

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11082



Introduced by **Representative Wilbert “Manoy” T. Lee**

AN ACT
CREATING A NATIONAL MEDICINE BANK

EXPLANATORY NOTE

Article II, Section 15 of the 1987 Constitution states that “[t]he State shall protect and promote the right to health of the people and instill health consciousness among them.” In addition, Article XII, Section 11 stipulates that “[t]he State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the under- privileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.” Similarly, Section 12 of the same Article asserts that “[t]he State shall establish and maintain an effective food and drug regulatory system and undertake appropriate health, manpower development, and research, responsive to the country's health needs and problems.”

The Philippines grapples with substantial institutional challenges that hinder marginalized sectors from accessing essential health services, particularly medications. Despite the government's initiatives aimed at enhancing availability, numerous Filipinos continue to face obstacles that restrict their access to vital healthcare, largely due to the pervasive effects of poverty and inherent limitations within the healthcare system. Consequently, low-income individuals bear a disproportionate burden of health issues, resulting in significant disparities in health outcomes across various socioeconomic groups.¹

In its 2017 Policy Notes, the Philippine Institute for Development Studies (PIDS)² indicated that high medicine prices are not the principal barrier to access in the Philippines; rather, fostering competition and enacting government measures are vital for improving affordability and ensuring that the poorest populations can obtain necessary medications. It is important to note that medicines may remain unaffordable despite lower prices if the healthcare system has already marginalized these vulnerable groups.

¹ Lambojon K, Chang J, Saeed A, Hayat K, Li P, Jiang M, Atif N, Desalegn GK, Khan FU, Fang Y. Prices, (2024) Availability and Affordability of Medicines with Value-Added Tax Exemption: A Cross-Sectional Survey in the Philippines. *Int J Environ Res Public Health*. 2020 Jul 21;17(14):5242. doi: 10.3390/ijerph17145242. PMID: 32708060; PMCID: PMC7400398.

² Clarete, R. L., & Llanto, G. M. (2017). Access to medicines in the Philippines: Overcoming the barriers. Quezon City: Philippine Institute for Development Studies.

Thus, through this Representation, this measure is a crucial legislative measure aimed to address the pressing issue of access of healthcare for marginalized populations. By facilitating the collection and distribution of donated pharmaceuticals and healthcare supplies, it ensures that vulnerable individuals receive necessary medical support. This bill also promotes the responsible management of excess medical resources, reducing waste and optimizing the use of available healthcare products. With the growing demand for health services, especially during emergencies and public health crises, the National Medicine Bank serves as a vital resource for Community Health Centers and government facilities. Furthermore, it establishes legal protections for donors and healthcare providers, encouraging more contributions to the National Medicine Bank. Ultimately, the measure aims to enhance the overall health equity and welfare of the Filipino population by bridging gaps in healthcare access through a whole-of-society approach.

In light of these points, the approval of this bill is earnestly sought.


HON. WILBERT “MANOY” T. LEE
Representative
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AN ACT
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Short Title.** – This Act shall be known as the "Medicine Bank Act."
2

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to protect
4 and promote the right to health of the people. Towards this end, the State shall adopt an
5 integrated and comprehensive approach to health development which shall endeavor to make
6 essential goods, health, and other social services available to all the people at affordable cost.
7 There shall be priority for the needs of the under-privileged, sick, elderly, disabled, women,
8 and children. The State shall endeavor to provide free medical care to paupers. The State
9 shall also establish and maintain an effective drug regulatory system responsive to the
10 country's health needs and problems.
11

12 **SEC. 3. Definition of Terms.** - In this Act, the term –
13

14 (a) Charitable, religious, or non-profit organization - means any organization which is
15 organized and is operating for charitable or religious purposes or to promote social
16 welfare, and which distributes pharmaceuticals and health care supplies at no cost to
17 needy persons;
18

- (b) Eligible person - means any eligible person as defined by rules and regulations to be issued by the Secretary;
- (c) Institutional facility - means a government owned and operated: (1) Hospital; (2) Convalescent home; (3) Nursing home; (4) Extended care facility; (5) Mental institution; (6) Rehabilitation center; (7) Health maintenance organization; (8) Psychiatric center; (9) Mental retardation center; (10) Penal institution; or (11) Any other government-owned organization or facility whose primary purpose is to provide a physical environment for patients to obtain health care services or at-home care services, except those places where physicians, dentists, veterinarians, osteopaths, podiatrists, or other prescribers are duly licensed to engage in exclusively private practice;
- (d) Licensed practitioner - for purposes of this Act, means a physician, nurse, dentist, pharmacist, pharmacy, hospital, or other person licensed, registered, or otherwise permitted by law, to distribute, dispense, administer, or prescribe in accordance with law;
- (e) Pharmaceutical company - means any company that manufactures pharmaceuticals and health care supplies or distributes such items;
- (f) Pharmaceuticals and health care supplies - means any medicine prescription or non-prescription, excluding all controlled substances listed under appropriate laws; or health care supplies such as soap, personal sanitary products, baby formula, dietary supplement, health care aids such as thermometers, surgical gloves, or bandages, or any other item which is fit for human consumption or external use, before the expiration date stamped on the product;
- (g) Pharmacist - means an individual licensed to practice pharmacy in the Philippines;
- (h) Pharmacy - means any place in the Philippines where drugs are dispensed and pharmaceutical care is provided;
- (i) Prescription - means an order for medication which is dispensed to or for an ultimate user, but does not include an order for medication which is dispensed for immediate administration to the ultimate user (e.g. an order to dispense a drug to a bed patient for immediate administration in a hospital is not a prescription) and as defined by law.
- (j) Secretary - means the Secretary of Health. The Secretary shall also serve as the Medicine Bank Director or if he or she is unable to do so, he or she shall authorize a licensed pharmacist or another individual with the qualifications and knowledge of receiving, distributing, or storing pharmaceuticals, to administer the Medicine Bank;

1 **SEC. 4. Creation of a National Medicine Bank.** – There is hereby created within the
2 Department of Health a “Medicine Bank.”

3 The purpose of the Medicine Bank are as follows:

4 (a) To collect donations of pharmaceuticals and healthcare supplies and distribute them to
5 Community Health Centers and various government-owned and operated institutional
6 facilities for distribution by these centers and facilities to eligible individuals in need,
7 as defined pursuant to this Act.

8 (b) To be an agent for the collection and distribution of donated materials to Community
9 Health Centers and government-owned institutional facilities, as defined in this Act.

10 The Medicine Bank is not responsible for filling individual prescriptions for eligible
11 persons. Donations have no cash value and cannot be considered a liquid asset or
12 inventory. Therefore, circumstances may necessitate charging administrative fees for
13 the distribution of materials. The Secretary shall determine the necessary fee amount
14 to ensure the continued operation of the Medicine Bank and shall promulgate rules
15 and regulations within ninety (90) days after the enactment of this Act. These fees
16 shall be assessed to the receiving entities requesting medicines and supplies, not to
17 eligible individuals. Government institutional facilities and other entities receiving
18 medicines and supplies from the Medicine Bank shall not charge or pass the cost onto
19 eligible individuals.

20 (c) To ensure that all materials, including prescription drugs, non-prescription drugs,
21 over-the-counter drugs, medical supplies, and other items, shall be identified, dated,
22 and transported to the Medicine Bank. Upon receipt, all materials will be carefully
23 examined and inspected by the Secretary or his or her lawful designee, the Medicine
24 Bank Director, before distribution to Community Health Centers or other
25 government-owned and operated institutional facilities for lawful dispensing by
26 licensed practitioners.

27 (d) To examine each incoming delivery of drugs and other materials to ensure that factory
28 seals are intact. Products that are damaged, outdated, deteriorated, misbranded, or
29 adulterated shall be isolated and discarded in accordance with the law or department
30 guidelines.

31 (e) To ensure that all donated medications must be labeled as required by law. No
32 medication that has been previously dispensed by a practitioner to a private citizen
33 will be accepted. Non-prescription medicines, home health equipment, medical
34 supplies, and other items shall be carefully inspected upon receipt. Only items

1 deemed fit for use will be distributed; others will be disposed of in accordance with
2 the law. The Secretary shall promulgate rules and regulations to minimize
3 government liability in the distribution of medical equipment, which may require that
4 equipment and supplies be received with the proper operating manual and
5 maintenance history. If the equipment is new or unused, factory information may be
6 required. These rules and regulations shall ensure that the government and the
7 National Medicine Bank are not held liable for issues arising from the use or
8 operation of these items.

9 (f) To guarantee that the storage rooms are secure from unauthorized access. The
10 National Medicine Bank storage rooms must be entered through a locked door, with
11 keys held only by the Pharmacy Staff and the National Medicine Bank Director. The
12 area must be well-lit, and the building must be locked and guarded by security
13 personnel at all times. Controlled substances will not be handled by the National
14 Medicine Bank. No clients, patients, or eligible individuals will receive medicines or
15 materials directly from the National Medicine Bank. Dispensing of medicines and
16 supplies will take place only at Community Health Centers, mobile health units, or
17 government-owned and operated institutional facilities, where licensed practitioners
18 will dispense pharmaceuticals.

19 (g) To ascertain that all drugs, including prescription drugs without special storage
20 requirements, shall be stored according to applicable rules and regulations or accepted
21 standards regarding temperature and condition.

22 (h) To conduct a careful inventory of all donated pharmaceuticals and materials shall be
23 maintained and updated as necessary. Medications and supplies leaving the National
24 Medicine Bank shall be double-checked for damage and proper identity. Because
25 medications are donated to the National Medicine Bank by many sources, including
26 local doctors' offices, pharmacies, religious and charitable organizations. Each
27 medication donated will be added to the inventory list with the donor's name and
28 address, donation date, medication name, strength, lot number, quantity, and
29 expiration date. Full inventories shall be made available to Community Health
30 Centers and government-owned institutional facilities regularly. These facilities will
31 place orders with the National Medicine Bank, which will generate a dated record of
32 each distribution. Old stock shall be distributed first, and older drugs shall be rotated
33 to the front of the shelf as new stock is received.

1 As distributions of medicines are made to each participating site, receiving staff shall
2 check the distribution against a packing list, sign and fax the list back to the National
3 Medicine Bank Director. Medicines shall be dispensed by licensed practitioners at the
4 receiving sites.

5 Medications close to expiration shall only be distributed if the receiving health center
6 or institutional facility assures the National Medicine Bank staff that they will be
7 dispensed and consumed before the expiration date. All outdated drugs shall be
8 isolated and disposed of according to applicable laws. The inventory record for
9 outdated drugs shall note the disposal or return to the manufacturer and be maintained
10 for five (5) years.

11 The Secretary, or his or her designee, the National Medicine Bank Director, and
12 appropriate staff shall conduct a physical inventory several times a year and reconcile
13 it with computer inventory records. If discrepancies arise, the physical count will be
14 considered definitive. The computer records will be adjusted to reflect the true count,
15 and a list of changes will be kept and periodically reviewed. Special attention shall be
16 given to recurring discrepancies, especially with expensive items or when certain staff
17 are on duty. An investigation will be conducted if patterns of discrepancies emerge,
18 with the assistance of the National Bureau of Investigation.

19 (i) To comply with all recalls and withdrawals of prescription and over-the-counter
20 drugs. Notices of recalls or withdrawals may be issued by the Department of Health,
21 government agencies, or manufacturers. Upon receiving such notices, the Medicine
22 Bank will remove affected items from its inventory and notify the health centers and
23 institutional facilities that may have received them. These items shall be either
24 returned to the supplier or destroyed.

25 (j) To adhere to approved disaster plans established by the DOH or other government
26 agencies. These plans will be available for review in the National Medicine Bank
27 Pharmacy and must be followed during emergencies. In case of a crisis when the
28 National Medicine Bank or its provincial banks are closed, the respective Medicine
29 Bank Pharmacist, shall be notified immediately by staff or Department of Health
30 officials. The National Medicine Bank Director shall also be notified promptly. If
31 there is physical damage that compromises the integrity of the storage room, all drugs
32 shall be relocated to a secure place. If the room remains secure, the Medicine Bank
33 may remain operational. If a crisis causes temperature fluctuations, all affected drugs
34 shall be discarded, as well as those damaged by water or fire.

1
2 (k) To maintain a current list of all individuals responsible for the distribution, storage,
3 and handling of prescription drugs, including the Medicine Bank Pharmacist,
4 Director, and any other necessary personnel. This list shall include a description of
5 each person's duties and qualifications and be available for review at all times.
6

7 **SEC. 5. Exceptions to Liability** – (a) A charitable, religious, or non-profit organization
8 that, in good faith, receives pharmaceuticals or health care supplies fit for human
9 consumption or external use and donates them, at no charge, to the National Medicine Bank,
10 shall not be liable for any civil damages or criminal penalties resulting from the use of such
11 pharmaceuticals or health care supplies distributed or dispensed to eligible persons, unless an
12 injury or illness results due to the organization's gross negligence or wanton acts or
13 omissions.

14 (b) Any pharmacy, wholesale prescription drug distributor, pharmaceutical company,
15 institutional facility, or practitioner that, in good faith, provides pharmaceuticals and
16 health care supplies to the National Medicine Bank without remuneration or the
17 expectation of remuneration, shall be exempt from civil liability for injuries and
18 damages resulting from their acts or omissions in providing these pharmaceuticals and
19 health care supplies, except in cases of gross negligence or wanton acts or omissions
20 on the part of the pharmacy, wholesale prescription drug distributor, pharmaceutical
21 company, institutional facility, or practitioner.

22 (c) Any donated or previously dispensed prescription drug:

- 23 1. Shall be in its dispensed, unopened, tamper-evident, single-user unit;
24 2. Shall have remained at all times under the control of a person who is trained
25 and certified by law, rule, or regulation in the storage and administration of
26 drugs in institutional facilities;
27 3. Shall not have been adulterated, misbranded, or stored under conditions
28 contrary to standards established by law, rule, or regulation, or the product
29 manufacturer; and
30 4. Shall be used before the expiration date on the unit.

31 (d) This section shall not relieve any organization from any other duty imposed upon it
32 by law regarding the inspection of donated pharmaceuticals or health care supplies, or
33 for any provisions concerning the handling of those products, nor shall it relieve any

1 health care provider from liability arising from the prescription of such
2 pharmaceuticals or health care supplies.

3
4 **SEC. 6. Prohibition on Sale of Donated Pharmaceuticals or Health Care Supplies –**

5
6 (a) Other than the National Medicine Bank, no person or organization shall sell or offer
7 for sale any pharmaceutical or health care supply donated or distributed by the
8 National Medicine Bank under this Act.

9
10 (b) Any person who violates this section shall be punished by imprisonment for one (1)
11 year and a fine of one hundred thousand pesos (P100,000.00).

12
13 **SEC. 7. Labeling of Donated Pharmaceuticals or Health Care Supplies.** - Any
14 charitable, religious, or non-profit organization that receives and distributes donated
15 pharmaceuticals or health care supplies pursuant to this Act shall affix a label to those items.
16 The label shall indicate the following:

- 17 1. The items are donated and not for resale.
18 2. The items are fit for human consumption or use as of the date they left the control of
19 the charitable, religious, or non-profit organization.

20
21 **SEC. 8. Roles and Responsibilities of Local Government Units (LGUs).** Local
22 government units (LGUs) shall have the following roles and responsibilities:

- 23 1. Establish provincial-level Medicine Bank offices that will manage the collection and
24 distribution of donated medicines within the province.
25 2. Identify priority beneficiaries in their localities, including marginalized, low-income,
26 and vulnerable populations.
27 3. Facilitate the distribution of medicines to local health centers, hospitals, and barangay
28 health stations. Provide local funding and logistical support to ensure the smooth
29 operation of Medicine Banks.

30
31 **SEC. 9. Data Collection and Reporting.** Each Medicine Bank shall maintain accurate
32 records of:

- 33 1. The quantity and type of medicines received.
34 2. The distribution of medicines to beneficiaries.

1 3. Any surplus or unused medicines to be recycled or returned.

2 The Department of Health (DOH) shall compile and analyze reports from all Medicine
3 Banks and issue annual performance reports, which shall be made available to the public.

4
5 **SEC. 10. Penalties.** Any individual or organization found guilty of misusing or abusing
6 the medicines donated to the Medicine Bank, including selling donated medicines or
7 misappropriating them for personal gain, shall be subject to penalties under existing laws
8 related to health, drug regulation, and corruption.

9
10 **SEC. 11. Implementing Rules and Regulations.** – The Secretary of Health shall issue
11 the necessary rules and regulations to carry out the objectives of this Act.

12
13 **SEC. 12. Separability Clause.** – If any provision or part of this Act be declared
14 unconstitutional or invalid, the other provisions and parts hereof, insofar as they are separable
15 from the invalid ones, shall remain in full force and effect.

16
17 **SEC. 13. Repealing Clause.** – All laws, decrees, orders, proclamations, rules and
18 regulations, or parts thereof, which are inconsistent with this Act are hereby repealed,
19 amended, or modified accordingly.

20
21 **SEC. 14. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in
22 the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,