

TWENTIETH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and  
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 6452

EXPLANATORY NOTE

Section 15 of Article II of the Constitution states that it is the policy of the State to protect and promote the right to health of the people and instill health consciousness among them.

Further, Section 11 of Article XIII states:

*“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.”*

The government, through the Department of Health, has already established numerous programs to meet the health needs of the people. However, most of these programs remain in paper only due to lack of finance to support their implementation. The people continue to suffer from diseases which can be prevented and cured if proper and immediate medical attention has been given. Many children die helplessly even in hospital beds due to lack of medicines and other treatment procedures primarily due to poverty.

This bill aims to address this problem by allowing government hospitals to utilize their income for their maintenance and other operating expenses instead of remitting their income back to the national treasury.

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

  
RUFUS B. RODRIGUEZ

  
MAXIMO B. RODRIGUEZ, JR.

HOUSE OF REPRESENTATIVES

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*Introduced by Representative Rufus B. Rodriguez and  
Representative Maximo B. Rodriguez, Jr.*

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House Bill No. 6452

AN ACT

**AUTHORIZING GOVERNMENT HOSPITALS UNDER THE DEPARTMENT OF HEALTH (DOH) TO RETAIN AND UTILIZE ALL THEIR INCOME AND INTEREST DERIVED FROM DEPOSITS, FOR MAINTENANCE AND OTHER OPERATING EXPENSES, CAPITAL OUTLAYS AND FOR OTHER PURPOSES**

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

**SECTION 1. Utilization of Hospital Income** - All government hospitals under the Department of Health (DOH) are hereby authorized to retain and utilize one hundred percent (100%) of their income, which include hospital fees from in-house services and facilities, income derived from nonpatient-related services such as rental fees, parking fees, affiliation/medical/professional fees, interview and tour fees, and income derived from interest on account deposits, without necessarily remitting the same to the Bureau of Treasury.

**SEC. 2. Trust Fund** - A trust fund constituting the income collected shall be established for the maintenance and other operating expenses, capital outlays for the purpose of equipment and infrastructure projects including construction, improvement and/or renovation of hospital facility and for other purposes recommended by the Board of the said hospital: *Provided*, That pharmacy income or proceeds from the sale of drugs and medicines and laboratory income shall be considered as a revolving fund and shall be specifically utilized by the hospital pharmacy and laboratory for purposes as may be determined by the DOH: *Provided, further*, That no amount of the said income shall be used for payment of salaries and other allowances of employees.

The trust fund shall be deposited in an authorized government depository banks recommended by the DOH, the Department of Finance (DOF) and the Department of Budget and Management (DBM).

**SEC. 3. Hospital Board** - There shall be established a board in each national hospital retained under the DOH with the chief or head of the hospital concerned as chairman and the following as members:

- (1) A senator;
- (2) A congressman of the congressional district where the hospital is located;
- (3) A representative of the Philippine Hospital Association (PHA);
- (4) A representative of the Philippine Medical Association (PMA);
- (5) A representative of nongovernment organizations (NGOs) involved in health services;
- (6) A representative of the religious sector;
- (7) A representative of the private sector; and
- (8) A representative of the rank and file employees.

The Chairman of the Senate Committee on Health shall choose from among the senators who shall represent the Senate as a member of each of the retained national hospital health board.

The representatives from the PHA, the PMA and NGOs involved in health services, religious sector and private sector in the hospital health boards shall be appointed by the chairman of the respective health boards. The representative of the rank and file employees shall be voted upon by the entire members of the rank and file.

The hospital health board shall monitor the collection and determine the utilization of the hospital income, and perform such other functions as may be deemed necessary for the effective management of the said income.

The Board shall meet at least once a week or as often as may be necessary.

A majority of the members of the board shall be present during meetings when income utilization proposals are prepared and considered.

Members thereof who are not government officials or employees shall be entitled to necessary traveling expenses and allowances chargeable against the funds.

**SEC. 4. *Audit and Reports.*** - Expenditures under this Act shall be subject to existing auditing rules and regulations. In addition, the retained hospitals shall submit quarterly reports of income and utilization thereof to the DBM and the Committee on Health of both Houses of Congress.

**SEC. 5. *Implementing Rules and Regulations*** - The DOH, in coordination with the DOF, the DBM and the Commission on Audit (COA), shall formulate the necessary rules and regulations for the effective implementation of this Act within sixty (60) days from its approval.

**SEC. 6. *Separability Clause*** - If any provision of this Act is held invalid by a competent court, any other provision not affected thereby shall continue to be valid and effective.

**SEC. 7. *Repealing Clause*** - Any laws, presidential decree, executive orders and letters of instruction which are inconsistent with any of the provisions of this Act are hereby repealed or amended accordingly.

**SEC. 8. *Effectivity*** - This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation

Approved,