

SIXTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

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SENATE

Senate Bill No. 554

RECEIVED BY: *Jui*

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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### EXPLANATORY NOTE

As part of the government's effort to reform the health sector, privatization of government hospitals has been endorsed ostensibly due to the rising cost of maintenance and operational expenses. One argument in favor of privatization is that it will allow investors to infuse additional capital to modernize and upgrade the facilities and equipment of these government hospitals, more particularly the specialized hospitals such as the Philippine Heart Center and the National Kidney and Transplant Institute.

While it is true that the government is experiencing difficulty in infusing the much-needed funds to continually upgrade and acquire sophisticated and advanced medical equipment, it is a reality that majority of the people rely on these government hospitals for their medical and health needs.

It is almost certain that corresponding increase in medical costs will ensue once the privatization of government hospitals is pursued. Some people cannot even afford adequate shelter, food, clothing, and education. Worst, accessible and affordable health care services will be beyond their reach.

The Constitution mandates that health services shall be available to all people at affordable cost. It is in this light that this measure seeks to prohibit the privatization of government hospitals to ensure and guarantee that health care services are affordable and accessible to all Filipino people.

The early passage of this proposed measure is highly recommended.

  
JINGGOY EJERCITO ESTRADA  
Senator

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AN ACT  
PROHIBITING THE PRIVATIZATION OF GOVERNMENT HOSPITALS

*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 “**Government Hospitals’ Privatization Prohibition Act**”.

**SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to guarantee that health care services are available, accessible and affordable to all the people by prohibiting the privatization of government hospitals.

**SEC. 3. Definition of Terms.** – For purposes of this Act, the term:

- (a) “Secretary” shall refer to the Secretary of the Department of Health; and,
- (b) “Government Hospital” shall refer to a hospital operated and maintained either partially or wholly by the national, provincial, municipal, or city government or other political subdivision, or by any department, division, board or other agency thereof.

**SEC. 4. Prohibition on Privatization of Government Hospitals.** – The Secretary is hereby prohibited to privatize, sell, or offer for sale all government hospitals.

**SEC. 5. Implementing Rules and Regulations.** – The Secretary shall promulgate the necessary rules and regulations to implement the provisions of this Act.

**SEC. 6. Appropriations.** – In order to achieve the objectives of this Act, such amount as may be necessary is hereby authorized to be appropriated from the National Treasury. Thereafter, the amount necessary for the continuous operation of the hospitals shall be included in the annual appropriations of the Department of Health.

**SEC. 7. Separability Clause.** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

**SEC. 8. Repealing Clause.** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly

**SEC. 9. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*