

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
Third Regular Session

HOUSE BILL NO. **10812**



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

The **1987 Constitution** mandates the state to establish sufficient **hospital infrastructures** and **healthcare facilities** through appropriate technology and research, with adequate financial, equipment and other support services.

The **Philippine Children's Medical Center (PCMC)** is a government-owned and controlled corporate National Center for Specialized Health Care under the **Department of Health**. It is a 200-bed capacity tertiary hospital with a mandate to provide **pediatric care**, offer training programs for medical and allied health care providers, and be a center in clinical research.

Article II, Section 15 of the 1987 Constitution provides that the state shall protect the rights of the people and instill health consciousness among all. Furthermore, it is State policy to ensure that communities have access to quality and accessible healthcare. Clearly, health service is among the most essential basic services that are urgently and frequently needed by all.

1979, was the International Year of the Child, inspired by the concept and the impetus to provide children a tertiary institution for expert health care. By August 10, 1979, **P.D. 1631** created the hospital known as Lungsod ng Kabataan. This was inaugurated on April 29, 1980, under then the **Minister of Human Settlements**, First Lady Imelda R. Marcos, the hospital first opened its

doors to commence delivering expert healthcare to children. Lungsod ng Kabataan is described as a “Wonderland for Children”.. This aims to make the child’s hospital stay a soothing and comfortable experience, as well as informative, educational and enjoyable. The decorative rooms also distract children from their ills and pain, making their environment conducive to healing.

This House Bill seeks to provide **Modernization Funding** to the **PCMC** to ensure that the, shall be the leader in upholding the highest standards of **pediatric care**, a self-reliant institution responsive to the health needs of the Filipino people.

Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read 'Michael L. Romero', with a long horizontal line extending to the right.

MICHAEL L. ROMERO

Republic of the Philippines
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AN ACT

PROVIDING FOR THE MODERNIZATION OF THE **PHILIPPINE CHILDRENS MEDICAL CENTER (PCMC)**, INCREASING AND REORGANIZING ITS ADMINISTRATION, STRENGTHENING THE PEDIATRIC AND TERTIARY CARE FACILITIES, ENHANCED BY EDUCATION AND RESEARCH, ACCESSIBLE TO ALL AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY – It shall hereby be a declared policy of the State to foster the **PCMC** as the leader in upholding the highest standards of special training and research hospital mandated to render a comprehensive healthcare, a self-reliant institution responsive to the health needs of the Filipino people:

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The state shall continually improve the effectiveness of our Quality Management System towards equitable development for improved quality of life for all.

The state shall formulate policies for the efficient and effective administration and management of all manpower, skills and competencies to ensure compliance.

Article II, Section 15 of the 1987 Constitution provides that the state shall protect the rights of the people and instill health consciousness among all.

Likewise, it is state policy to ensure that communities have access to quality and accessible healthcare. Clearly, health service is among the most essential basic services that are urgently and frequently needed by all.

SECTION 2. The **PCMC** is the **premier Pediatric Center of the country**, the Child Neuroscience Department, the Center for Developmental Intervention, Perinatology Department and Research Department were likewise created. With its goal of strengthening the tertiary care facilities of the institution, Pediatric Dentistry, and Child Psychiatry were formed in 1989.

Throughout the 1990s, PCMC continued with its tasks of setting standards of excellence in service, training, and research.

Various innovative activities under the Committee of Primary Preventive and Promotive Programs were organized.

Institutional highlights during the turn of the century introduced new Fellowship Training Programs such as Pediatric Radiology and Pediatric Gynecology.

Testament to its enduring commitment to quality in all aspects of patient care, PCMC was awarded the *Salamin ng Bayan Award* in 1992 and 1994, *Buhay Award* in 1995, *National Public Service Award* in 1997, and the *Three Star Excellence Award* in 1998, *Quezon City Most Outstanding Organization* in 2012,

and the most recent achievement that it received in 2013 is the ISO Certification in Pediatric Specialized Healthcare Services and Pediatric Dental, Diagnostics and Laboratory Services.

SECTION 3. MODERNIZATION FUNDING. – The amount of Two Billion Pesos (**Php2,000,000,000.00**) for the operation and administration of the (**NCMH**) shall be chargeable against funds for the purpose and other sources recommended by the **Department of Budget and Management (DBM)**. Thereafter, appropriations for the (**PCMC**) shall be included in the budget proposals under the **Department of Health (DOH)**.

The Department of Health (**DOH**) shall rationalize the existing organizational structure and staffing pattern of the **PCMC** in accordance with the provisions of this Act and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act (**GAA**).

SECTION 4. PHILIPPINE CHILDRENS MEDICAL CENTER (PCMC) MODERNIZATION FUND – There is hereby created the (**PCMC**) *Modernization Fund* to be used exclusively for the (**PCMC**) *Modernization Program*.

The (**PHC**) *Modernization Fund* shall be administered by the Medical Director of the **PHC** in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 5. PROGRESS REPORT – The **PCMC** shall prepare an annual report on the status of the implementation of the (**PCMC**) *Modernization Programs* which shall be submitted, to the Office of the President and to the

Chairpersons of the Committee on Health of the Senate and the House of Representatives.

SECTION 6. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for a period of three **(3)** years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

Provided, further, That the **(PCMC)** shall continue to develop, modernize and constantly update its operational capabilities to keep pace with best global practices. The amount necessary for the initial implementation to fund this act shall be charged under the Department of Health **(DOH)**.

Thereafter, appropriations for the **(PCMC)**, shall be included in the budget proposals under the annual **General Appropriations Act (GAA)**

The Department of Budget and Management **(DBM)** shall rationalize the existing organizational structure and staffing pattern of the **(PCMC)** in accordance with the prevailing provisions and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program shall be included in the annual **General Appropriations Act (GAA)**.

SECTION 7. MODERNIZATION FUND – There is hereby created the **NCMH) Modernization Fund** to be used exclusively for the **(PCMC) Modernization Program**.

The **(PCMC)** Modernization Fund shall be administered by the **Medical Director** of the **PCMC** in accordance with existing government budgeting, accounting, and auditing rules and regulations.

SECTION 8. PROGRESS REPORT – The **Medical Director** of the **(PCMC)** shall prepare an annual report on the status of the implementation of the Modernization Programs which shall be submitted, to the Office of the **President**.

SECTION 9. SUPERVISING AND ASSESSMENT CONCERNS. — the **Department of Health (DOH)**, shall provide the necessary technical and financial assistance to ensure effective operations and build-up.

SECTION 10. IMPLEMENTING AGENCY. — The **Department of Health (DOH)**.

SECTION 11. IMPLEMENTING RULES AND REGULATIONS. — Within ninety **(90)** days from the effectivity of this Act, the **PCMC**, shall, in consultation with **DBM** and **DOH**, and other concerned government and private agencies, promulgate the necessary rules and regulations to carry out the provisions of this Act.

SECTION 12. INCREASE OF PERSONNEL. – The **PCMC** shall maintain the sufficient staffing pattern. Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

SECTION 13. GOVERNMENT CONTRIBUTIONS. The Government shall contribute the necessary land, building, equipment and facilities, to the **NCMH**, and shall pay such obligations for real, personal and mixed properties

arising from such undertaking under a deferred payment arrangement within three **(3)** years, at a preferred rate of interest.

SECTION 14. PROPERTY OF THE CENTER. The property of the **NCMH** shall consist of such real, personal, mixed, and other type of property, now owned or reserved for, or may hereafter be given, donated, acquired, transferred or conveyed to, the **PCMC** by the Philippine Government, its branches and instrumentalities, any foreign government, as well as by trust, foundations, corporations, or persons, alien or domestic, in order to carry out its purposes and objectives as set forth herein.

SECTION 15. TAX EXEMPTIONS, ETC. - All of the donations, contributions or endowments which may be made by entities or persons to the Philippine Heart Center shall be exempt from income and gift taxes, and the same shall be further deductible in full for purposes of computing the maximum amount deductible under the **National Internal Revenue Code**, as amended.

The **NCMH** shall be exempt from the payment of all taxes, charges and fees imposed by the Government or any political subdivision or instrumentality thereof for a period of five **(5)** years.

All income earned by foreign doctors who shall use the facilities of the **PCMC** shall be tax exempt for a period of ten years from the date of issuance hereof.

Any provision of law to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial aid which may be made to the Institute shall be exempt from taxes of any kind and shall constitute allowable deductions in full of the income of the donors or grantors for income tax purposes.

SECTION 16. ASSISTANCE FROM GOVERNMENT OFFICES, ETC. The **PCMC** may call upon any department, bureau, office, agency or instrumentality of the Government, including government-owned or controlled corporations, for such assistance as it may need in the pursuit of **powers and functions**.

All individuals, entities and institutions are hereby enjoined to render full assistance and cooperation to the **PCMC** in the accomplishment of its objectives and activities.

SECTION 17. GOVERNMENT SUPPORT - The amount of **(Php500,000,000.00)** is hereby appropriated as contribution of the National Government for the initial modernization of the **PCMC**. On the year of the approval of this act.

Thereafter, the necessary amount to support the continued modernization of the **NCMH** shall be appropriated and released, subject to the approval of the President of the Philippines.

SECTION 18. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 19. AUDITING PROVISION - The books and accounts of the **NCMH** shall be subject to periodic auditing by the Chairman of the **Commission on Audit**, or his duly authorized representative.

SECTION 20. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 21. TRANSPARENCY - Government information is a pearl, meant to be shared with the public in order to maximize its inherent value.

the **PCMC** hopes to inspire Filipinos in the civil service to be more open to citizen engagement; on the other, to invite the Filipino citizenry to exercise their right to participate in governance. This initiative is envisioned as a step in the right direction towards solidifying the position of the **PCMC** – a shining democratic virtue in the region.

SECTION 22. POWERS AND FUNCTIONS - For the attainment and/or furtherance of the above purposes and objectives, the **PCMC** as a corporate body, acting through its **Board of Trustees** shall have all the powers and functions pertaining to a juridical person, and is therefore authorized, to conduct authority among other things:

- (a) To acquire and hold in any manner property of whatever nature or description,
- (b) to dispose of such property under any mode of encumbrance or conveyance;
- (c) including the construction and operation of satellite branches.

SECTION 23. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 24. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 25. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,