

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2490



Introduced by **Representative Roy M. Gonzales**

EXPLANATORY NOTE

The Philippines is a signatory to the International Covenant on Economic, Social, and Cultural Rights (ICESCR), which recognizes the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing, and housing, and to the continuous improvement of living conditions.¹

The 1987 Philippine Constitution inherently mandates that "The State shall protect and promote the right to health and instill health consciousness (*Article II, Section 15*). It further asserts that "The 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 underprivileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers." (*Article XIII, Section 11*) The State fully recognizes the people's right to affordable health care.

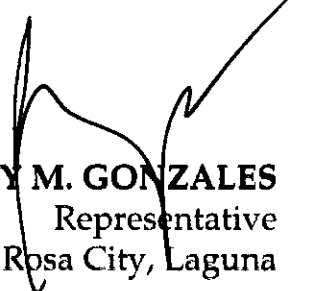
The undersigned representative commends the enactment of Republic Act No. 11223 or, popularly known as the "Universal Health Care (UHC) Act, Republic Act No. 7875 or, commonly known as the "National Health Insurance Act." and Republic Act No. 9502 or, also known as "The Universally Accessible Cheaper and Quality Medicines Act." While the above-named health laws aim to provide accessible, equitable, and quality healthcare for all Filipinos, our fellow indigent and marginalized citizens are continuously burdened to shoulder the financial costs of their medicine needed for treatment. It is a call of times to uplift the welfare of our less fortunate countrymen by ensuring continued support in the name of public service. They cannot be punished twice for suffering from

¹ <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/36/10829#:~:text=ARTICLE%2011,1,cooperation%20based%20on%20free%20consent.>

medical conditions and being economically constrained to finance their medicines and medical treatment.

This bill seeks to institutionalize a medicine voucher program and accredit pharmacies and any other health care medicine provider with the purpose of providing free medicines to the indigent, marginalized, and vulnerable individuals in the Philippines. This measure embodies the commitment of the State to provide accessible health care services to every Filipino.

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



ROY M. GONZALES
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Lone District of Santa Rosa City, Laguna

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AN ACT
ESTABLISHING A MEDICINE VOUCHER PROGRAM AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Libreng Gamot Act of 2025.*”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote and protect the right to health and ensure access to quality healthcare services for all Filipinos, especially the indigent, marginalized, and vulnerable individuals of society. The State shall provide assistance to help its citizens in accessing all the necessary health care goods and services necessary for their medical treatment.

The policy contributes to the progressive implementation of universal health care in the country by ensuring equal access to the necessary medicines needed in the medical treatment of our citizens towards better performance of the country’s health system.

SECTION 3. *Definition of Terms.* – As used in this Act:

- (a) “*Fraudulent act*” refers to any act of misrepresentation or deception resulting in undue benefit or advantage on the part of the doer or any means that deviate from normal procedure and are undertaken for

personal gain, resulting thereafter in damage and prejudice that may be capable of pecuniary estimation;

(b) "*Health Care Medicine Provider*" refers to the following:

(1) A health facility, which may be public or private, devoted primarily to the provision of services for health promotion, prevention, diagnosis, treatment, rehabilitation, and palliation of individuals suffering from illness, disease, injury, disability, or deformity, or in need of obstetrical or other medical and nursing care;

(2) A community-based health care organization, which is an association of members of the community organized for the purpose of improving the health status of that community; or

(3) Pharmacies or drug outlets, laboratories, and diagnostic clinics.

(c) "*Indigent*" refers to persons who have no visible means of income or support, or whose income may not be sufficient for the subsistence or basic needs of the family, as certified by the Department of Social Welfare and Development (DSWD);

(d) "*Medicine Voucher Program*" refers to a government-run system where eligible individuals receive vouchers that can be used to purchase specific medications from accredited pharmacies or health care medicine providers;

SECTION 4. *Establishment of the Medicine Voucher Program.* – The Department of Health (DOH), as the overall steward of health care, in coordination with relevant national government agencies and stakeholders, shall establish and implement a Medicine Voucher Program to grant eligible individuals access and assistance to medicines necessary for their medical treatment.

The Philippine National Formulary under the DOH shall administer the Medicine Voucher Program and establish a credible accreditation system of private pharmacies and health care medicine providers to guarantee the availability of a wide range of essential and uncommon medicines necessary for medical treatment of the indigent, marginalized, and vulnerable individuals in the Philippines.

Accreditation shall be based on the medicine provider's compliance with quality standards, appropriate pricing, and capacity to deliver the required medicinal services as prescribed by the DOH and other relevant national government agencies.

SECTION 5. *Coverage of Medicine Voucher Program.* – The Medicine Voucher Program shall prioritize the following beneficiaries:

1. Indigent individuals and families certified by the Department of Social Welfare and Development (DSWD). Such certification shall be presented to the accredited pharmacy or any healthcare medicine provider;
2. Informal sector workers and families who are not covered by the National Health Insurance Program (NHIP);
3. Other marginalized and vulnerable individuals as determined by the DOH.

SECTION 6. *Access to Medicine Vouchers.* – Eligible beneficiaries shall receive medicine vouchers from government hospitals or health centers once the medicine(s) prescribed are not available in the government formulary system.

The medicine vouchers given by the hospital or health center shall indicate the name of the eligible beneficiary and other important medical information pertinent to the required treatment. For security purposes and anti-fraud efforts, the DOH shall design a security mechanism that shall not be detrimental to the speedy disposal of the medicine needed by the beneficiary of the program.

SECTION 7. *Evaluation and Monitoring.* – The DOH shall establish systematic mechanisms to require accredited pharmacies or health care medicine providers to report on the utilization of medicine vouchers, health outcomes, and financial disbursements.

SECTION 8. *Accredited Pharmacies and Health Care Medicine Providers Scheme of Payment.* – In the spirit of efficiency and exigency of public service, accredited pharmacies must be paid by the DOH no later than thirty (30) days. Likewise, they have the option to avail themselves of the amount payable from the government to them in their gross income tax compliance, subject to the certification issued by the DOH.

The establishment may claim the medicine voucher provided herein as tax deductions on an annual or quarterly basis, based on the cost of the goods sold or services rendered. *Provided*, That the cost of the medicine voucher shall be allowed as a deduction from the gross income for the same taxable year that the medicine voucher is granted. *Provided, further*, That the total amount of the claimed tax deduction net of VAT, if applicable, shall be included in their gross sales receipt for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code (NIRC), as amended.

SECTION 9. *Safeguards and Anti-Corruption Measures.* The DOH shall implement safeguards to prevent abuse, fraud, and corruption in the administration of the Medicine Voucher Program.

Any individual or entity found guilty of engaging in fraudulent activities related to the program shall be subject to appropriate legal penalties set forth in the provisions of Sections 11 and 12 of this Act.

SECTION 10. *Appropriations.* - The amount necessary to carry out the provisions of this Act may be sourced from the following:

- (a) Budget of the DOH included in the GAA Annual Appropriations;
- (b) Official Development Assistance to the Philippine Government;
- (c) Sin tax collections as provided for in Republic Act No. 10351, otherwise known as the "Sin Tax Reform Law." *Provided*, That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;
- (d) National Government share from the income of the Philippine Amusement Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended; and
- (e) Charity Fund, net of Documentary Stamp Tax Payments and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO) as provided for in Republic Act No. 1169, as amended.

SECTION 11. *Prohibited Acts.* - The following acts shall be considered as fraud and hereby declared to be unlawful:

- (a) Issuing any false medicine prescription;
- (b) Forging any issued medical prescriptions;
- (c) Aiding or acting as a dummy of an unqualified beneficiary of a medicine voucher;

- (d) Diverting or reselling issued medicines by the beneficiary or his duly authorized representative;
- (e) Dispensing fake or illegal pharmaceutical products and committing other acts in violation of Republic Act No. 9165 and Republic Act No. 8203, otherwise known as the "Special Law on Counterfeit Drugs"; and
- (f) Refusal to issue the medicines to beneficiaries despite presentation of a valid voucher to accredited pharmacies and health care medicine providers.

SECTION 12. Penalties. – Any violation of the provisions of this Act, after due notice and hearing, shall suffer the corresponding penalties as herein provided:

- (a) An accredited pharmacy that violates any of the provisions of this Act or commits fraud shall constitute a criminal violation punishable by imprisonment for six (6) months and one (1) day up to six (6) years, at discretion of the court, without prejudice to criminal liability under the Revised Penal Code (RPC).

If the health care provider is a juridical person, its officers and employees or authorized representatives found to be responsible, who acted with intent or negligently, or have directly or indirectly caused the commission of the violation, shall be liable. Recidivists shall no longer be contracted as participants in the medicine voucher program.

- (b) Any beneficiary of the program who commits any violation of this Act or deliberately and knowingly agrees or cooperates, whether explicitly or implicitly, to the commission of fraud or violation for benefits or entitlement under this Act, shall be punished by a fine of Fifty Thousand Pesos (P50,000.00) for each count or suspension from availment of the benefits of the medicine voucher program for not less than three (3) months but not more than six (6) months, or both, at the discretion of the DOH.

DOH may enumerate circumstances that will aggravate or mitigate the liability of the offender or erring member or employer of the accredited pharmacy or health care medicine provider. Despite the cessation of operation by an accredited pharmacy or health care provider, termination of practice of an independent health care professional while the complaint is being heard, the proceeding shall continue until the resolution of the case.

SECTION 13. *Reportorial Requirement.* - For purposes of determining the effectiveness and social impact of the Medicine Voucher Program, the DOH and DSWD shall submit an annual report to both Houses of Congress indicating the number of indigent and marginalized individuals who benefited from the implementation of this Act.

SECTION 14. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, the DOH shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 15. *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.

SECTION 16. *Repealing Clause.* - All laws, executive orders, issuances, and rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 17. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,