No. 2021-0001 designating selected DOH hospitals as specialty centers for brain and spine care, cancer care, among others. The Order likewise provided for resource stratified frameworks to guide upgrading of hospitals towards respective specialties.

To intensify and give more effect on the policy of the DOH to increase the number of specialty hospitals in the country, this bill mandates the existing specialty hospitals namely Philippine Heart Center (PHC), Lung Center of the Philippines (LCP), National Kidney and Transplant Institute (NKT), and the Philippine Children's Medical Center (PCMC) to establish satellite hospitals in provinces which are geographically isolated from their region's tertiary care hospital to be managed and operated by the specialty hospitals pursuant to their respective charters. Furthermore, the bill prioritizes the establishment of specialty hospitals catering to the treatment of the main causes of death among Filipinos such as heart disease, vascular diseases, malignant neoplasms, avitaminosis and other nutritional deficiency, and chronic lower respiratory diseases.

In addition, the bill also exempts the procurement of medical equipment and supplies to be used by the satellite specialty hospitals from the bidding process as mandated under Republic Act. No. 9184 or the "Government Procurement Reform Act", in order to facilitate the faster construction of satellite hospitals.

The 1987 Philippine Constitution mandates the State to adopt an integrated and comprehensive approach to health development and ensure that every Filipino has equitable access to quality health facilities and specialized healthcare services. Thus, the passage of this bill is earnestly sought.


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

SECTION 1. *Short Title.* – This Act shall be known and cited as the "*Satellite Specialty Hospitals Act of 2022.*"

SEC. 2. *Declaration of Policy.* – Section 15, Article II of the 1987 Constitution mandates that the State shall protect and promote the right to health of the people and instill health consciousness among them. Towards this end, the State shall adopt an integrated and comprehensive approach to health development by providing them specialized health services, which shall be available and accessible to all the people at affordable cost.

SEC. 3. *Establishment of Satellite Specialty Hospitals or Specialized Units.* – The following specialty hospitals are mandated to establish satellite hospitals in identified regions to be managed and operated pursuant to their respective charters:

- (1) Philippine Heart Center created under Presidential Decree No. 673;
- (2) National Kidney and Transplant Institute created under Presidential Decree No. 1832;
- (3) Lung Center of the Philippines created under Presidential Decree No. 1823;
and
- (4) Philippine Children's Medical Center created under Presidential Decree No. 1631

Provided, That these specialty hospitals must formulate prioritization plans for the purpose of implementing this Act, subject to the following considerations:

- (a) The specialty hospitals shall craft the criteria for the identification and development of their satellite hospitals, based on the following:
- (i) The top burden of disease in the region;
 - (ii) Legal mandates specified in other laws such as but not limited to the Republic Act No. 11215 or the "Integrated Cancer Control Act", Republic Act No. 11036 or the "Mental Health Act", and Republic Act No. 9994 or the "Expanded Senior Citizens Act"; and
 - (iii) Other considerations that the specialty hospitals may deem important for the selection process.
- (b) Provinces which are geographically isolated from their region's tertiary care hospital shall likewise be given priority for the establishment of satellite specialty hospitals within the nearest general hospital, whichever is feasible;

Nothing in this Act shall be construed as restricting the right of the Department of Health (DOH) to establish specialty hospitals or specialized units in DOH hospitals in different regions.

SEC. 4. *Period of Implementation.* – The establishment of at least one (1) satellite specialty hospital in identified region/s shall be completed over a period of five (5) years: *Provided*, That payments for amortization of outstanding multi-year contract obligations incurred under this Act may extend beyond this period.

SEC. 5. *Minimum Standards of Construction.* – The Health Facilities and Services Regulatory Bureau of the Department of Health shall issue guidelines for the minimum design standards of specialty hospitals in accordance with all applicable laws, rules and regulations: *Provided*, That the application for a permit to construct a special hospital shall be accompanied by a hospital plan: *Provided, Further*, That no permit to construct a special hospital can be issued without complying with the minimum standards set forth in the guidelines to be issued pursuant to this Section.

SEC. 6. *Procurement.* – Procurement of medical equipment and supplies to be used by the satellite specialty hospitals shall be exempt from the provisions on bidding process required under Republic Act No. 9184 or the "Government Procurement Reform Act" and other relevant laws: *Provided*, That the following information and documents related to the procurement shall be published in the Government Procurement Policy Board online portal, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity

within seven (7) working days from the date of acceptance of the award:

- (i) Project name;
- (ii) Approved budget for contract;
- (iii) Contract period;
- (iv) Name of winning supplier, distributor, manufacturer, contractor or consultant;
- (v) Amount of contract as awarded;
- (vi) Notice of award;
- (vii) Date of award and acceptance;
- (viii) Contract or purchase order; and
- (ix) A certification stating that the procuring entity exerted all efforts to secure the most advantageous price to the government based on existing price data of the agency, the DTI or other relevant agencies or preliminary market scanning done by the agency showing prevailing market prices and practice.

SEC. 7. Tax exemptions. – All donations, contributions or endowments which may be made by entities or persons to the specialty hospitals for the benefit of their satellite hospitals shall be exempt from income and gift taxes. The importation of medical equipment to be used by the satellite specialty hospitals shall likewise be exempt from import duties, taxes, and other fees.

SEC. 8. Report to Congress. – Within one hundred twenty (120) days from the effectivity of this Act, the executive directors of the specialty hospitals shall present a report to Congress detailing the construction plan of said satellite specialty hospitals, which shall include the prioritization plan as provided under Section 3 of this Act.

For this purpose, the Congress shall establish a Joint Congressional Oversight Committee composed of five (5) members of each house to be appointed by the Senate President and the House Speaker, respectively. This Committee shall determine whether such acts, orders, rules and regulations are within the restrictions provided herein.

SEC. 9. Sunset Review. – As the need arises or within five (5) years after its effectivity, the Congressional Oversight Committee shall conduct a sunset review of this Act. The term 'sunset review' shall mean a systematic evaluation of the accomplishments and impact of this Act for purposes of determining remedial legislation.

SEC. 10. Appropriations. – The amount necessary for the implementation of the provisions of this Act shall be taken from the current year's budget of the specialty

hospitals enumerated in Section 3 of this Act. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be incorporated in the annual General Appropriations Act.

SEC. 11. *Implementing Rules and Regulations.* – The Department of Health, in coordination with the specialty hospitals enumerated in Section 3 hereof, shall promulgate the rules and regulations implementing the provisions of this Act within sixty (60) days from its effectivity.

SEC. 12. *Separability Clause.* – If for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 13. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of national circulation.

Approved,