

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

'04 JUN 30 P12:19

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SENATE

S. NO. 53

Introduce by Senator Juan M. Flavier

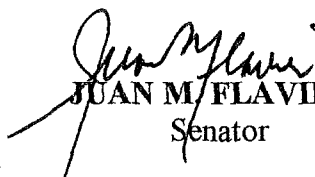
EXPLANATORY NOTE

The proposal seeks to modernize the hospital care delivery system through an integrated approach and complemented by state-of-the art technology. The proposed “*Health Care Delivery Modernization Program*” has the following main components:

- *Delineation of the roles of the Department of Health (DOH) and the local government units (LGUs) to strengthen their complementary roles.*
- *Strengthening the Capability of the Provincial Hospitals*
- *Establishment of Hospital Health Boards*

The proposed hospital modernization plan is neither a grandiose nor a complex plan. It is just a simple plan to provide local hospitals what they need – modern equipment, upgrading of facilities and adequate number of physicians. Moreover, in areas where there are no hospitals and no doctors, the DOH is tasked to provide doctors and if necessary, build extensions of its regional hospitals.

In short, the bill simply aims to make health care services more accessible, available, affordable and acceptable to our people. I therefore urge your support for its approval.


JUAN M. FLAVIER
Senator

1 CONGRESS OF THE PHILIPPINES)
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7 **AN ACT PROVIDING FOR THE MODERNIZATION OF THE HEALTH CARE**
 8 **DELIVERY SYSTEM, APPROPRIATING FUNDS THEREFOR AND FOR**
 9 **OTHER PURPOSES**

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

12 SECTION 1. *Short Title.* – This Act shall be known as the “Health Care Delivery
 13 Modernization Act.”

14 SEC. 2. *Declaration of Policy.* – It is hereby declared a policy of the State to
 15 modernize the health care delivery system to a level where it can fully and effectively perform
 16 its constitutional mandate to protect and promote the right to health of the people and instill
 17 health consciousness among them. Towards this end, the thrusts of this modernization
 18 program under this Act shall be the following:

19 (a) The development of an efficient and effective health care delivery system throughout
 20 the country;

21 (b) The integration of the promotive, preventive, curative and rehabilitative aspects of
 22 health care delivery to be under the local chief executive (LCE) whenever appropriate;

23 (c) The transformation of government hospitals into self-governing components,
 24 together with their respective rural health units;

25 (d) The development of cooperation among the local and national government agencies,
 26 members of Congress and the private sector, including the civic, religious and nongovernment
 27 organizations;

28 (e) The implementation of a residency training and accreditation program and
 29 accreditation of private specialist practitioners in provincial hospitals and medical centers;

1 (f) The establishment of a dependable two-way referral system between the public and
2 health worker up to the successive higher level of health care stations reaching up to the
3 specialty hospitals and vice versa;

4 (g) The delineation of specific and specialized functions that will enable the Department
5 of Health (DOH) to concentrate its efforts in establishing and maintaining adequately equipped
6 state-of-the-art medical centers at the regional level, including those in Metro Manila, and
7 specialty hospitals in the country, including those with original charter;

8 (h) The development of partnership among local government units (LGUs) and between
9 LGUs and the DOH in the establishment of health care delivery facilities; and

10 (i) The adoption of a system and procedure by the LGUs and the DOH to attain a
11 maximum level of transparency in the procurement of equipment and medicines.

12 SEC. 3. *Statement of Objectives.* – The Health Care Delivery Modernization Program,
13 hereinafter referred to as the Program, shall be implemented in accordance with the following
14 objectives:

15 (a) To modernize the health care delivery by adopting a comprehensive, consistent and
16 systematic approach to health issues and concerns which will be complemented by state-of-
17 the-art technology;

18 (b) To further enhance local autonomy by granting LGUs full powers in the formulation
19 of policies and by mandating the DOH to perform its tasks under Section 5 of this Act relative
20 to the operation and maintenance of hospitals and public health services under its supervision
21 and control;

22 (c) To implement a program of extending technological, financial and administrative
23 assistance to LGUs to support and improve the provision, and operation and maintenance of
24 health facilities and equipment;

25 (d) To enhance inter-agency multi-sectoral cooperation;

26 (e) To enhance the capability of hospitals by requiring the DOH to provide each LGU
27 competent physicians to assist the local chief executive as may be appropriate, in the
28 monitoring of health care delivery functions; and

29 (f) To encourage the employment and retention of doctors in rural areas.

30 SEC. 4. *Definition of Terms.* – The following terms used in this Act are defined as
31 follows:

1 (a) "Health Care Delivery Modernization Program" refers to an integrated approach to
2 health care which as detailed under Section 5 hereof shall have the following program
3 components: a delineation of the role of the LGUs and the DOH, the strengthening of the
4 capability of the provincial hospitals, and the establishment of hospital health boards.

5 (b) "Hospital" refers to a place devoted primarily to the maintenance and operation of
6 facilities for the diagnosis, treatment and care of individuals suffering from illness, disease,
7 injury or deformity, or in need of obstetrical or other medical and nursing care.

8 (c) "Primary hospital" refers to a hospital with capabilities and facilities for providing
9 first contact emergency care and hospitalization in simple cases.

10 (d) "Secondary hospital" refers to a hospital which has capabilities and facilities for
11 providing medical care to cases requiring hospitalization and the expertise of physicians with
12 training of not less than six (6) months on certain specialties.

13 (e) "Tertiary Level I hospital" refers to a hospital which has capabilities for providing
14 medical care to cases requiring sophisticated diagnostic and therapeutic equipment and the
15 expertise of trained specialists and sub-specialists.

16 (f) "Tertiary Level II hospital" refers to a departmentalized hospital with teaching and
17 research capabilities and which have accredited Residency Training Programs in the fields of
18 surgery, pediatrics, medicine, OB-Gyne, EENT, orthopedics, anesthesia and other ancillary
19 disciplines. It likewise offers dental services.

20 (g) "Tertiary Level III hospital" refers to a hospital which has been particularly selected
21 to provide tertiary hospital services, with teaching, training and research functions.

22 (h) "Tertiary Level IV hospital" refers to a tertiary hospital with expensive and
23 sophisticated diagnostic and therapeutic facilities for a specific medical problem area.

24 (i) "District hospital" refers to the front-line hospital, which has its own catchment area,
25 and with capabilities and facilities for providing secondary medical care to cases requiring
26 hospitalization and the expertise of trained doctors.

27 (j) "Provincial hospital" refers to a central district hospital with its own catchment area
28 which provides at least a minimum of Tertiary Level I hospital care.

29 (k) "Regional hospital" refers to a departmentalized hospital which provides Tertiary
30 Level II hospital care.

31 (l) "Medical center" refers to a hospital which provides Tertiary Level III hospital care.

1 (m) "Specialty hospital" refers to a hospital which provides services for one particular
2 illness or disease or health medical care need, with the highest medical care rendered by
3 medical experts using highly specialized equipment for a specific medical problem area. It
4 provides Tertiary Level IV hospital care.

5 (n) "Competent physician" refers to a licensed medical doctor who possesses both
6 technical and managerial knowledge or expertise in health care.

7 (o) "Local government units (LGUs)" refer to provinces, cities, municipalities, barangays
8 and other political subdivisions as may be created by law.

9 *SEC. 5. Health Care Delivery Modernization Program.* – In order to meet its
10 objectives, there shall be created a Health Care Delivery Modernization Program which shall
11 have the following components:

12 (A) Delineation of the Role of the Local Government Units and the Department of
13 Health (DOH). – The Leagues of Local Government Units (LGUs) and the Department of
14 Health (DOH) shall support the implementation of the Health Care Delivery Modernization
15 Program by performing the mandated tasks herein defined, to wit:

16 (1) The province shall be responsible for the promotive, preventive, curative and
17 rehabilitative aspects of health care delivery except in places where municipal and city
18 hospitals exist, in which case these shall be under the responsibility of the LGU concerned.
19 They shall also undertake an annual review of health program in their areas of jurisdiction;

20 The Integrated Provincial Health Office (IPHO), with the assistance of the DOH resident
21 consultant, shall continue to coordinate with the municipal or city health officer in all activities
22 pertaining to public health at the municipal or city level.

23 (2) The DOH shall, in addition to the powers vested in it under existing laws, be
24 responsible for the following:

25 (a) Delivery of health care services higher than or more sophisticated than that provided
26 by LGUs;

27 (b) Provision of competent physicians for each province or qualified cities or
28 municipalities to assist the local chief executive, as may be appropriate, in the management and
29 monitoring of devolved health care functions;

30 (c) Upper tertiary hospital care where the expertise in the different organ specific
31 medical-surgical specialty is needed;

1 (d) Operation and maintenance of medical centers, including those in Metro Manila, and
2 specialty hospitals whose functions are to provide tertiary expertise: *Provided, however,* That
3 a specialty hospital with original charter shall continue to be governed by its own charter;

4 (e) Supervision of the operation of the more sophisticated organ- specific medical
5 centers;

6 (f) Initiation and assistance in the establishment of a residency training program with
7 the participation of the private practicing specialist, as much as practicable, as consultants in
8 each provincial hospital;

9 (g) Provision of doctors in rural communities under its program of doctors to
10 doctorless areas, who shall be assigned by the regional field units in consultation with the local
11 chief executive, as may be appropriate to qualified communities; and

12 (h) Creation and funding of positions for doctors to doctorless areas including their
13 incentives and benefits, in addition to those granted under existing laws, to wit:

14 (h.1) Free legal representation and consultation services shall be immediately
15 provided by the Public Attorney's Office in cases of coercion, interference, and in other civil,
16 criminal and administrative cases filed by or against such doctors arising out of or in
17 connection with the performance of their duties as such; and

18 (h.2) Scholarship benefits in the form of tuition fees in state colleges or universities
19 to be granted to their legitimate children.

20 (B) Strengthening the Capability of the Provincial Hospitals. – The provincial hospitals
21 shall be developed into responsive, efficient and modern institutions with the capability to
22 handle Tertiary Level I to II hospital care. In pursuance thereof, the following necessary steps
23 shall be undertaken:

24 (1) The establishment of a residency training program and acquisition of tertiary
25 diagnostic facilities with, as much as practicable, the participation of the private sector or
26 private specialist practitioner as consultants in each provincial hospital subject to the following
27 conditions:

28 (a) Consultants, who shall be accredited to practice in the hospital, may be entitled to
29 honorarium to be determined by the district hospital health board;

30 (b) Provincial hospital residents participating in the residency training program shall not
31 be permanent employees but shall be considered employed for the whole duration of the
32 residency training period; and

1 (c) Participants in the residency training program shall be given preference in case of
2 reemployment as residents of district hospitals.

3 (2) The Improvement and Upgrading of Provincial and Highly Urbanized City
4 Hospitals. – The DOH shall extend technical and financial assistance relating to the
5 establishment of diagnostic centers and acquisition of modern and quality equipment to
6 improve the capabilities of the provincial hospitals pursuant to its modernization objectives:
7 *Provided, That* the acquisition of new equipment shall be synchronized with the phasing out of
8 obsolete major equipment and subjected to the laws on public bidding.

9 In provinces with a population of at least one million, and in island provinces as well as
10 in highly urbanized cities, the DOH may establish an extension of the regional medical center
11 in the provincial or city hospital, as the case may be. The extension hospital to be established
12 shall have the capability of Tertiary Level II hospital care: *Provided, further, That* the DOH
13 shall also extend assistance equivalent to the cost of maintenance of equipment and personnel,
14 and if necessary, the replacement or improvement of equipment in the abovementioned
15 hospitals.

16 (C) Establishment of Hospital Health Boards. – This component of the Program is
17 geared towards the realization of a genuine local autonomy. In furtherance thereof, there shall
18 be established a district hospital health board, medical center health board, including those in
19 Metro Manila, and specialty hospital health board: *Provided, however, That* there shall also be
20 established hospital health boards in municipalities or cities which have hospitals: *Provided,*
21 *further, That* specialty hospitals with original charters, namely: National Kidney and
22 Transplant Institute, Lung Center of the Philippines, Philippine Children's Medical Center and
23 Philippine Heart Center, shall continue to be governed by their respective charters.

24 (1) District Hospital Health Board

25 (a) Composition – The composition of the district hospital health board shall be as
26 follows:

27 (a.1) Chairman: Chief of the District Hospital.

28 (a.2) Members: representative of the Congressional District for hospitals in his political
29 district; a mayor of the catchment area of the district; member of the sangguniang
30 panlalawigan of the political district; representative of the Philippine Hospital Association;
31 representative of the Philippine Medical Association; representative of nongovernment

1 organizations involved in health services; representative of the religious sector; and
2 representative of the private sector.

3 (a.3) The members of the District Hospital Health Board, except the chairman and
4 the representative of the congressional district, shall be appointed by the provincial governor.

5 (b) Powers and Functions – The powers and functions of the district hospital health
6 board shall be as follows:

7 (b.1) To assist the provincial governor in the operation and management of the district
8 hospital;

9 (b.2) To review and endorse the budgetary requirements of the district health services;

10 (b.3) To devise a mechanism for internal control;

11 (b.4) To enhance the participation of LGUs and community involvement in hospital
12 service and public health activities;

13 (b.5) To screen and recommend to the Selection Board the appointment of qualified
14 applicants to fill vacant positions in the rural health units and district hospitals;

15 (b.6) To be responsible for the recruitment of volunteer barangay health workers who
16 shall be entitled to monthly honorarium and other benefits as provided for by the law;

17 (b.7) To deposit, in trust, all the earnings of the district hospital and rural health units
18 derived from whatever source with the Provincial Treasurer's Office or with any authorized
19 depository banks;

20 (b.8) To determine the utilization of the earnings of the hospital and rural health
21 units for the betterment of hospital and rural health services; and

22 (b.9) To perform such other functions as may be deemed necessary for the effective
23 management of the rural health units and hospitals.

24 (c) Meetings and Quorums –

25 (c.1) The Board shall meet at least once a month or as often as may be necessary;

26 (c.2) A majority of the members of the Board shall constitute a quorum but the
27 chairman must be present during meetings where budgetary proposals are prepared or
28 considered. Members thereof who are not government officials or employees shall be entitled
29 to necessary traveling expenses and allowances chargeable against the funds of the district
30 hospital health board subject to the accounting and auditing rules and regulations.

31 (2) Medical Centers and Specialty Hospitals Health Boards

1 (a) Composition – The composition of the Medical Center and Specialty Hospital
2 Health Boards shall be as follows:

3 (a.1) Chairman: Chief of Medical Centers or Specialty Hospitals, as the case may
4 be;

5 (a.2) Members: a senator of the Republic; a representative of the Congressional
6 District where the medical center or specialty hospital is located; a representative of the
7 Philippine Hospital Association; a representative of the Philippine Medical Association; a
8 representative of the nongovernment organizations involved in health services; a representative
9 of the religious sector; and a representative of the private sector.

10 (a.3) The chairman of the Medical Center Hospital Health Board, including those in
11 Metro Manila, and Specialty Hospital Health Boards shall serve by operation of this Act
12 without the need of any appointment.

13 (a.4) The chairman of the Senate Committee on Health shall choose from among the
14 senators, who shall represent the Senate as a member of each of the Medical Center or
15 Specialty Hospital Health Boards.

16 (a.5) The representative from the nongovernment organizations, religious and the
17 private sector in the Medical Center and Specialty Hospital Health Boards shall be appointed
18 by the chairman of the respective health boards.

19 (b) Powers and Functions – The powers and functions of the Medical Center and
20 Specialty Hospital Health Boards shall, as they are applicable be the following:

21 (b.1) To assist the Secretary of health, administrator or chairman of the boards of
22 trustees, as the case may be, in the operation and management of medical centers and specialty
23 hospitals;

24 (b.2) To review and endorse the budgetary requirements of the medical centers and
25 specialty hospitals;

26 (b.3) To devise a mechanism for internal control;

27 (b.4) To screen and recommend to the Selection Board the appointment of qualified
28 applicants to fill vacant positions in the medical centers and specialty hospitals, as the case may
29 be;

30 (b.5) To deposit, in trust, all the earnings derived from whatever source with any
31 authorized depository banks as part of their General Fund;

1 (b.6) To determine the utilization of funds of the specialty hospitals or medical
2 centers, as the case may be, for the betterment of hospital health services; and

3 (b.7) To perform such other functions as may be deemed necessary for the effective
4 management of the medical centers and specialty hospitals.

5 (c) Meetings and Quorums –

6 (c.1) The Board shall meet at least once a month or as often as may be necessary.

7 (c.2) A majority of the members of the Board shall constitute a quorum but the
8 chairman must be present during meetings where budgetary proposals are prepared or
9 considered. Members thereof who are not government officials or employees shall be entitled
10 to necessary traveling expenses and allowances chargeable against the funds of the health
11 boards of the medical center and specialty hospitals subject to the accounting and auditing
12 rules and regulations.

13 (3) Municipality or City Hospital Health Board

14 (a) Composition – the composition of the Municipal or City Hospital Health Board
15 shall be as follows:

16 (a.1) Chairman: Chief of the municipality or city hospital.

17 (a.2) Members: Representative of the congressional district for hospitals in his
18 political district; the municipal or city mayor of the area where the hospital is located; member
19 of the sangguniang bayan or sangguniang panlungsod; a representative of the Philippine
20 Hospital Association a representative of the Philippine Medical Association; a representative
21 of nongovernment organizations involved in health services; a representative of the religious
22 sector; and, a representative of the private sector.

23 (a.3) The members of the Municipal or City Hospital Health Board except the
24 chairman and the representative of the congressional district, shall be appointed by the
25 municipal or city mayor, as the case may be;

26 (b) Power and Functions – The powers and functions of the Municipal or City Hospital
27 Health Board shall be as follows:

28 (b.1) To assist the mayor in the operation and management of the municipal or city
29 hospital;

30 (b.2) To review and endorse the budgetary requirements of the municipal or city
31 health services;

32 (b.3) To devise a mechanism for internal control;

1 (b.4) To enhance the participation of local government units and community
2 involvement in hospital service and public health activities;

3 (b.5) To screen and recommend to the Selection Board the appointment of qualified
4 applicants to fill vacant positions in the rural health units and municipal or city hospitals;

5 (b.6) To be responsible for the recruitment of volunteer barangay health workers
6 who shall be entitled to monthly honorarium and other benefits provided for by the law;

7 (b.7) To deposit, in trust, all the earnings of the municipal or city hospitals and rural
8 health units derived from whatever source with the municipal or city treasurer's office, as the
9 case may be, or with any authorized depository banks;

10 (b.8) To determine the utilization of funds of the hospitals for the betterment of
11 hospitals and rural health services; and

12 (b.9) To perform such other functions as may be deemed necessary for the effective
13 management of the rural health units and hospitals.

14 (c) Meetings and Quorums –

15 (c.1) The Board shall meet at least once a month or as often as may be necessary;

16 (c.2) A majority of the members of the Board shall constitute quorum but the
17 chairman must be present during meetings where budgetary proposals are prepared or
18 considered. Members therefore who are not government officials or employees shall be
19 entitled to necessary traveling expenses and allowances chargeable against the funds of the
20 Municipal or City Hospital Health Board subject to the accounting and auditing rules and
21 regulations.

22 SEC. 6. *Period of Implementation.* – The Program shall be implemented over a period
23 of three (3) years from the approval of this Act.

24 SEC. 7. *Appropriations.* – The Secretary of Health shall immediately include in the
25 Department's program the implementation of this Act, the funding of which shall be included
26 in the annual General Appropriations Act.

27 For the implementation of the devolved health services, the amount necessary shall be
28 taken from the Internal Revenue Allotment of the LGU concerned.

29 Funds may be augmented by grants, donations, endowment from various sources,
30 domestic or foreign.

31 SEC. 8. *Implementing Rules and Regulations.* – The DOH and the Department of the
32 Interior and Local Government (DILG) shall, in coordination with the League of Provinces,

1 promulgate the rules and regulations for the implementation of this Act within sixty (60) days
2 from its publication in two (2) newspapers of general circulation.

3 SEC. 9. *Separability Clause.* – If, for any reason or reasons, any part or provision of
4 this Act shall be declared to be unconstitutional or invalid, other parts or provision hereof
5 which are not affected thereby shall continue to be in full force and effect.

6 SEC. 10. *Repealing Clause.* – All laws, orders, decrees, rules and regulations
7 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

8 SEC. 11. *Effectivity.* – This Act shall take effect upon its approval.