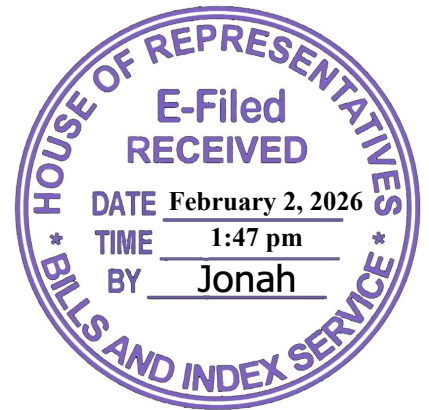


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7533



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

Access to quality, affordable, and timely health care remains uneven across local government units, especially in geographically isolated and disadvantaged areas. Although frontline health services have been devolved, many LGUs struggle with fragmented financing, limited fiscal space, and insufficient capacity to sustain essential services, upgrade facilities, and retain health workers. These challenges undermine the effective delivery of health care at the local level.

The State has adopted a policy of protecting the right to health through an integrated, whole-of-government approach. In line with this, Republic Act No. 11223 or the Universal Health Care Act mandates the integration of local health systems into province-wide and city-wide health systems and establishes a Special Health Fund to pool and manage resources for health services, capital investments, and health workforce support. However, the UHC Act provides only a general framework, leaving the need for clearer statutory guidance on the structure, sources, governance, and safeguards of a Special Local Health Fund.

This proposed measure seeks to address that gap by establishing a dedicated Special Local Health Fund for LGUs, with clear rules on planning, budgeting, disbursement, transparency, and accountability. By consolidating and ring-fencing health resources, the fund will support continuity of services, facility and equipment upgrades, health workforce development, and responsive public health programs. Institutionalizing this mechanism strengthens local health systems, advances UHC goals, and promotes sustainable financing while respecting local autonomy.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7533

Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT
ESTABLISHING THE SPECIAL LOCAL HEALTH FUND FOR THE IMPROVEMENT OF
HEALTH CARE SERVICES IN THE LOCAL GOVERNMENT UNITS 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 “*Special Local Health Fund Act*”.

SECTION 2. Declaration of Policy. — It is hereby the policy of the State to guarantee that total quality health care is available to the people at affordable costs by providing additional resources to local government units for the health needs of their respective constituencies. It is also the policy of the State to see to it that all citizens be afforded optimum health care services and make the local governments accountable for the development and improvement of health care services in their respective localities.

SECTION 3. Special Local Health Fund. — There is hereby established a Special Local Health Fund which shall be used exclusively for the following:

- (a) Upgrading of facilities and equipment of local hospitals, rural health clinics, emergency hospitals, puericulture centers, nursing homes, hospices and such other health institutions found in cities and municipalities;

- (b) Hiring, training and continuing education of health workers, caregivers, volunteer health workers and other ancillary personnel employed by the local governments in their health institutions;
- (c) Building of new health institutions such as secondary hospitals, specialty clinics or care centers in cities and municipalities;
- (d) Purchase of needed medicines and medical supplies at the lowest costs in accordance with law; and
- (e) Establishment of mobile emergency lifelines or quick-response medical and paramedical teams to respond to disasters, emergencies, and other life-threatening situations in the community.

SECTION 4. Role of the Special Local Health Boards. — In addition to the functions of the Local Health Board as provided for in Section 102 (b) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, the Local Health Board shall manage the local special health fund, which shall be remitted to them by the agencies mentioned in Section 2 of this Act. The special health fund levy shall be automatically retained by the local health board as well as the proceeds from fines due to violations of health and safety laws collected by the local government units.

SECTION 5. Funding. — The Special Local Health Fund shall come from the following sources:

- (a) Proceeds from a special levy of one percentum from all sales in all local public and private markets which shall be collected by the local governments and allocated by the health boards;
- (b) Proceeds from fines collected for violations of health and safety regulations from all establishments in cities and municipalities;
- (c) Five percentum of all revenues derived by the Philippine Charity Sweepstakes Office (PCSO) from lotto which shall be divided equally among all cities and municipalities;
- (d) Five percentum of the net revenues of the Philippine Amusement and Gaming Corporation (PAGCOR) which shall be allotted equally among all cities and municipalities;
- (e) Grants or donations and endowments to cities and municipalities from private and foreign individuals, as well as local and international, private, and public associations of foundations.

SECTION 6. Implementing Rules and Regulations. — The Secretary of Health shall in coordination with the Secretary of the Interior and Local Government, issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 7. Separability Clause. — If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in force and effect.

SECTION 8. Repealing Clause. — All laws, decrees, executive orders, rules and regulations, or parts thereof contrary to or inconsistent with the provisions of this Act are amended, repealed or modified accordingly.

SECTION 9. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,