



SENATE  
S.B. No. **2632**

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Introduced by Senator Miriam Defensor Santiago

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#### EXPLANATORY NOTE

The Constitution, Article 2, Section 15, provides:

The State shall protect and promote the right to health of the people and instill health consciousness among them.

Today, seeking medical care in one's lifetime is almost to be expected. According to the latest figures culled by the Department of Health, the five leading causes of mortality in the year 2000 were: (1) diseases of the heart; (2) diseases of the vascular system; (3) malignant neoplasms; (4) pneumonia; and (5) accidents.

Treatment of such diseases or conditions would not be possible with home remedies, but would necessitate professional medical care. If there are several medical centers that provide such health care, the choice of which one to go to should belong to the patient. However, in order for such patients to make rational decisions, access to reliable and adequate information is key. Such information should include the financial costs involved in the treatment of these conditions.

Given the rising costs of medical care, a more comprehensive estimate of the financial cost of such treatment would help prepare patients or family members for the financial burden. This information is not readily available at present. Hence, this bill seeks to provide the public with a full disclosure of prices for hospital and ambulatory surgical center procedures and drugs. This information should include rates of both private and public hospitals; otherwise, it would not give the patient a complete list of options available in the country.

As the government agency mandated to ensure the protection of the public's health, it is only appropriate that the Department of Health be tasked with the responsibility of relaying this information to the public. The DOH is the principal health agency in the Philippines. It is responsible for ensuring access to basic health services to all Filipinos through the provision of quality health care and the regulation of providers of health goods and services. It is, therefore, incumbent upon this agency to make certain that all hospitals and clinics that offer their medical services to the public make full disclosure of information vital for health care planning.

  
MIRIAM DEFENSOR SANTIAGO



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1 AN ACT  
2 TO PROVIDE FOR THE PUBLIC DISCLOSURE OF PRICES FOR HOSPITAL AND  
3 AMBULATORY SURGICAL CENTER PROCEDURES AND DRUGS

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

4 SECTION 1. *Short Title.* — This Act shall be known as the “Hospital Price Disclosure  
5 Act.”

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

8 SECTION 3. *Definition of Terms.* — For purposes of this Act, the term:

9 (a) “Hospital” — shall refer to a facility licensed to provide care and treatment for sick  
10 or injured patients, primarily while they are acutely ill or chronically ill. It must have facilities  
11 for diagnostic treatment and major surgery and maintains permanent and full-time facilities for  
12 the care of overnight resident bed patients under the supervision of one or more licensed  
13 physicians.

14 (b) Ambulatory Surgical Center — shall refer to a public or private medical-surgery  
15 establishment with an on-site organized medical staff of physicians and a permanent facility with  
16 operating room equipment which does not provide services or accommodations for patients to  
17 stay overnight.

18 (c) “DOH” — shall refer to the Department of Health.

19 (d) “Secretary” — shall refer to the Secretary of Health.

20 SECTION 4. *Data Reporting by Hospitals and Ambulatory Surgical Centers and Public*  
21 *Posting.* —

1 (a) *Quarterly Reporting Requirement.* - Not later than forty-five (45) days after the  
2 end of each calendar quarter (beginning more than one year after the date of the enactment of  
3 this subsection), a hospital shall report to the Secretary, for each procedure or drug selected  
4 under Section 4 par. (b), and an ambulatory surgical center shall report to the Secretary, for each  
5 procedure selected under Section 5, the following data:

- 6 (1) The frequency with which the hospital performed the procedure, or administered  
7 the drug in an inpatient setting, or the center performed the procedure during such  
8 quarter.
- 9 (2) If the procedure was performed or the drug was so administered during such  
10 quarter, the average and the median of the price charged by the hospital or center  
11 for such procedure or drug during such quarter.

12 (b) *Selection of Procedures and Drugs.* - Based on national data, the Secretary shall  
13 select the following:

- 14 (1) The twenty-five (25) most frequently performed hospital inpatient procedures;  
15 (2) The twenty-five (25) most frequently performed hospital outpatient procedures;  
16 (3) The fifty (50) most frequently administered drugs in a hospital inpatient setting.

17 The Secretary shall periodically update the procedures and drugs selected.

18 SECTION 5. *Administrative Provisions.* -

19 (a) *Classification of Procedures.* - For the purpose of Section 4, the Secretary shall  
20 establish rules for the classification of different medical procedures and for the assignment of  
21 items and services to these procedures.

22 (b) *Computation of Average and Median Prices.* - For purposes of Section 4, the  
23 computation of an average and median price for a procedure or drug shall be in accordance with  
24 a methodology prescribed by the Secretary. Such methodology may provide for reporting by the  
25 hospital or ambulatory surgical center of unit prices for specific items and service included in a  
26 procedure, including appropriate per diem prices, and a method of converting such unit prices for  
27 a procedure to an average and median price for such procedure.

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

4 SECTION 6. *Public Availability Of Data.* –

5 (a) *Public posting of data.* – The Secretary shall promptly post, on the official public  
6 Internet site of the Department of Health the data reported under Section 4. Such data shall be set  
7 forth in a manner that promotes price comparison among hospitals and ambulatory surgical  
8 centers.

9 (b) *Notice of availability.* – A hospital and ambulatory surgical center shall  
10 prominently post at each admission site of the hospital or center a notice of the availability of the  
11 data reported under Section 4 on the official public web site of the Department of Health.

12 SECTION 7. *Penalty.* – The Secretary may impose a fine of not more than Ten Thousand  
13 Pesos (P10,000.00) for each violation of the provisions of Section 4 by a hospital or ambulatory  
14 surgical center.

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

19 SECTION 9. *Separability Clause.* – If any provision or part hereof, is held invalid or  
20 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
21 valid and subsisting.

22 SECTION 10. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
23 order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent  
24 with the provision of this Act is hereby repealed, modified, or amended accordingly.

25 SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its  
26 publication in at least two (2) newspapers of general circulation.

Approved,