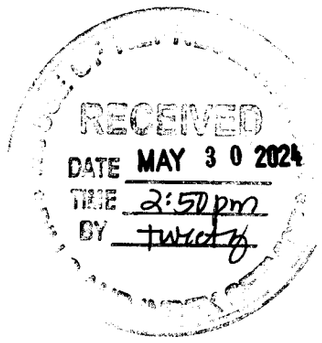
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session



HOUSE BILL NO. 10496

Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

AN ACT INSTITUTIONALIZING HEALTH PROMOTION IN THE PHILIPPINES BY ESTABLISHING A PHILIPPINE CENTER FOR HEALTH PROMOTION, PROVIDING FOR A HEALTH PROMOTION FUND AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Non-Communicable Diseases (NCDs) affect people from all walks of life, and in all parts of the world. The epidemic of NCDs poses devastating health consequences for individuals, families and communities. Prevention and control of these diseases are a major development imperative for the 21st century. NCDs continue to cause the highest disease burden worldwide.

The impact of NCDs grew from causing 61% of global deaths in 2000 to causing 74% in 2019. Four major NCDs collectively killed about 33.3 million people in 2019, a 28% increase compared to 2000. These major NCDs are cardiovascular disease (17.9 million) cancer (9.3 million) chronic respiratory disease (4.1 million) and diabetes (2.0 million).[1]

NCDs are the result of a combination of genetic, physiological, environmental and behavioral factors. Modifiable behavioral risk factors include harmful use of alcohol, tobacco use, physical inactivity and an unhealthy diet. Metabolic risk factors include raised blood pressure, overweight and obesity, hyperglycemia (high blood glucose levels), and hyperlipidemia (high levels of fat in the blood).[2]

The alarming increase in the incidence of degenerative and lifestyle diseases is a pressing concern of the population. In the Philippines, the top three causes of death in the country from January to May of 2023 were ischaemic heart diseases, neoplasms, and cerebrovascular diseases. From January to May of 2023, ischaemic heart diseases were the leading cause of death with 44,770 cases or 19.3 percent of the total deaths in the country. On the other hand, Neoplasms came in second with 24,066 deaths (10.4% share). Cerebrovascular diseases were the third leading cause which accounted for 23,951 recorded cases (10.3% share) from January to May 2023. Deaths due to diabetes mellitus recorded 14,416 cases or 6.2 percent share, making it the fourth leading cause of death, while deaths due to Pneumonia, which ranked fifth, recorded 13,462 cases or 5.8 percent share.[3]

The Philippine Constitution enshrines the right to health of every Filipino. Article II, Section 15 specifically provided, that, "The State shall protect and promote the right to health of the people and instill health consciousness among them."

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[1] World Health Statistics 2023: Monitoring health for the SDGs, Sustainable Development Goals
[2] *Ibid*
[3] 2023 Causes of Death in the Philippines, Philippine Statistics Authority

Traditionally, funds for health care have been spent more on treating the sick than on keeping the population healthy. However, promoting health and preventing diseases is as important as curative treatment. As the famous Benjamin Franklin said: "An ounce of prevention is worth a pound of cure".

This measure is in line with the Healthy Pilipinas campaign of the Department of Health which encompasses a vast range of positive health impacts to holistically promote and shift the behavior of Filipinos in practicing preventive measures advocating healthy lifestyle. To better assist the government in this effort, the people must be empowered and enabled to take action to improve their health. Health promotion and disease prevention would entail and require the creation of supportive environments as well as the strengthening of community actions.

The concept of health promotion has been tried and tested in many countries, including but not limited to Australia, Korea, New Zealand, Malaysia, and Thailand. Notably, since the creation of ThaiHealth in 2001, the implementation of its health promotion activities has made significant impacts on major risk factors such as smoking and alcohol consumption. Indeed, it has greatly contributed to the improved health and wellness of the Thai people. This too is envisioned for the Filipino population.

Towards this end, there is a need to create a central agency with adequate and sustainable financing, as well as some degree of financial independence, to fully undertake health promotion activities such as health education, social mobilization and advocacy. This bill, therefore, proposes the creation of the Philippine Center for Health Promotion to undertake the implementation of programs geared towards the improvement of the health of Filipinos.

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

Keith Micah "Atty. Mike" D.L. Tan
4th District, Quezon

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

ARTICLE I
PRELIMINARY PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "Healthy Pilipinas Act".

SEC 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right to health of the people and instill health consciousness among them. It shall ensure that people are empowered to increase control over their health for purposes of improved health in general. Toward this end, the State shall endeavor to provide adequate health information and promotion that will help people improve their health.

Towards this end, the State shall provide a comprehensive and coordinated approach to health promotion specifically by building healthy public policies, creating supportive environments, strengthening community actions; developing personal skills; and reorienting health services.

Recognizing the health inequities that exist, it shall be the policy of the State to be sensitive to the needs of the youth, women, poor, elderly, disabled, and marginalized sectors. In view thereof, the State shall ensure coherence and coordination among government agencies in the development and implementation of health promotion policies, plans, and programs.

It shall also be the policy of the State to systematically integrate the concept of health promotion in various phases of policy formulation, development plans, poverty reduction strategies, and other development tools and techniques by all agencies and instrumentalities of the government.

Further, it shall be the policy of the state to enjoin the participation of national and local governments, civil society organizations, academe, local communities, and the private sector, to achieve health promotion goals.

SEC. 3. *Purpose.* – This Act aims to:

a) Establish a Philippine Center for Health Promotion to develop a national framework for health promotion;
b) Establish a Health Promotion Fund;

c) Increase awareness of healthy lifestyle choices to reduce the incidence and impact of chronic diseases;
d) Enhance early detection and management of common and preventable health conditions;
e) Improve access to quality healthcare services and resources;
f) Foster a community environment that supports health and wellness;
g) Mainstream health through population-based approaches in public policy, plans, and programs of government agencies and various sectors.

SEC. 4. *Definition of Terms.* – As used in this Act,

a) Council – refers to the Philippine Health Promotion Council which shall be the governing body of the Center;

b) Center – refer to the Philippine Center for Health Promotion established under this Act;

c) Conflict of Interest – refers to any circumstance under which a person by virtue of financial or other personal interest, past, present or potential, directly or indirectly, may be influenced or appear to be influenced by any motive or desire for personal advantage other than the interests of public health;

d) Health Promotion – refers to any act that is aimed at fostering a person's physical behaviors, social conditions and environments conducive to physical strength, a firm mental condition, a long life and a good quality of life.

e) Mainstreaming – refers to the integration of policies and measures that address health into development planning and sectoral decision-making. It is a strategy for making health and wellness an integral dimension of the design, implementation, monitoring, and evaluation of policies and programs in all political, economic, environmental and societal spheres so that the right to health is protected. It is the process of assessing the implications for health of any planned action, including legislation, policies, or programs in all areas and at all levels.

f) Population-based approach/intervention – refers to assessing the health care needs of a specific population and making health care decisions for the population as a whole rather than for individuals. It focuses on the entire population, is grounded in an assessment of community health, considers broad health determinants, emphasizes health promotion and prevention, and intervenes at multiple levels.

ARTICLE II
CREATION OF THE PHILIPPINE CENTER FOR HEALTH PROMOTION

SEC. 5. *Creation of the Philippine Center for Health Promotion* - The Philippine Center for Health Promotion, hereinafter referred to as the Center, is hereby created as an agency attached to the Department of Health for policy and program coordination.

The Center shall oversee an integrated and comprehensive approach to health promotion in the Philippines. It shall be the leading body, which shall be tasked to coordinate, monitor and evaluate the programs and action plans of the government in order to ensure the mainstreaming of health into the national, sectoral, and local development plans and programs pursuant to the provisions of this Act.

It shall also serve as the research and administrative arm of the Philippine Health

Promotion Council created under Section 9 of this Act .

SEC. 6. – *Functions and Duties of the Center*– The Center shall have the following functions and duties:

a) To develop a comprehensive and integrated research program that will provide the research materials and studies required for the formulation of health promotion development plans and policies.
b) To serve as the common link between the government and the existing research institutions and to provide a forum wherein various health research studies are discussed and evaluated;
c) To conduct and undertake health research requested by the Council, and other government agencies and to arrange for research to be conducted by other research institutions and individuals, locally and abroad;
d) To establish a repository of health information research and other related activities
e) To increase public awareness of health policies, programs and plans through educational activities, advertisements, conventions, and seminars to promote healthy living;
f) To create an enabling environment that shall promote broader multi-stakeholder participation in promoting health, prevention and early detection of illness, encouraging healthy lifestyles and supporting community-based activities;
g) To promote and provide technical and financial support to local research and development programs and projects about promoting good health, safety or prevention of diseases and accidents;
h) To monitor and assess the implementation of laws and policies on health, including the implementation of international conventions;
i) To coordinate the activities of, and strengthen working relationships between government and non-government agencies involved in the implementation of health promotion programs;
j) To provide mechanisms of assistance to ensure the mainstreaming of health and the development of institutional capabilities for health mainstreaming in government agencies, including the development of a comprehensive long-term funding strategy for health promotions;
k) To convene panels of advisers and technical experts as necessary to ensure representation of all sectors in the development of policies, programs, and plans;
l) To perform such other functions and duties as may be necessary to carry out the provisions of this Act.

SEC. 7. *Executive Director and Other Officers.* – The Center shall be headed by an Executive Director with the rank of an Undersecretary who shall be a citizen of the Philippines, of good moral character, of unquestionable integrity, with at least five (5) years of administrative experience in undertaking or leading health promotions activities.

The Executive Director shall be appointed by the Council from a list of at least three (3) nominees prepared by a Selection Committee created by the Council and chaired by any of its members.

The Executive Director shall be appointed for a term of five (5) years, which must be covered by a Performance Contract between the Center and the Executive Director. Said contract may be pre-terminated by the Council for failure or unsatisfactory performance of his or her responsibilities. The Executive Director may also be removed from office due to serious misconduct, gross and habitual neglect of duties, fraud or willful breach of trust, commission of a crime or offense and other causes analogous to

the foregoing, as provided under the Administrative Code of 1987, the Revised Penal Code and other special laws, rules and regulations.

The Executive Director shall be assisted by such Assistant Director(s) and program managers/coordinators as the Council may determine to carry out the purposes and objectives of this Act.

SEC. 8. *Powers, Functions, and Duties of the Executive Director* – The Executive Director shall have the following powers, functions, and duties:

a) To exercise overall supervision and direction over the implementation of all programs of the Center, and to supervise and direct the management, operation and administration of the Center;
b) To execute contracts, including deeds that may incur obligations, acquire and dispose of assets and deliver documents on behalf of the Center, within the limits of authority delegated to him by the Council;
c) To implement and enforce policies, decisions, orders, rules and regulations adopted by the Council;
d) To submit to the Council an annual report of the Center;
e) To submit to the Council an annual budget and such supplemental budget as may be necessary for its consideration and approval;
f) To submit for consideration of the Council the policies and measures which he/she believes to be necessary to carry out the purposes and provisions of this Act;
g) Submit quarterly reports to the Council on personnel selection, placement and training; and
h) To exercise such other powers and functions and perform such other duties as may be authorized or assigned by the Council.

SEC. 9. *Establishment of the Philippine Health Promotion Council.* – For a focused and harmonized implementation of the National Strategic Framework and Program on Health Promotion and the provisions of this Act, and to catalyze, provide leadership, and proactively engage stakeholders in health promotion, there is hereby created a Philippine Health Promotion Council, otherwise known as the Council. The Council, which shall be constituted within sixty (60) days from the approval of this Act shall have the following composition:

a) Secretary of Health – ex-officio Chairperson;
b) Permanent Representatives of the following offices as ex-officio members;
    1. Department of Finance
    2. Department of Education
    3. Commission on Higher Education
    4. Department of Science and Technology
    5. Department of Interior and Local Government
    6. Department of Labor and Employment
    7. National Economic and Development Authority
    8. Department of Social Welfare and Development
    9. Department of Environment and Natural Resources
    10. Department of Agriculture
    11. Philippine Information Agency
    12. National Nutrition Council
    13. Philippine Sports Commission
    14. League of Provinces

c) Nine (9) expert representatives representing various fields and sectors, to wit:
    1. Academe

2. Health Promotion (NGO)
3. Mass Communication/Media
4. Sports
5. Dentistry
6. Mental Health
7. Medicine
8. Alternative Medicine
9. Environment

Provided, that the expert representatives shall elect among themselves who shall act as Vice-Chairperson of the Council.

The expert representatives must be Filipino citizens, residents of the Philippines, at least thirty-five (35) years of age at the time of appointment, with at least ten (10) years experience in their respective field of expertise, and of proven honesty and integrity.

The expert representatives shall be appointed by the President of the Philippines from a list of three (3) nominees submitted by their respective groups. They shall serve for a term of three (3) years without reappointment. Appointment to any vacancy shall only be for the unexpired term of the predecessor.

Ex-officio members of the Council may designate their respective alternates who shall at least be an Assistant Secretary in rank and their acts shall be considered the acts of their principal.

SEC. 10. *Functions and Duties of the Council.* – The Philippine Health Promotion Council shall perform the following functions:

a) To develop and update the national health promotion policy framework and action plan, through the adoption of population-based approaches and employment of key strategies such as policy advocacy and research, law enforcement, information, education, mass communication/social media and social mobilization, and monitoring their implementation;
b) To define and approve the programs, plans, policies, procedures and guidelines for the Center in accordance with its purposes and objectives, and to control the management, operation and administration of the Center;
c) To approve the Center's organizational structure, staffing pattern, operating and capital expenditure, and financial budgets prepared in accordance with the corporate plan of the Center;
d) To approve and fix the compensation, benefits, privileges, bonuses and other terms and conditions of service for all officers and employees of the Center, upon recommendation of the Executive Director;
e) To appoint, transfer, promote, suspend, remove or otherwise discipline any subordinate officer or employee of the Center, upon recommendation of the Executive Director;
f) To create such committee or committees and appoint members thereof, as may be necessary or proper for the management of the Center or for the attainment of its purposes and objectives;
g) To determine the priorities of the Center consistent with the framework of its purposes and objectives and in coordination with other government agencies; and
h) To exercise such other powers and functions as may be necessary to carry out the purposes and objectives of the Center.

SEC. 11. *Meetings; Quorum.* – The Council shall meet at least once every quarter for the conduct of its business, or as often as may be deemed necessary, upon the call

of the Chairperson. The presence of at least thirteen (13) members shall constitute a quorum, and the majority vote of the members present, there being a quorum, shall be necessary for the adoption of any resolution, decision or any other act of the Council.

The Chairperson shall preside at all meetings of the Council, provided, That in the event the Chairperson cannot preside the meeting, the Vice-Chairperson shall undertake such function.

The Center shall maintain and preserve a complete record of the proceedings/minutes of the Council which can be made available to the public.

SEC. 12. *Remuneration and Allowances.* – The government sector representatives in the Council shall not be entitled to compensation in the discharge of their functions but they shall be entitled to reimbursement of any reasonable expenses incurred in the performance of their functions. Private sector representatives shall be entitled to honoraria or allowances for the expenses incurred in the discharge of their functions as members of the Council.

SEC. 13. *Removal from Office.* – The following are grounds for removal of any member of the Council:

a) The member suffers from physical or mental incapacity that renders him or her incapable of properly discharging the duties and responsibilities of membership in the Council and such incapacity has lasted for more than six (6) months;
b) The member has committed acts or operations that are shown prima facie to be fraudulent or illegal or manifestly opposed to the aims and interests of the Center;
c) The member no longer possesses the qualifications specified in this Act; or
d) The member is subsequently disqualified under the provisions of existing laws.

SEC. 14. *Conflict of Interest.* – The members of the Council, the Executive Director, other officers and employees should not have any conflict of interest that may compromise his/her participation in the activities or the decision of the Center.

A member of the Council who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Council, must as soon as practicable after the relevant facts have come to his or her knowledge, declare the fact and the nature and extent of the interest, in writing to the Chairperson, before the meeting of the of the Council and inhibit himself during the deliberations when such matter is taken up. The decision taken on the matter shall be made public and the minutes of the meeting shall reflect the disclosure made and the inhibition of the member concerned.

No Council member, Executive Director, other officers and employees of the Center should have any direct or indirect engagement with the tobacco, e-cigarettes, Heated Tobacco Products (HTPs) and alcohol industry, in accordance with existing laws and regulations.

SEC. 15. *National Strategic Framework and Program on Health Promotion.* – The Center, shall, within six (6) months from the effectivity of this Act, formulate a National Strategic Framework on Health Promotion in consultation with the Department of Health. The Framework shall serve as the basis for health promotion planning, research and development, monitoring of activities, and financing, to promote health behavior and shall be aligned with the framework of the Department of Health.

The National Strategic Framework and Program shall include but not limited to the following major components:

a) DRIVE - includes physical activity and fitness, sports activities,
b) DIET - includes nutrition and healthy eating
c) DETER - includes prevention of smoking, vaping, alcohol consumption and drug use
d) DETECT - includes health screening and disease prevention
e) DEVELOP - includes health education and resources

The Framework shall be reviewed every three (3) years, or as may be deemed necessary.

ARTICLE III
HEALTH PROMOTION IN THE GOVERNMENT AND PRIVATE SECTOR

SEC. 16. *Role of Government Agencies.* –The following government agencies shall perform the herein roles in mainstreaming health promotion and integrate specific health promotion functions in their mandates as provided and submit recommendations to the Center on Health Promotion on a regular basis or as the need arises.

a) The Department of Education (DepED) shall recognize physical and mental health consciousness as a key aspect of basic education and integrate health promotion and health risk consciousness into the primary and secondary education curricula and/or subjects such as health information, and navigation through the health service delivery system.

   Public and private schools shall devote at least fifteen (15) minutes of class time per week for health promotion education and shall assign school nurses to provide health promotion education in accordance with modules to be developed by the Center.

   In the absence of a school nurse, the school may request nurses from the respective rural health units of the local government unit concerned.

b) The Department of the Interior and Local Government (DILG) and Local Government Academy, in coordination with the Center and other concerned agencies, shall facilitate the development and provision of a capacity-building program for LGUs in health promotion.

c) The Department of Health (DOH) shall ensure that health service providers shall incorporate population-based health promotion in their health services. The DOH, in cooperation with the Center, shall ensure sufficient technical resources to allow it to undertake health impact assessments for policies coming from different sectors. It shall also ensure that its health information management system and network shall include information needed to undertake health promotion strategies.

d) The National Nutrition Council (NNC) shall develop capacity-building programs for nutrition programs for local government units, other government agencies and the private sector, promote good nutrition through information campaigns and provision of dietary guidelines and recommendations, and monitor and evaluate nutrition programs and interventions and conduct nutrition surveillance.

e) The Philippine Health Insurance Corporation (PhilHealth) shall develop individual-based benefit packages for comprehensive early detection of diseases targeted at promoting wellness and reducing hospital admissions.

f) The Philippine Information Agency (PIA) shall disseminate information on health

promotion in accordance with the national strategic framework;

g) The Department of Science and Technology (DOST), through the Food and Nutrition Research Institute (FNRI) in coordination with the National Nutrition Council, shall promote, assist and, where appropriate, undertake scientific and technological research development, projections and analysis of nutrition and health behavior, in coordination with LGUs in priority/target monitoring sites, for the benefit of agriculture, trade and industry and in other areas of the country's development. The DOST shall also submit recommendations to the Center regularly or as soon as necessary to promote health.

h) The Department of Social Welfare and Development (DSWD) shall incorporate health promotion in the development and implementation of social protection and poverty-reduction solutions for and with the poor, vulnerable and disadvantaged to provide a more holistic approach to improving quality of life;

i) The Department of Trade and Industry (DTI) and Food and Drug Administration (FDA) shall establish programs and undertake measures to promote and give priority to healthy food products in the market as well as provide policies on sufficient health information on products to help consumers make informed choices;

j) Department of Agriculture (DA) shall include food safety in its core mandate and integrate in its plans and programs measures to promote health and safe food including the promotion of urban gardening, and ensure food access to healthy agricultural products and availability and accessibility of organic produce to consumers.

k) The Department of Environment and Natural Resources (DENR) shall integrate health promotion and education and training on climate change programs, promulgate policies that prioritize clean air and water, sustainable land management and conservation efforts, and conduct awareness campaigns about links between environmental factors, and human health and advocate for policies to mitigate environmental hazards;

l) The Department of Public Works and Highways (DPWH) and the Metropolitan Manila Development Authority (MMDA) shall include safety and wellness as an integral part of its mandate, develop programs that would ensure the safety of all road users including pedestrians, and ensure that its infrastructure plans include those that encourage physical activity and mental wellness of citizens such as parks and bike lanes.

m) Government financial institutions, except Bangko Sentral ng Pilipinas (BSP), any provision in their respective charters to the contrary notwithstanding, shall provide preferential financial packages for health promotion-related projects. In consultation with the BSP, they shall, within thirty (30) days from the effectivity of this Act, issue and promulgate the implementing guidelines therefore.

SEC. 17. *Role of LGUs.* – The Local Government Units shall be responsible for the formulation, implementation, monitoring, and evaluation of the local health promotion plan in their respective jurisdiction, consistent with the national strategic framework.

Barangays shall be directly involved with the municipal and city governments in prioritizing health promotion issues and in identifying and implementing best practices and other solutions. Provincial governments shall provide technical assistance, in support of municipal and city health promotion plans.

LGUs shall regularly update their respective action plans to reflect changing social, economic, and health conditions and emerging issues. The LGUs shall furnish the Center with copies of their action plans and all subsequent amendments, modifications and revisions thereof, within one (1) month from their adoption. The LGUs shall mobilize and allocate necessary personnel, resources, and logistics to effectively implement their respective plans.

The local chief executives shall appoint a focal person to lead the formulation, implementation and monitoring of the local health promotion plan. The Center shall extend technical and financial assistance to LGUs for the accomplishment of their health promotion plans.

SEC. 18. *Role of Civil Society Organizations and the Private Sector.* –Civil Society Organizations as well as community-based organizations (CBOs) shall be encouraged to undertake health promotion programs within the national framework and plan.

The private sector is encouraged to support the health promotion activities of CSOs and CBOs and to contribute in promoting and implementing the national strategy and framework plan.

The center shall formulate funding support for the health promotion programs organized by CSOs and CBOs.

SEC. 19. *Corporate Social Responsibility.* – All registered businesses are encouraged to develop health promotion programs such as wellness programs for their employees, sponsoring community health events or supporting local healthcare initiatives as part of their corporate social responsibility.

All expenses incurred by any corporation in the exercise of its corporate social responsibility related to health promotion shall be fully deducted from its gross income in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

SEC. 20. *Coordination with Various Sectors.* In the development and implementation of the national framework and plan, and the local action plans, the Center shall consult and coordinate with the non-government organizations (NGOs), civic organizations, academe, people's organizations, the private and corporate sectors, and other concerned stakeholder groups.

SEC. 21. *Health Promotion in Government Agencies.* – All government agencies shall:

a) Designate focal persons to accelerate health promotion within their offices;
b) Monitor the health status of all personnel within their respective agencies;
c) Submit an annual report to Congress on the implementation of health promotion programs and activities in accordance with the guidelines to be issued;

SEC. 22. *Public Information.* – Government networks shall devote an aggregate of two (2) minutes of airtime during prime time to provide public service announcements for health promotion within the communication plan embodied in the national framework. The private sector, including privately owned radio/TV networks and websites, and cinemas is encouraged to promote effective health promotion messages in accordance with the national plan by contributing air-time.

ARTICLE IV
THE HEALTH PROMOTION FUND

SEC. 23. *Health Promotion Fund.* – To implement the provisions of this Act, there is hereby created a Health Promotion Fund, which shall be used exclusively for the programs, plans, projects and activities of the Center to fulfill the objectives of this Act.

SEC. 24. *Source of Fund.* – Upon the effectivity of this Act and every year thereafter, two percent (2%) of the remaining incremental revenues allocated for health pursuant to Republic Act 10351 shall be earmarked for the Health Promotion Fund.

Provided, That additional funding requirements may be made in the Annual General Appropriations Act as determined by Congress.

SEC. 25. *Uses of the Fund* – The fund shall be used to support the health promotion plan and activities of the Center such as, but not limited to:

a) Supporting the inter-agency and inter-sectoral collaboration for preventive measures and planning;
b) Promoting supportive environments that affect health;
c) Promoting preventive care and prevention of non-communicable diseases
d) Research and evaluation of health promotion policies and strategies
e) Mass media campaigns
f) Augmenting support and resources for local health workers

SEC. 26. *Community Participation.* – To promote social mobilization, civil society organizations not affiliated with the tobacco and alcohol industry and other commercial interests shall be encouraged to tap the health promotion fund which shall be exclusively used to monitor and report on health promotion activities, to undertake health promotion activities at the community level, and to conduct related research. The fund, however, shall not be utilized and/or expended for capital-related expenditures.

Provided, That the concerned civil society organizations meet the minimum criteria: Registration with the Securities and Exchange Commission or other national government agencies empowered by law to register organizations, financial viability, suitability of the organizational structure and competence of manpower complement, successful track record in the community and/or field of expertise, non-existence of conflict of interest and nepotism, and legitimacy and commitment to public service.

Provided, further, That compliance with rules on proper reporting and audit procedure required by existing laws and guidelines be strictly observed.

SEC. 27. *Automatic Appropriation and Release of the Fund.* – The funds referred to in Section 24 of this Act shall be appropriated in the annual General Appropriations Act and released automatically in favor of the Philippine Center for Health Promotion.

SEC. 28. *Audit.* – All funds under the management and control of the Center shall be subject to an internal and external audit to be done as follows:

a) Internal Audit – There shall be an internal audit with respect to the finance, accounting and procurement of the Center, with a corresponding audit report for the submission to the Council, at least once a year.

   For purposes of internal audit, there shall be an official of the Center acting as an internal auditor with direct accountability to the Council, in accordance with the regulations prescribed by the Council.

The Center shall prepare a financial statement, which must include at least a balance sheet and an operation account to be submitted to the auditor within one hundred and twenty (120) days from the end of each accounting year.

b) External Audit – At an interval of every year, the Commission on Audit shall appraise the utilization and disposition of funds and property of the Center in accordance with existing laws and guidelines.

SEC. 29. *Authority to Solicit, Negotiate, and Receive Donations, Grants, Gifts, Legacies, Endowments, and Contributions.* – The Center may solicit, negotiate with, and receive from any public or private domestic or foreign sources, legacies, gifts, donations, grants, endowments, contributions or other transfers of ownership and/or possession of real or personal properties of all kinds in favor and for the benefit of the Center which shall all be part of the special account in the general fund managed by the Bureau of Treasury.

The Council shall prescribe the measures necessary for the proper use, maintenance, safekeeping, and compliance with the terms and conditions, if any, of said donations, grants, endowments, contributions of transfers in accordance with pertinent accounting and auditing laws, rules and regulations.

SEC. 30. *Tax Incentives.* – Any donation, contribution, grant, in cash or in kind, whether local or foreign, which may be made by individuals and organizations, including private entities, which shall provide the appropriate services, technology, facilities, materials and other inputs, and other delivery support services for health promotion, shall be exempt from donor's tax and the cost of which shall be considered as an allowable deduction form the gross income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

ARTICLE V
MISCELLANEOUS PROVISIONS

SEC. 31. *Annual Report.* – The Council shall submit to the Office of the President, and to both Houses of Congress, within the first quarter of every year, an annual performance report and a report on the utilization of the health promotion fund.

SEC. 32. *Initial Appropriations.* – The amount necessary for the operation of the Center shall be charged to the annual General Appropriations Act.

SEC. 33. Separability Clause. - If any provision or part of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 34. *Repealing Clause.* – All other laws, decrees, executive orders, proclamations, and other executive issuances which are not consistent with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

SEC. 35. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,