

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **3406**



INTRODUCED BY REPRESENTATIVE PM VARGAS

AN ACT
PROVIDING FOR THE PUBLIC DISCLOSURE OF THE STANDARD COST
OF DRUGS, PROCEDURES, AND SERVICES BY HOSPITALS AND
AMBULATORY SURGICAL CENTERS

EXPLANATORY NOTE

The Universal Health Care Act, or Republic Act 11223 and RA 7875, otherwise known as the National Health Insurance Act of 1995, has been a landmark legislation in the State's effort to protect and promote the right to health of all Filipinos.

Since their enactment, Filipinos have enjoyed more accessible healthcare, especially among the marginalized. The sentiments, however, of more Filipinos remain that many healthcare services require financial hardships, particularly because of charges that are not known to patients beforehand.

In an evaluation of the National Health Insurance Program, beneficiaries reported that 86% of the claims involved out-of-the-pocket payments¹. In a separate study of the health seeking-behavior of Filipinos, 80% reported that they are financially unprepared for critical illness treatment while some 52% feel that they are not financially ready, in case a family member suffers a critical illness.²

¹ <https://academic.oup.com/heapol/article/28/5/536/570982> Accessed on November 8, 2022

² <https://www.manulife.com.ph/about-us/newsroom/latest-news/2020-health-study.html>
Accessed on November 11, 2022

Understanding Filipino sentiments toward health and critical illness is an important factor in fulfilling Universal Health Care for all. This bill proposes that hospitals and ambulatory surgical centers make public advisories of the costs of drugs, treatments, and services they offer to enable patients and their families to plan their health care and treatment and manage their financial expectations.

Although the Department of Health issued Administrative Order 0454 in 2021 to direct all DOH Health Facilities to provide public access to price information of all their health services, enacting this proposed bill into law will institutionalize this directive.

Treating the most common diseases that affect Filipinos with professional medical care is more attainable when families are aware and informed of their options and can compare the costs of treatment between various health facilities.

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



REP. PM VARGAS

Fifth District, Quezon City

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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 “*Hospital Cost Transparency Act*”.

SECTION 2. *Declaration of Policy.* – It is the policy of the State to protect and promote the right to health of the people and instill health consciousness among them.

SECTION 3. *Definition of Terms.* – For purposes of this Act, the terms:

- (a) “Ambulatory Surgical Center” shall refer to a public or private medical-surgery establishment with an on-site organized medical staff of physicians and a permanent facility with 16 operating rooms and equipment that does not provide services or accommodations for patients to stay overnight;
- (b) “DOH” shall refer to the Department of Health;
- (c) “Hospital” shall refer to a facility licensed to provide care and treatment for sick or injured patients, primarily while they are acutely ill or chronically ill. It must have facilities for diagnostic treatment and major surgery and maintains permanent and full-time facilities for the care of overnight resident bed patients under the supervision of one or more licensed physicians; and

- (d) “Secretary” shall refer to the Secretary of the Department of Health.

SECTION 4. *Data Reporting by Hospitals and Ambulatory Surgical Centers and Public Posting.* –

- (a) *Quarterly Reporting Requirement.* – Beginning one (1) year from the enactment of this law, hospitals shall report to the Secretary, not later than forty-five (45) days after the end of each calendar quarter, for each procedure or drug selected under Subsection (B) of this Section, and ambulatory surgical centers shall report to the Secretary, for each procedure selected under Section 5, the following data:
1. The frequency with which the hospital performed the procedure, or administered the drug in an inpatient setting, or the center performed the procedure during such quarter;
 2. If the procedure was performed or the drug was so administered during such quarter, the average and the median of the price charged by the hospital or center for such procedure or drug during such quarter;
- (b) *Selection of Procedures and Drugs.* – Based on national data, the Secretary shall select the following:
1. The twenty-five (25) most frequently performed hospital inpatient procedures;
 2. The twenty-five (25) most frequently performed hospital outpatient procedures; and
 3. The fifty (50) most frequently administered drugs in a hospital inpatient setting.

The Secretary shall periodically update the procedures and drugs selected.

SECTION 5. *Administrative Provisions.* –

- (a) *Classification of Procedures.* – For the purpose of Section 4, the Secretary shall establish rules for the classification of different medical procedures and for the assignment of items and services to these procedures;
- (b) *Computation of Average and Median Prices.* – For purposes of Section 4, the computation of an average and median price for a procedure or drug shall be in accordance with a methodology

prescribed by the Secretary. Such methodology may provide for reporting by the hospital or ambulatory surgical center of unit prices for specific items and services included in a procedure, including appropriate per diem prices, and a method of converting such unit prices for a procedure to an average and median price for such procedure.

- (c) *Form of Report and Notice.* – The Secretary shall specify the electronic form and manner by which a hospital or ambulatory surgical center shall report data under Section 4 and the form for posting of notices under Section 5 (b).

SECTION 6. Public Availability of Data. –

- (a) *Public posting of data.* – The Secretary shall promptly post, on the official website of the Department of Health the data reported under Section 4. Such data shall be set forth in a manner that promotes price comparison among hospitals and ambulatory surgical centers.
- (b) *Notice of availability.* – A hospital and ambulatory surgical center shall prominently post at each admission site of the hospital or center a notice of the availability of the data reported under Section 4 on the official public web site of the Department of Health.

SECTION 7. Penalty. – Any hospital or ambulatory surgical center who fails to comply with the provisions of this Act shall suffer a fine of not more than Ten Thousand Pesos (P10,000.00).

SECTION 8. Appropriations. – To carry out the provisions of this Act, such amount as may be necessary is hereby authorized to be appropriated from the National Treasury. Thereafter, the amount necessary for the continuous operation of the Public Disclosure Program shall be included in the annual appropriation of the DOH.

SECTION 9. Separability Clause. – If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 10. Repealing Clause. - All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SECTION 11. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,