



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

Twentieth Congress
First Regular Session



HOUSE BILL NO. 9500

Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT ESTABLISHING A MODERN HOSPITAL NETWORK LICENSING SYSTEM, REGULATING INTEGRATED HEALTHCARE DELIVERY NETWORKS, MODERNIZING HOSPITAL LICENSING, REPEALING REPUBLIC ACT NO. 4226, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 4226, otherwise known as the “Hospital Licensure Act,” was enacted in 1965 to regulate the establishment, operation, and maintenance of hospitals and clinics in the Philippines. While progressive during its time, the law was crafted for a healthcare system composed primarily of standalone facilities and predates the emergence of integrated hospital systems, digital health technologies, telemedicine, electronic medical records, healthcare interoperability, and modern healthcare quality assurance frameworks.

The Philippine healthcare system has significantly evolved through the enactment of the Universal Health Care Act, the expansion of PhilHealth coverage, regionalized healthcare delivery, public-private healthcare partnerships, and the growing use of information technology and artificial intelligence in healthcare operations.

Despite these developments, the country's hospital regulatory framework remains largely facility-centric and fragmented. Existing laws insufficiently address integrated healthcare delivery networks, coordinated emergency response systems, interoperable health information systems, patient continuity of care, and modern healthcare governance standards.

This proposed measure seeks to establish a modern hospital network licensing framework that:

1. shifts regulation from isolated facilities to integrated healthcare delivery systems;
2. institutionalizes quality-based healthcare regulation;
3. strengthens emergency preparedness and referral coordination;
4. mandates health information interoperability and cybersecurity standards;
5. modernizes enforcement and accountability mechanisms; and
6. aligns hospital regulation with the Universal Health Care framework.

The measure further repeals Republic Act No. 4226 and replaces it with a comprehensive, technology-responsive, patient-centered, and systems-oriented regulatory regime. By modernizing the country's hospital regulatory framework and transitioning toward an integrated, technology-responsive, and patient-centered healthcare system, this measure seeks to strengthen the capacity of the State to respond to present and future healthcare challenges.

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



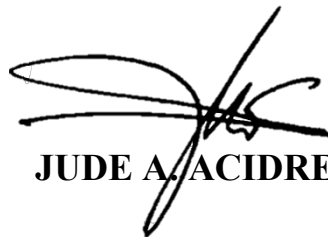
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. - This Act shall be known as the “Hospital Network Licensing Act”.

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to protect and promote the right to health of the people and instill health consciousness among them in accordance with Article II, Section 15 of the

Constitution, and to adopt an integrated and comprehensive approach to health development pursuant to Article XIII of the Constitution. The State recognizes that the delivery of healthcare services must continuously evolve in response to emerging technologies, scientific advancement, changing public health conditions, and the increasing complexity of modern healthcare systems.

Towards this end, the State shall establish a modern, responsive, interoperable, patient-centered, and resilient hospital and healthcare regulatory framework that ensures accessible, equitable, safe, efficient, and quality healthcare services for all Filipinos. The State shall promote the integration and coordination of healthcare delivery systems, strengthen continuity of care, enhance emergency preparedness and public health response capabilities, and support innovation in healthcare administration, infrastructure, and service delivery.

The State further recognizes the transformative role of digital technologies, health information systems, telemedicine, artificial intelligence, and other emerging innovations in improving healthcare accessibility, efficiency, accountability, and patient outcomes. Accordingly, the State shall promote adaptive and technology-neutral regulatory mechanisms that uphold patient safety, data privacy, cybersecurity, ethical standards, and public accountability while fostering innovation and sustainable healthcare modernization.

SECTION 3. Definition of Terms. - For purposes of this Act:

(a) “Hospital Network” refers to an integrated healthcare delivery system composed of one or more hospitals and related healthcare facilities operating under unified governance, management, referral coordination, or health information systems.

(b) “Healthcare Facility” refers to hospitals, infirmaries, ambulatory surgical centers, specialty clinics, laboratories, dialysis centers, rehabilitation facilities, telemedicine centers, and similar establishments providing healthcare services.

(c) “Interoperability” refers to the capability of different healthcare information systems and applications to exchange, interpret, and securely use patient and operational data.

(d) “Digital Health System” refers to electronic systems used for healthcare delivery, administration, diagnostics, patient management, telemedicine, or clinical decision support.

(e) “Licensing Authority” refers to the Department of Health (DOH) or its duly authorized regulatory body.

(f) “Network License” refers to a license issued to an integrated hospital network under this Act.

(g) “Patient Continuity of Care” refers to coordinated healthcare services across facilities, providers, and levels of care throughout a patient’s treatment.

(h) “Telemedicine” refers to the remote delivery of healthcare services using telecommunications and digital technologies.

SECTION 4. Scope of Regulation. - This Act shall apply to:

- (a) All hospitals and healthcare facilities operating within the Philippines;
- (b) Integrated hospital networks;
- (c) Public and private healthcare delivery systems; and
- (d) Healthcare entities utilizing telemedicine or digital health platforms as part of clinical operations.

SECTION 5. Establishment of a Hospital Network Licensing System. - The Department of Health shall establish a comprehensive licensing framework for integrated hospital networks. Licensing shall cover:

- (a) Governance structures;
- (b) Healthcare quality standards;
- (c) Referral systems;
- (d) Patient safety protocols;
- (e) Emergency preparedness;
- (f) Interoperability standards;
- (g) Cybersecurity measures;
- (h) Workforce requirements; and
- (i) Continuity-of-care systems.

SECTION 6. Types of Licenses. - The Department of Health shall establish classifications for:

- (a) Standalone Hospitals;
- (b) Integrated Hospital Networks;
- (c) Specialty Hospital Networks;
- (d) Teaching and Academic Medical Networks;
- (e) Telehealth-Integrated Healthcare Systems; and
- (f) such other classifications as may be necessary.

SECTION 7. Digital Health and Interoperability Standards. - All licensed entities under this Act shall:

- (a) Maintain secure electronic health record systems;
- (b) Comply with national interoperability standards;
- (c) Ensure patient access and portability of medical records;
- (d) Implement cybersecurity safeguards;
- (e) Establish disaster recovery systems for health data; and
- (f) Comply with the Data Privacy Act and related laws.

The Department of Health, in coordination with the Department of Information and Communications Technology, shall promulgate interoperability and cybersecurity standards.

SECTION 8. Quality and Patient Safety Standards. - The licensing authority shall adopt measurable healthcare quality indicators, including:

- (a) Infection prevention and control;

- (b) Patient outcomes;
- (c) Mortality and morbidity reporting;
- (d) Staffing adequacy;
- (e) Emergency response capability;
- (f) Patient rights compliance;
- (g) Referral turnaround efficiency; and
- (h) Such other standards as may be necessary.

SECTION 9. Emergency Preparedness and Health System Coordination. - All licensed hospital networks shall maintain:

- (a) Emergency operations plans;
- (b) Surge capacity systems;
- (c) Coordinated referral mechanisms;
- (d) Interoperable emergency communications;
- (e) Disaster response protocols; and
- (f) Participation in regional healthcare emergency coordination systems.

The Department of Health may require mandatory coordination during declared public health emergencies.

SECTION 10. Public-Private Health System Integration. - The Department of Health shall promote integration between public and private healthcare systems through:

- (a) Interoperable referral systems;

- (b) Emergency bed coordination;
- (c) Shared public health reporting systems;
- (d) Integrated disaster response protocols; and
- (e) Coordination with PhilHealth and Universal Health Care mechanisms.

SECTION 11. Licensing Procedures. - No hospital, healthcare facility, or hospital network covered under this Act shall operate without a valid license issued by the Department of Health. Licenses shall be subject to:

- (a) Initial inspection;
- (b) Periodic renewal;
- (c) Performance evaluation;
- (d) Compliance audits; and
- (e) Emergency inspections when necessary.

SECTION 12. Transparency and Public Reporting. - The Department of Health may require licensed entities to publicly disclose:

- (a) Licensing status;
- (b) Quality performance indicators;
- (c) Accreditation status;
- (d) Patient safety incidents, subject to confidentiality laws; and
- (e) Emergency capacity information during public health crises.

SECTION 13. Administrative Sanctions. - The Department of Health may impose:

- (a) Fines;
- (b) Suspension of licenses;
- (c) Revocation of licenses;
- (d) Temporary operational restrictions; or
- (e) Mandatory corrective actions upon entities found violating this Act or its implementing rules.

Administrative fines shall be adjusted periodically to maintain deterrent value.

SECTION 14. Criminal Liability. - Any person who knowingly operates a healthcare facility or hospital network without the required license, falsifies compliance records, obstructs lawful inspections, or compromises patient safety through gross negligence shall, upon conviction, be punished by imprisonment of not less than one (1) year but not more than six (6) years, or a fine of not less than Five Hundred Thousand Pesos (₱500,000.00) but not more than Five Million Pesos (₱5,000,000.00), or both, at the discretion of the court.

SECTION 15. Incentives for Compliance and Innovation. - The State may provide incentives for:

- (a) Interoperable healthcare systems;
- (b) Regional healthcare integration;
- (c) Healthcare innovation;
- (d) Telemedicine expansion in underserved areas;
- (e) Disaster-resilient healthcare infrastructure; and
- (f) Quality improvement initiatives.

SECTION 16. Appropriations. - The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the Department of Health. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 17. Implementing Rules and Regulations. - Within one hundred eighty (180) days from the effectivity of this Act, the Department of Health, in consultation with relevant government agencies and stakeholders, shall promulgate the necessary implementing rules and regulations.

SECTION 18. Transitory Provision. - Existing hospitals and healthcare facilities licensed under Republic Act No. 4226 shall continue operating for a transition period of three (3) years from the effectivity of this Act, during which they shall comply with the requirements herein.

SECTION 19. Repealing Clause. - Republic Act No. 4226 and all laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 20. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 21. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,