

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES }
First Regular Session

'04 JUN 30 P8:38

RECEIVED BY:

SENATE

S. No. 611

INTRODUCED BY HON. MANUEL B. VILLAR JR.

EXPLANATORY NOTE

Republic Act No. 4226, otherwise known as the "Hospital License Act," has been enforced for over 20 years. Despite this, a number of hospitals and health service establishments in the country continue to violate its provisions, some even manage to operate without any license.

There is a need to strengthen the existing law and provide stiffer penalties to hospitals and health service establishments who violate it. This is the only way we can protect our people from unscrupulous health practitioners and ensure Filipinos of getting quality health care they are deserving of.

This bill, which shall be known as the "Hospital and Health Service Establishments Licensure Act," vests quasi-judicial functions on the Bureau of Licensing and Regulation to enable it to investigate and impose appropriate sanctions on administrative cases filed against any hospital or health service establishment. The measure also increases the fine imposed on persons or associations who operate hospitals or health service establishments without first obtaining a license, or who violate this Act. From a measly P500.00 fine for the first offense and P1,000.00 for each subsequent offense, the fine has been increased to P5,000.00 for the first offense and not less than P100,000.00 for each subsequent offense.

The passage of this bill is fervently called for.


MANUEL B. VILLAR, JR.
Senator

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AN ACT
AMENDING REPUBLIC ACT 4226 OTHERWISE KNOWN AS THE
"HOSPITAL LICENSURE ACT"

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

1 **SECTION 1.** Sections 1, 2(d), 3,5 6(a, b, c, d, e, f, g, h), 7, 9, 10, 12, 15, 16, 17 and
2 18 of Republic Act 4226, otherwise known as the "**Hospital Licensure Act,**" are hereby
3 amended to read as follows:

4
5 "SEC. 1. *Title.* – This Act shall also be known as the HOSPITAL AND
6 HEALTH SERVICE ESTABLISHMENTS LICENSURE ACT."

7
8 "SEC. 2. *Definitions.* – As used in this Act –

9
10 "(a) '*Hospital*' – means a place devoted primarily to the maintenance and
11 operation of facilities for the diagnosis, treatment and care of individuals suffering
12 from illness, disease, injury or deformity, or in need of obstetrical or other medical
13 and nursing care. The term '*hospital*' shall also be construed as any institution,
14 building or place where there are installed beds or cribs [or bassinets] for twenty-four-
15 hour use or longer by patients in the treatment of diseases, diseased conditions,
16 injuries, deformities, or abnormal physical and mental states, maternity cases, and all
17 institutions such as those for convalescence, [sanatorial or] sanitarial care, infirmities,
18 nurseries, dispensaries and such other names by which they may be designated.

19
20 "(b) '*Government Hospital*' – means a hospital operated and maintained
21 either partially or wholly by the national, provincial, municipal or city government or
22 other political subdivision, or by any department, division, board or other agency
23 thereof.

24
25 "(c) '*Private Hospital*' – means one which is privately-owned, established
26 and operated with funds raised or contributed through donations, or by private capital

1 or other means, by private individuals, association, corporation, religious
2 organization, firm, company or joint stock association.

3
4 “[(d) ‘Clinic’ – means a place in which patients avail of medical consultations
5 or treatments on an outpatient basis. However, any clinic or dispensary where there is
6 at least six beds or cribs of bassinets installed for twenty-four hour use by patients
7 shall be construed to fall within the definition of a hospital described in this Act.]

8
9 “(D) [(e)]” *Licensee* – means any person, firm, partnership or organization
10 granted a license to operate and maintain a hospital according to an approved
11 minimum standard.

12
13 “(E) ‘Health service establishments’ – shall refer to institutions, other than
14 hospitals, provide diagnostic, therapeutic, rehabilitative, and/or other health care
15 services, including but not limited to, medical clinics, ambulatory surgical clinics,
16 dental prosthetic laboratories, overseas workers clinics, blood banks, HIV testing
17 laboratories, free standing diagnostic laboratories, organ bank storage facilities, free-
18 standing dialysis center and health-related radiation facilities.

19
20 “(F) ‘Medical Ancillary services’ – shall refer to radiological, laboratory and
21 pharmaceutical services in hospitals.

22
23 “(H) (g) ‘Secretary’ – shall refer to the Secretary of Health

24
25 “SEC. 3. CONSTRUCTION PERMIT. – No hospital shall be constructed or
26 shall undergo renovation or expansion unless plans have been approved and
27 construction permits issued by the licensing agency as defined by the Act.”

28
29 “SEC. 5. *Licensing Agency* – For purposes of setting standards in hospital
30 construction and operation, the Bureau of [Medical Services] LICENSING AND
31 REGULATION, in addition to its present duties, shall act as the licensing agency.
32 The Secretary of Health shall reorganize [this] The Bureau of [Medical Services]
33 LICENSING AND REGULATION AND EXPAND ITS ORGANIZATIONAL
34 STRUCTURE TO INCLUDE POSITION POSITIONS FOR [to include a staff of]
35 hospital architects, hospital administrators, DOCTORS, NURSES,
36 NUTRITIONISTS/DIETICIANS, [sanitary] engineering, LAWYERS as such
37 personnel as may be necessary to carry out the purposes of this Act. [without
38 necessarily increasing the present personnel strength of this Bureau.]”

39
40 “SEC. 6. *Power and Duties of Licensing Agency*. – The Bureau of [Medical
41 Services] LICENSING AND REGULATION, [or the licensing agency] shall have the
42 following powers and duties:

43
44 [e] A. To grant licenses for the operation and maintenance of hospital AND
45 HEALTH SERVICE ESTABLISHMENTS and suspend or revoke the same in
46 accordance with the provisions of this Act.

47
48 [a To conduct an ocular survey of all existing hospitals in the Philippines,
49 government or private, with a view to determine their fitness to operate considering
50 their facilities and physical plant.]

51
52 b. [To prescribe standards plans for government hospital plants in
53 consultation with the Division of Architecture, Bureau of Public Works.] TO
54 ESTABLISH STANDARD REQUIREMENTS FOR THE PHYSICAL FACILITIES,
55 PERSONNEL AND PHYSICAL PLANT OF ALL HOSPITAL AND HEALTH
56 SERVICE ESTABLISHMENTS IN THE PHILIPPINES.

1
2 [f] C. To INSPECT AND MONITOR [make periodic inspection of] all
3 hospitals and HEALTH SERVICE ESTABLISHMENTS [so as to check] TO
4 ENSURE THEIR CONTINUED compliance with the rules and regulations [legally]
5 promulgated [or with the provisions of] IN ACCORDANCE WITH this Act and to
6 make recommendations to the directors or administrators of SUCH hospitals OR
7 HEALTH SERVICE ESTABLISHMENTS for the correction of [defects]
8 DEFICIENCIES found during such inspections.
9

10 [c] D. To approve plans for hospitals [plans] BUILDINGS, government or
11 private, and to issue permits authority to construct RENOVATE OR EXPAND
12 hospitals in accordance with the provision of this Act.
13

14 E. TO PROVIDE CONSULTATIVE AND ADVISORY SERVICES
15 RELATIVE TO THE ESTABLISHMENT AND CONSTRUCTION OF
16 HOSPITALS AND HEALTH SERVICE ESTABLISHMENTS.
17

18 F. TO LEVY, ASSESS AND COLLECT THE APPROPRIATE PERMIT
19 FEE, REGISTRATION FEE, LICENSE FEE AND SURCHARGES PURSUANT TO
20 ITS BASIC FUNCTIONS.
21

22 G. TO INVESTIGATE, HEAR AND DECIDE ADMINISTRATIVE CASES
23 INITIATED BY THE BUREAU OR FILED BY ANY PERSON AGAINST A
24 HOSPITAL OR HEALTH SERVICE ESTABLISHMENT VIOLATING THE
25 PROVISION OF THIS ACT AND ITS IMPLEMENTING RULES AND
26 REGULATIONS AND TO IMPOSE APPROPRIATE ADMINISTRATIVE
27 SANCTION OR PENALTY PROVIDED IN THIS ACT.
28

29 H. TO PROMULGATE RULES AND REGULATION GOVERNING THE
30 CONDUCT OF ADMINISTRATIVE HEARING: *PROVIDED*, THAT SUCH
31 PROCEEDING, THE BUREAU SHALL NOT BE BOUND BY THE TECHNICAL
32 RULES OF EVIDENCE OF THE RULES OF THE COURT: *PROVIDED*,
33 *FURTHER*, THAT THE SAME MAY BE APPLIED IN A SUPPLETORY
34 MANNER.
35

36 I. TO ADMINISTER OATHS AND AFFIRMATIONS, AND TO ISSUE
37 *SUBPOENA AND TESTIFICANDUM* AND *SUBPOENA DUCES TECUM*
38 REQUIRING THE ATTENDANCE AND TESTIMONY OF PARTIES AND
39 WITNESSES, AND/OR THE PRODUCTION OF SUCH BOOKS, CONTRACTS,
40 CORRESPONDENCE, RECORDS, STATEMENT OF ACCOUNTS AND OTHER
41 DOCUMENTS AS MAY BE MATERIAL TO THE INVESTIGATION BEING
42 CONDUCTED BY THE BUREAU.
43

44 J. TO EXERCISE CONTEMPT POWERS AND IMPOSE APPROPRIATE
45 PENALTIES.
46

47 K. TO CALL THE ASSISTANCE OF ANY DEPARTMENT, OFFICE,
48 AGENCY OR INSTRUMENTALITY OF THE NATIONAL OR LOCAL
49 GOVERNMENT FOR THE EFFECTIVE IMPLEMENTATION OF THIS ACT.
50

51 L. TO CAUSE THE PROSECUTION OF ALL CASES INVOLVING
52 VIOLTING OF THIS ACT AND ITS IMPLEMENTING RULES AND
53 REGULATIONS.
54

1 M. TO SUMMARILY ORDER THE CLOSURE OF HOSPITALS AND
2 HEALTH SERVICE ESTABLISHMENTS OPERATING WITHOUT A LICENSE.

3
4 [d] N. To [keep a permanent] MAINTAIN a register of [approved] hospitals
5 AND HEALTH SERVICE ESTABLISHMENTS [or those] issued licenses to operate
6 indicating the name of the [hospital] FACILITY, address or location, [type of
7 hospital] CLASSIFICATION, and name of the director or administrator, ownership,
8 number of authorized beds [and bassinets] and such other pertinent data as may be
9 necessary.

10
11 [g. To publish yearly, a list of all approved LICENSED hospitals AND
12 HEALTH SERVICE ESTABLISHMENTS indicating the name, location, category,
13 classification, authorized beds and name of the director or administrator.]

14
15 [h] O. To submit yearly reports to the Secretary of Health, [the Speaker of the
16 House of Representatives, the President of the Senate] and the chairman [and
17 members] of the Committees on Health of both Houses of Congress [;]. [s] Such
18 reports SHALL include a list of [approved] all LICENSED hospitals AND OTHER
19 HEALTH SERVICE ESTABLISHMENTS indicating the name of the [hospitals]
20 ESTABLISHMENT, ITS location, bed capacity and name of the director or
21 administrator, [and make] SUCH REPORTS SHALL ALSO CONTAIN a
22 recommendation on hospitals OR SIMILAR needs or requirements [for hospital
23 service] in certain communities that do not enjoy such hospital service] HEALTH
24 FACILITIES.

25
26 P. TO PROMULGATE AND IMPLEMENT THE RULES AND
27 REGULATIONS GOVERNING THE REGISTRATION, LICENSURE
28 ESTABLISHMENTS AND TO PERIODICALLY REVIEW AND AMEND THE
29 SAME, SUBJECT TO THE APPROVAL OF THE SECRETARY AND IN
30 CONSULTATION WITH THE SECTORS CONCERNED, PROVIDED, THAT
31 SUCH RULES AND REGULATIONS SHALL BE IN ACCORDANCE WITH THE
32 PROVISION OF THIS ACT.

33
34 “SEC. 7. *[Filing of Application for Construction Permit]* APPLICATION
35 AND ISSUANCE OF A PERMIT TO CONSTRUCT – Application for a permit to
36 construct a hospital OR HEALTH SERVICE ESTABLISHMENT shall be submitted
37 to the Office of the Director, Bureau of [Medical Services] LICENSING AND
38 REGULATION in a form prescribed by the latter and accompanied by a plan of the
39 (hospital plant) FACILITIES proposed to be constructed. [The application shall state
40 the name of the hospital, ownership, number of beds proposed to be operated, location
41 and type of hospital to be constructed.] THE PERMIT TO CONSTRUCT ISSUED
42 BY THE BUREAU SHALL BE A CONDITION PRECEDENT FOR THE
43 ISSUANCE OF A BUILDING PERMIT BY THE OFFICIAL OF THE
44 MUNICIPALITY OR CITY WHERE THE FACILITY IS PROPOSED TO BE
45 CONSTRUCTED.

46
47 “SEC. 8. *Minimum Standards of Construction.* – In order that a permit to
48 construct a hospital can be issued, the hospital plan shall provide sufficient bed space
49 for the hospital bed capacity proposed, a laboratory room, an operating room,
50 including work rooms for sterilization, anesthesia preparation, etc., an X-ray or
51 radiology room, pharmacy, dispensary or out-patient department, delivery room,
52 isolation, autopsy room or morgue, sufficient quarters for residents, nurses, attendants
53 and helpers and sufficient number of toilet facilities.]”

54 “[Wards shall be constructed such that segregation of sexes is observed and as far as
55 practicable classified as to the type of cases to be confined.]”

1
2 “SEC. [9] 8. *Application for Registration and Issuance for License –*
3 Application for registration of a hospital OR HEALTH SERVICE
4 ESTABLISHMENT and for the issuance of a license for its operation and
5 maintenance INCLUDING MEDICAL ANCILLARY SERVICES shall be filed with
6 the Bureau of [Medical Services] LICENSING AND REGULATION OR ITS
7 DEPUTIZED OFFICES in a form prescribed by it: *PROVIDED, THAT, THE*
8 *BUREAU SHALL COORDINATE WITH THE BUREAU OF RESEARCH AND*
9 *LABORATORIES, RADIATION HEALTH SERVICE, AND THE BUREAU OF*
10 *FOOD AND DRUGS FOR THE LICENSING OF THE MEDICAL ANCILLARY*
11 *SERVICES. Registration may be made and license issued upon compliance with [the*
12 *provisions of Section Eight hereof and] the rules and regulations prescribed by the*
13 *[licensing agency] BUREAU pursuant to the provisions of this Act.”*
14

15 SEC. 9. VALIDITY AND RENEWAL OF LICENSE – THE INITIAL
16 LICENSE TO OPERATE AND MAINTAIN A HOSPITAL OR HEALTH SERVICE
17 ESTABLISHMENT SHALL BE VALID FOR A PERIOD OF TWO YEARS FROM
18 ITS DATE ISSUANCE, AND SHALL BE RENEWED REGULARLY, SUBJECT
19 TO THE RULES AND REGULATIONS OF THE BUREAU.
20

21 SEC. 10. *Inspection –* [Permit to construct a hospital or a major portion
22 thereof and] The license to operate A HOSPITAL OR HEALTH SERVICE
23 ESTABLISHMENT [and maintain the same] shall be issued by the [licensing agency]
24 BUREAU only after a representative of the licensing agency has conducted [an
25 ocular inspection] A COMPREHENSIVE ON SITE INSPECTION and certified that
26 the applicant has satisfactorily complied with requisites prescribed in this Act AND
27 ITS IMPLEMENTING RULES AND REGULATIONS. [The license to operate a
28 hospital shall be renewed every year upon payment of the prescribed fees.]
29

30 SEC. 11. SUSPENSION AND Revocation of the License – The [Licensing
31 Agency] BUREAU, AFTER CONDUCTING AN ADMINISTRATIVE HEARING,
32 WITH DUE NOTICE LICENSEE AND WITH THE APPROVAL OF THE
33 SECRETARY, may suspend or revoke [a] THE license [already issued] TO
34 OPERATE AND MAINTAIN A HOSPITAL OR HEALTH SERVICE
35 ESTABLISHMENT OR ANY PERSON, PARTNERSHIP, ASSOCIATION
36 CORPORATION OR PRIVATE ENTITY, for any of the following grounds: (a)
37 [repeated] violation by the licensee of any provision of this Act or any other existing
38 laws; (b) [repeated] violation of rules and regulations prescribed in the
39 implementation of this Act; or (c) [repeated] failure to make necessary correction or
40 adjustment required by the licensing agency in the improvement OR
41 MAINTENANCE of facilities and services.
42

43 SEC. 12. *Hearing –* Any person, association, corporation, or any other private
44 entity who have been refused a license to operate and maintain a hospital OR A
45 HEALTH SERVICE ESTABLISHMENT or whose license has been suspended or
46 revoked shall be entitled to administrative hearing to be conducted by the Secretary
47 [of Health and his two undersecretaries] OR HIS DULY AUTHORIZED
48 REPRESENTATIVE(S) to determine the [justifiability] VALIDITY of such denial,
49 suspension or revocation of the license: *Provided, That the license may resort to the*
50 *courts, as in mother cases provided by the law.*
51

52 SEC. 15. *Rules and Regulations –* Bureau of [Medical Services] LICENSING
53 AND REGULATION acting as a licensing agency and subject to the approval of the
54 Secretary of Health, shall promulgate rules and regulations to implement the
55 provision of this Act.

1
2 SEC. 16. *Classification of Hospitals* – The licensing agency shall study and
3 adopt a system of classifying hospitals in the Philippines as to: (1) general or special;
4 (2) hospital service capabilities; [(3) size or bed capacity] GOVERNMENT OR
5 PRIVATE; (4) [class of hospital whether training or not] TRAINING OR NON-
6 TRAINING.”

7
8 [“SEC. 17. *Fees AND SURCHARGES* – Each applicant for a permit to
9 construct a hospital shall pay the amount of Five pesos (P5.00) and an annual license
10 fee of Ten pesos (P10.00) for each approved license: *Provided*, That a government
11 hospital shall be exempt for the payment of such fees. The amount herein collected
12 shall be officially receipted by the licensing agency and shall constitute as a revolving
13 fund for the use of the licensing agency.]”

14
15 “SEC. [18]. 17. *Penalties* – any person, partnership, association who
16 establishes, operates, conducts, manages or maintains a hospital or hospital clinic
17 within the meaning of this Act without first obtaining a license [as provided for in
18 this Act] or violates and provision [hereof] OF THIS ACT OR ITS IMPLEMENTING
19 RULES AND REGULATIONS [shall be guilty of misdemeanor, and upon conviction
20 thereof] shall be liable to a fine of [not more than five hundred pesos for the first
21 offense and not more than one thousand pesos for each subsequent offense,] NOT
22 LESS THAN FIVE THOUSAND PESOS (P5,000.00) BUT NOT MORE THAN
23 FIFTY THOUSAND PESOS (P50,000.00) FOR THE FIRST OFFENSE, AND NOT
24 LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN
25 ONE HUNDRED THOUSAND PESOS (P100,000.00) FOR EACH SUBSEQUENT
26 OFFENSE, and each day that the hospital shall operate after the first conviction shall
27 be considered a subsequent offense.”

28
29 IN ADDITION TO THE PENALTIES SPECIFIED IN THE PRECEDING
30 PARAGRAPH, THE BUREAU, WITH THE APPROVAL OF THE SECRETARY,
31 MAY SUMMARILY ORDER THE CLOSURE OF ANY HOSPITAL OR HEALTH
32 SERVICE ESTABLISHED FOUND OPERATING WITHOUT A LICENSE AS
33 PROVIDED FOR IN THIS ACT.

34
35 SEC. 18. *REVENUE UTILIZATION* – ALL PAYMENTS MADE TO THE
36 BUREAU PURSUANT TO SECTION 6 (F) SHALL BE UTILIZED BY THE
37 LICENSING AGENCY FOR ITS OPERATION, SUBJECT TO THE RULES AND
38 REGULATIONS OF THE DEPARTMENT OF BUDGET AND MANAGEMENT
39 AND THE COMMISSION ON AUDIT.”

40
41 **SECTION 2. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
42 rules and regulations or parts thereof which are inconsistent with the provision of this Act are
43 hereby repealed or modified accordingly.

44
45 **SECTION 3. *Separability Clause.*** – If any part, or provision of this Act shall be
46 held unconstitutional or invalid, other provision hereof which are not affected hereby shall
47 continue to be in full force and effect.

48
49 **SECTION 4. *Effectivity*** - This act shall take effect upon its approval.

50
51 Approved,
52