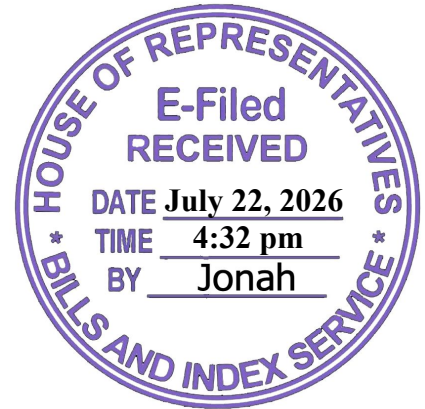


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **10189**



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to provide a regulatory framework that recognizes integrated healthcare delivery networks, digital health technologies, interoperability, and coordinated healthcare services. It repeals Republic Act (RA) No. 4226, otherwise known as the "*Hospital Licensure Act*", and establishes a modern Hospital Network Licensing System.. It also ensures that healthcare institutions deliver safe, efficient, resilient, and patient-centered services consistent with the country's evolving healthcare needs.

RA No. 4226 was enacted more than six (6) decades ago, long before the emergence of electronic health records, telemedicine, artificial intelligence, cybersecurity, and integrated healthcare networks. Today, healthcare delivery has become increasingly interconnected, requiring hospitals and healthcare facilities to coordinate patient referrals, share health information securely, and respond collectively to public health emergencies. The experience of the COVID-19 pandemic further exposed the need for stronger hospital coordination, interoperable information systems, and more adaptive regulatory mechanisms capable of responding to rapidly evolving healthcare challenges.¹

This measure adopts interoperability and digital health standards for hospital networks, strengthens patient safety and quality assurance mechanisms, enhances emergency preparedness, and encourages innovation while safeguarding data privacy and cybersecurity. Shifting from a facility-based licensing approach to a modern network-based regulatory framework, the bill improves the continuity of care, optimizes healthcare resources, and strengthens the overall resilience of the Philippine health system.

Modernizing hospital systems is essential to achieving a responsive and future-ready healthcare system capable of delivering quality services to every

¹ World Health Organization (2020). *Strengthening the health system response to COVID-19: technical guidance #1: maintaining the delivery of essential health care services while mobilizing the health workforce for the COVID-19 response*. Accessed via <https://www.who.int/europe/publications/i/item/WHO-EURO-2020-669-40404-54161>. Accessed on 6 July 2026.

Filipino. This measure reaffirms the State's commitment to universal access to quality healthcare and strengthens the country's preparedness for future public health challenges.

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



HON. ERIC G. YAP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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House Bill No. **10189**

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AN ACT
ESTABLISHING A MODERN HOSPITAL NETWORK LICENSING SYSTEM,
REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE
KNOWN AS THE “HOSPITAL LICENSURE ACT”, AND FOR OTHER
PURPOSES

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*”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right to health of the people, instill health consciousness among them, and adopt an integrated and comprehensive approach to health development. The State recognizes that the delivery of healthcare services must continuously evolve in response to scientific advances, changing public health conditions, and the increasing complexity of modern healthcare systems.

To 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.

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

- a. Digital Health System refers to electronic systems used for healthcare delivery, administration, diagnostics, patient management, telemedicine, or clinical decision support;
- 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. 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;
- d. Interoperability refers to the capability of different healthcare information systems and applications to exchange, interpret, and securely use patient and operational data;
- 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; and
- h. Telemedicine refers to the remote delivery of healthcare services using telecommunications and digital technologies.

SEC. 4. *Scope of Regulation.* – This Act shall apply to all hospitals, healthcare facilities, integrated hospital networks, and public and private healthcare delivery systems operating within the Philippines, including healthcare entities utilizing telemedicine or digital health platforms as part of clinical operations.

SEC. 5. *Establishment of a Hospital Network Licensing System.* – The DOH 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.

SEC. 6. *Types of Licenses.* – The DOH shall classify licenses issued under this Act into such categories, including but not limited to:

- 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.

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

SEC. 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. Appropriate staffing levels and workforce competency;
- e. Emergency response capability;
- f. Patient rights compliance;
- g. Referral turnaround efficiency; and
- h. Such other standards as may be necessary.

SEC. 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 DOH may require mandatory coordination during declared public health emergencies.

SEC. 10. *Public-Private Health System Integration.* – The DOH 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.

SEC. 11. *Licensing Procedures.* – No hospital, healthcare facility, or hospital network covered under this Act shall operate without a valid license issued by the DOH. Licenses shall be subject to:

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

SEC. 12. *Transparency and Public Reporting.* – The DOH shall 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.

SEC. 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.

SEC. 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 willfully commits acts or omissions constituting gross negligence resulting in serious injury, death, or substantial risk to patient safety 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 (Php 500,000.00) but not more than Five million pesos (Php 5,000,000.00), or both, at the discretion of the court.

SEC. 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.

SEC. 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.

SEC. 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.

SEC. 18. *Transitory Provision.* – Existing hospitals and healthcare facilities licensed under Republic Act No. 4226, otherwise known as the “*Hospital Licensure Act*”, 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.

SEC. 19. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 20. *Repealing Clause.* – Republic Act No. 4226, otherwise known as the “*Hospital Licensure Act*”, is hereby repealed. All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

Approved,