



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 538

Introduced by **Representative EDUARDO R. RAMA, JR.**

EXPLANATORY NOTE

According to the International Society of Nephrology, between 8 to 10% of the adult population live with some form of kidney damage, and millions of people die prematurely each year due to complications related to kidney disease. Kidney diseases are linked to high healthcare costs, poor quality of life, and serious adverse health outcomes.

In the Philippines, the price of one (1) hemodialysis session ranges from Two Thousand Pesos (P 2,000.00) to Seven Thousand Pesos (P 7,000.00) per treatment. Patients undergo at least three (3) sessions per week. The cost of medical care for such a common disease is outrageous.

It is the policy of the State to protect and promote the right to health of the people. The State recognizes the urgent need to consolidate and reinforce existing programs, strategies and efforts at preventing, treating and rehabilitating people affected by kidney diseases, and to undertake research and training on the cure and prevention of kidney diseases, through a Kidney Institute which will provide quality and affordable medical care for Filipinos in need.

This House Bill seeks to create the **Kidney Institute of Cebu**, to provide material and financial support towards the establishment and maintenance. for the welfare and benefit of the Filipino people.

Support for the enactment of this measure is earnestly requested.


REP. EDUARDO R. RAMA, JR.
2nd District, City of Cebu



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AN ACT CREATING THE KIDNEY INSTITUTE OF CEBU, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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 "Kidney Institute of Cebu Act"

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

6
7 **SECTION 3. Tax Exemptions and Privileges.-** The Institute is hereby declared exempt
8 from all income and all other internal revenue taxes, tariffs, and customs duties and all other
9 kinds of taxes, fees and charges and assessments levied by the Government and its political
10 subdivisions, agencies and instrumentalities.

11
12 The President of the Philippines, upon the recommendation of the Secretary of Finance,
13 may partially or fully lift the exemption herein provided, if he shall determine that the Institute
14 is self-sustaining and financially capable of paying such taxes, customs duties, fees, charges
15 and other assessments, after providing for the debt service requirements and the projected
16 capital and operating expenditures of the Institute.

17
18 **SECTION 4. Purposes and Objectives of the Institute.-** The Institute shall be a non-
19 stock, non-profit corporation organized primarily for the following purposes and objectives:
20

- 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 disease and allied diseases pursuant to the policy of the State to provide people with specialized health and medical services and to address the lack of a state-funded kidney and related diseases center in the Province of Cebu and 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 program 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 in 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 5. Powers of the Institute.- For the attainment and/or furtherance of the aforementioned purposes and objectives, the Institute, as a body corporate, acting through its Board of Trustees, shall have all the powers, both necessary and implied, pertaining to a juridical person.

SECTION 6. 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, to be appointed by the President, 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 Director of the Department of Health- Region VII, or his or her authorized representative, as ex-officio member; and

- 1 e. The Mayor of the City of Cebu, or his or her authorized representative as ex-officio
2 member.
3

4 **SECTION 7. Powers and Functions of the Board.-** For the attainment and furtherance
5 of the provision of this Act, the Board of Trustees of the Institute shall have the following
6 powers:
7

- 8 a. To formulate policies, guidelines and programs to effectively implement and carry out
9 the purposes and objectives of this Act;
10 b. To prescribe, review and revise the amount of fees, charges, and assessments levied and
11 collected for the support and maintenance of the operations of the Institute;
12 c. To control the management, operation and administration of the Institute;
13 d. To promulgate such rules and regulations as may be necessary or proper for the effective
14 management, operation and administration of the Institute;
15 e. To authorize each expenditures of the Institute as may be necessary or proper for the
16 effective management, operation and administration of the Institute;
17 f. To determine and organize the Institute's organizational and administrative structure,
18 and to establish, fix, review, revise and adjust the appropriate compensation scheme of
19 the officers and employees of the Institute, with reasonable allowances, bonuses and
20 other incentives;
21 g. To adopt the annual and supplemental budget of receipts and expenditures of the
22 Institute;
23 h. To appoint, promote transfer, remove, suspend or otherwise discipline officers and
24 employees of the Institute;
25 i. To solicit and receive donations grants, contributions, gifts or endowments from all
26 sources whether foreign or domestic, whether public or private, without the need of
27 securing a permit, approval or registration from any government agency;
28 j. To exercise all the general powers necessary or incidental to the attainment of the
29 purposes and objectives of this Act; and
30 k. To do any and all acts as may be necessary or proper for the attainment of the purposes
31 and objects of this Act,
32

33 **SECTION 8. Term, Removal, Vacancies, Reappointment and Compensation of the**
34 **Board.-** Except for the ex-officio members of the Board, the following members of the Board
35 shall serve for the duration of the following terms:
36

- 37 a. The Vice-Chairman shall serve for a term of six (6) years; and
38 b. All other regular members of the Board shall serve for a term of three (3) years, with a
39 right to hold-over until their respective successors shall have been duly appointed and
40 qualified.
41

1 Any member of the Board may be removed by the President with or without cause. In case
2 of vacancy, the person appointed by the President to fill the vacancy shall hold office for the
3 unexpired term of the member replaced.

4
5 Any member of the Board may be reappointed as such but may not serve for more than two
6 (2) successive terms.

7
8 The Board may fix reasonable per diem for each member subject to applicable laws, rules
9 and regulations.

10
11 **SECTION 9. Officers of the Institute.-** The Board shall determine the Officers of the
12 Institute, who, except as provided in this Act, shall be appointed by the Chairman of the Board
13 subject to confirmation by the Board. The Institute may have such executive officers, personnel
14 and staff as the Board may deem necessary for the effective operation of the Institute.

15
16 **SECTION 10. Powers and Duties of the Chief of Hospital.-** The Chief of Hospital who
17 is also the Vice-Chairman of the Board shall be the Chief Executive Officer of the Institute. He
18 shall exercise the following powers and duties:

- 19
20 a. To execute the policies, guidelines and programs approved by the Board, and to be
21 responsible for the efficient discharge of management and operation functions;
22 b. To submit for the consideration and approval of the Board proposed measures, policies,
23 guidelines and programs as he or she may deem necessary or proper for the effective
24 implementation of the purposes and objectives of this Act;
25 c. To direct and supervise the management, operation and administration of the Institute,
26 and for this purpose, he or she may delegate any or some of his administrative
27 responsibilities and duties to the other officers of the Institute;
28 d. To execute, on behalf of the Institute, all contracts and agreements which the Board
29 may enter into, and to execute, accomplish and deliver any and all documents relative
30 to such contracts and agreements;
31 e. To represent the Institute in all dealings with other offices, agencies, instrumentalities
32 of the Government, and all other persons and entities, domestic or foreign, and whether
33 public private; and
34 f. To exercise such other powers and perform such duties as may be vested upon him by
35 the Board.

36
37 **SECTION 11. Authority of the Chairman in Emergencies.-** In case of emergencies
38 which require immediate action by the Board and there is less than twenty-four (24) hours to
39 call a meeting thereof, the Chairman of the Board may decide on any matter or take any action
40 within the authority of the Board itself.

41
42 **SECTION 12. Aid from Government Offices.-** The Board may call upon any
43 Department, Bureau, Agency, Office or instrumentality of the Government, including

1 government-owned and controlled corporations, for such assistance as it may need in the
2 pursuit of the purposes and objectives of this Act.

3
4 **SECTION 13. Donations to the Institute.-** Notwithstanding any provision of law to the
5 contrary, all donations, grants, contributions, gifts or endowments received by the Institute shall
6 be exempt from income, donor's and transfer taxes, and shall further be deductible in full for
7 purposes of computing the maximum amount deductible for tax purposes under the National
8 Internal Revenue Code, as amended.

9
10 **SECTION 14. Appropriations.-** The amount necessary to carry out the provisions of this
11 Act shall be included in the budget of the concerned government agencies in the General
12 Appropriations Act (GAA), subject to the approval of the President.

13
14 **SECTION 15. Auditing.-** The Commission on Audit shall appoint a representative who
15 shall be the auditor of the Institute together with the necessary personnel to assist the said
16 representative in the performance of duties. The number and salaries of the auditor and said
17 personnel shall be determined by the Commission on Audit, subject to its rules and regulations.

18
19 The Auditor shall, as soon as practicable, but not later than three (3) months after the
20 accounts have been submitted for audit, send an annual report to the Board. The Auditor may
21 also submit such periodic and special reports as the Board may deem necessary.

22
23 **SECTION 16. Indigent Package.-** The Board is hereby mandated to formulate a package
24 for indigent patients. Priority shall be given to patients who are residents of the Province of
25 Cebu.

26
27 **SECTION 17. Annual Report. –** The Institute shall render to the President and the
28 Department of Health annual reports of its activities accomplished and recommendations.

29
30 **SECTION 18. Effect of Dissolution.-** If for any reason the Institute is dissolved, its
31 properties and assets shall revert to the National Government for disposition in accordance with
32 law.

33
34 **SECTION 19. Implementing Rules and Regulations.-** The Department of Health shall
35 promulgate such rules and regulations as may be necessary to carry out the provisions of this
36 Act within ninety (90) days from the approval of this Act.

37
38 **SECTION 20. Transitory Provision.-** Existing industries, businesses and offices affected
39 by the implementation of this Act shall be given a six (6) month transitory period from the
40 effectivity of the Implementing Rules and Regulations or such other period as may be
41 determined, to comply with the requirements of this Act.

1 **SECTION 21. Repealing Clause.-** All laws, decrees, executive orders, rules and
2 regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or
3 modified accordingly.

4
5 **SECTION 22. Separability Clause.-** If, for any reason, any section of this Act shall be
6 deemed unconstitutional or invalid, the other sections or provisions shall not be affected and
7 shall remain in force and in effect.

8
9 **SECTION 23. Effectivity Clause.-** This Act shall take effect after fifteen (15) days from
10 its publication in the Official Gazette or in at least two (2) national newspapers of general
11 circulation, whichever comes earlier.

12
13 Approved,