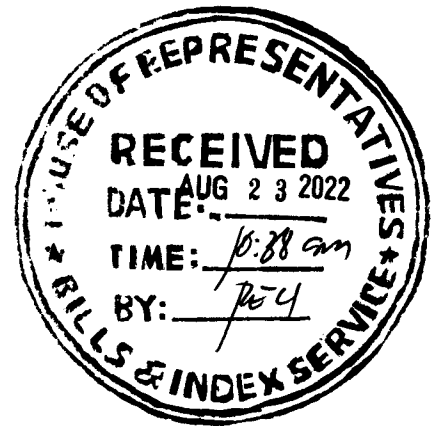


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3950



Introduced by Representatives Sonny L. Lagon and Daphne A. Lagon

EXPLANATORY NOTE

This bill seeks to establish a specialty medical institution in Cebu City that shall specialize in kidney and allied diseases to bring specialized medical services closer to kidney patients from the Visayas region and improve the delivery of health services in general.

Kidney diseases, especially End Stage Renal Disease, are the 7th leading cause of death among Filipinos. Data from the National Kidney and Transplant Institute show that 20 percent of Filipinos were diagnosed with chronic kidney disease, based on the glomerular filtration rate (GFR) which measures kidney function. Presently, there are around 70,000 patients on dialysis, with thousands on the waiting list for a kidney transplant, but only 400 are able to undergo transplantation annually.

The National Kidney and Transplant Institute (NKTi) located in Quezon City is hailed as one of the leading medical institutions in Asia that provide quality medical services for the treatment of kidney diseases. However, patients from the provinces are burdened with additional expenses when they seek treatment at the NKTi. Further, the Institution is constantly saddled with a long list of patients that only grow every year. Hence, it is ideal that a similar institution be established in the Visayas to enhance access to specialized medical services for kidney patients.

Pursuant to the Constitutional mandate for the State to adopt an integrated and comprehensive approach to health development, it is essential for the Government to recognize that the increasing cases of kidney diseases in the country pose serious threats to the well-being of the people and the country's productivity in general considering the huge financial burden that the treatment of the disease entails.

In view of the above premises, the prompt approval of this measure is earnestly sought and recommended.

SONNY L. LAGON
Party List, AKO BISAYA

DAPHNE A. LAGON
6th District, Cebu

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HOUSE OF REPRESENTATIVES
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NINETEENTH CONGRESS
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HOUSE BILL NO. 3950

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AN ACT
ESTABLISHING A SPECIALTY HOSPITAL IN CEBU CITY TO SPECIALIZE IN
KIDNEY AND ALLIED DISEASES TO BE KNOWN AS THE VISAYAS KIDNEY
INSTITUTE AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the “Visayas Kidney Institute Charter.”

SECTION 2. *Creation of the Visayas Kidney Institute.* - There is hereby created a body corporate to be known as the Visayas Kidney Institute, hereinafter referred to as the Institute, which shall have its principal offices, hospitals, clinics and subsidiaries in Cebu City.

SECTION 3. *Purposes and Objectives.* – The Institute shall have the following purposes and objectives:

- (a) To construct, establish, equip, maintain, administer and operate such integrated medical institution or institutions that shall specialize in the prevention, diagnosis, treatment, care, rehabilitation and/or relief of kidney and allied diseases in pursuance of the policy of the State to provide the people with specialized health and medical services and address the growing incidence of kidney and related diseases in the Visayas Region;
- (b) To promote medical and scientific research relative to the prevention and treatment of kidney and related diseases and initiate planning, invention and development of modern and up-to-date procedures of kidney support and transplantation;
- (c) To conduct fact-finding investigations on kidney diseases, and related fields throughout the country or elsewhere, and to report, publish and disseminate information on kidney and related diseases;
- (d) To finance, sponsor, organize or participate in congresses, conventions, conferences, seminars, workshops and training programs on kidney diseases and related fields in the country and abroad;
- (e) To initiate and encourage the education and training of physicians, nurses, medical and technical personnel, social workers and other health officers in the practical and scientific implementation of services to kidney patients;

- (f) To assist universities, hospitals and research institutions in their studies on kidney and allied diseases and other related fields, to encourage and grant scholarships for advanced training and specialization in renal and related fields, and to support educational programs of value to general public health, and
- (g) To stimulate the formation of other organizations on the national, provincial, city and/or local levels, and to coordinate the various efforts and activities of such organization for the purpose of achieving a more effective approach to the common problems relative to the purposes and objectives enumerated herein.

SECTION 3. *Powers of the Institute.* – For the attainment and/or furtherance of the above purposes and objectives, the Visayas Kidney Institute, as a body corporate, acting through its Board of Trustees, shall have all the powers pertaining to a juridical person, and is authorized, among other powers:

- a) To adopt and use a corporate seal;
- b) To contract and be contracted with;
- c) To adopt its by-laws, rules and regulations as it may deem proper and necessary for the attainment of the purposes of this Act;
- d) To award, enter into, make, execute, perform and carry out domestic or foreign contracts;
- e) To acquire, hold, and own in any manner, property of whatever nature or description, and to dispose of such property under any mode of encumbrance or conveyance;
- f) To obtain loans, borrow funds, arrange financing or credit assistance of whatever kind and nature from all sources, whether domestic or foreign and whether government or private, and to mortgage, pledge or otherwise encumber any of its properties and assets for the purpose of securing or guaranteeing the performance or fulfillment of any obligation it may undertake for itself;
- g) To invest idle funds, as it may deem proper, in government securities and other evidence of indebtedness;
- h) To levy, assess and collect such fees, charges and assessments as may be necessary or proper to support, finance and maintain its operations;
- i) To exercise such other powers and functions as may be incidental or necessary to carry out the purposes and objectives of this Act.

SECTION 4. *Board of Trustees.* – The Institute shall be governed, and its activities and properties shall be directed, controlled and managed by a Board of Trustees, hereinafter referred to as the Board, composed of the following members:

- a) The Secretary of Health as the ex-officio Chairman;
- b) The Chief of Hospital as the Vice-Chairman;
- c) Five representatives from the private sector engaged in the medical profession to be appointed by the President;
- d) The Regional Directors of the Department of Health for Central, Eastern and Western Visayas as ex-officio members;
- e) The Governors of the Provinces of Aklan, Antique, Biliran, Bohol, Capiz, Cebu, Eastern Samar, Guimaras, Iloilo, Leyte, Negros Occidental, Negros Oriental,

Northern Samar, Samar, Siquijor and Southern Leyte or their authorized representatives as ex-officio members;

SECTION 5. *Powers and Functions of the Board.* – For the attainment and furtherance of the provisions of this Act, the Board of Trustees of the Institute shall have the following powers:

- a) To formulate policies, guidelines and programs to effectively implement and carry out the purposes and objectives of this Act;
- b) To prescribe, review and revise the amount of fees, charges, and assessments levied and collected for the support and maintenance of the operations of the Institute;
- c) To control the management, operation and administration of the Institute;
- d) To promulgate such rules and regulations as may be necessary or proper for the effective exercise of the power and functions as well as the discharge of the duties, responsibilities of the Institute, its officers and employees;
- e) To authorize such expenditures of the Institute as may be necessary or proper for the effective management, operation and administration of the Institute;
- f) To determine and organize the Institute's organizational and administrative structure or patterns, and to establish, fix, review, revise and adjust the appropriate compensation scheme of the officers and employees of the Institute, with reasonable allowances, bonuses and other incentives;
- g) To adopt the annual and supplemental budget of receipts and expenditures of the Institute;
- h) To appoint, promote, transfer, remove, suspend or otherwise discipline officers and employees of the Institute;
- i) To exercise all the general powers necessary or incidental to the attainment of the purposes and objectives of this Act; and
- j) To do any and all acts as may be necessary or proper for the attainment of the powers and functions of the Institute.

SECTION 6. *Term and Compensation of the Board of Trustees.* – Except for the Vice-Chairman who shall serve for a term of six (6) years and the ex-officio members of the Board, the regular members of the Board of Trustees shall serve for a term of three (3) years, with a right to hold-over until their respective successors shall have been duly appointed and qualified. Any member of the Board may be removed by the President for cause. In case of vacancy, the person appointed to fill the vacancy shall hold office for the unexpired term of the member replaced.

The Board may fix reasonable per diem for each member subject to applicable laws, rules and regulations.

SECTION 7. *Officers of the Institute.* – the Board shall determine the officers of the Institute, who, except as provided in this Act, shall be appointed by the Chairman of the Board of Trustees subject to confirmation by the Board. The Institute may have such executive officers, personnel and staff as the Board may deem necessary for the effective operation of the Institute.

SECTION 8. *Powers and Duties of the Chief of Hospital.* – The Chief of Hospital who is also the Vice-Chairman of the Board of Trustees shall be the Chief Executive Officer of the Institute. He shall exercise the following powers and duties:

- a) To execute the policies, guidelines and programs approved by the Board, and to be responsible for the efficient discharge of management and operational functions;
- b) To submit for the consideration and approval of the Board proposed measures, policies, guidelines and programs as he may deem necessary or proper for the effective implementation of the purposes and objectives of this Act;
- c) To direct and supervise the management, operation and administration of the Institute, and for this purpose, he may delegate any or some of his administrative responsibilities and duties to the other officers of the Institute;
- d) To execute, on behalf of the Institute, all contracts and agreements which the Board may enter into, and to execute, accomplish and deliver any and all documents relative to such contracts and agreements;
- e) To represent the Institute in all dealings with other offices, agencies, instrumentalities of the Government, and all other persons or entities, domestic or foreign, and whether public or private;
- f) To exercise such other powers and perform such duties as may be vested upon him by the Board.

SECTION 9. *Authority of the Chairman in Emergencies.* – In case of emergencies which require immediate action by the Board and there is no sufficient time to call a meeting thereof, the Chairman of the Board, may decide on any matter or take any action within the authority of the Board itself.

SECTION 10. *Assistance from Government.* – The Board may call upon any Department, Bureau, Agency, Office or instrumentality of the Government, including government-owned and controlled corporations, for such assistance as it may need in the pursuit of the purposes and objectives of this Act.

SECTION 11. *Donations to the Institute.* – The Institute is hereby authorized to solicit and receive donations, grants, contributions, gifts or endowments from all sources whether foreign or domestic, and whether public or private, without the need of securing a permit, approval or registration from any government agency. Notwithstanding any provision of law to the contrary, all donations, grants, contributions, gifts or endowments received by the Institute pursuant hereto, shall be exempt from income, gift, donor's and all other kinds of taxes, and shall further be deductible in full for purposes of computing the maximum amount deductible for tax purposes under the National Internal Revenue code, as amended.

SECTION 12. *Exemptions from Fees, Duties and Taxes.* – The Institute is hereby declared exempt from all income and all other internal revenue taxes, tariffs and customs duties and all other kinds of taxes, fees, charges and assessments levied by the Government and its political subdivisions, agencies and instrumentalities.

The President of the Philippines, upon the recommendation of the Secretary of Finance, may partially or fully lift the exemption herein provided, if he shall find that the Institute is already self-sustaining and financially capable of paying such taxes, customs duties, fees,

charges and other assessments, after providing for the debt service requirements and the projected capital and operating expenditures of the Institute.

SECTION 13. *Applicability of Civil Service Laws.* – The Institute and its officials and employees shall be subject to civil service laws and pertinent rules and regulations issued by the Civil Service Commission.

SECTION 14. *Charity Package.* – The Board is hereby mandated to formulate a charity package for indigent patients. Priority shall be given to patients who are residents of the Visayas region.

SECTION 15. *Resident Auditor.* – The Commission on Audit shall appoint a representative who shall be the auditor of the Institute together with the necessary personnel to assist said representative in the performance of duties. The Number and salaries of the auditor and said personnel shall be determined by the Commission on Audit, subject to its rules and regulations.

The Auditor shall, as soon as practicable, but not later than three (3) months after the accounts have been submitted for audit, send an annual report to the Board. The Auditor may also submit such periodic and special reports as the Board may deem necessary.

SECTION 16. *Annual Report.* – An annual report of the activities and operations of the Institute, together with the audit report, shall be submitted by the Board to the President of the Philippines and to both Houses of Congress through the Department of Health.

SECTION 17. *Applicability of the Corporation Law.* – The provisions of the general corporation law, insofar as they are not inconsistent with the provisions of this Act shall apply to the Institute.

SECTION 18. *Effect of Dissolution.* – If for any reason, the Institute is dissolved, its properties and assets shall revert to the National Government for disposition in accordance with law.

SECTION 19. *Appropriations.* The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment and thereafter.

SECTION 20. *Implementing Rules and Regulations.* – The Department of Health shall promulgate such rules and regulations as may be necessary to carry out the provisions of this Act within ninety (90) days from the approval of this Act.

SECTION 21. *Separability Clause.* – If, for any reason, any section of this Act shall be deemed unconstitutional or invalid, the other sections or provisions shall not be affected and shall remain in force and in effect.

SECTION 22. *Effectivity.* – This Act shall take effect immediately.

Approved.