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SENATE

S.B. No. 2092

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Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

Philippine tourism geared towards health and tourism grew by eighteen percent (18%) in 2013 because of the influx of foreign tourists and expatriates availing of medical treatments and procedures offered by local hospitals. The increase in number of patients patronizing domestic medical services was attributable to the lower cost of services as compared with developed countries.

Stakeholders have observed that there is a need to improve and advance medical techniques, equipment and services in order to further grow medical tourism in the country. Further, research has shown that industry expansion requires the consolidation of business strategies and plans being undertaken by the many stakeholders involved.

Considering that the Philippines was among the top 10 countries visited for medical tourism in 2010, this industry has strong potential in boosting the Philippine economy as well as promoting local job generation. The present bill puts in place the foundations for an attractive strategy to strengthen and develop medical tourism in the country to ensure (1) that the industry is internationally competitive and (2) that local professionals are incentivized to remain in the country and invest their talents in the domestic market.

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


MANUEL "LITO" M. LAPID
Senator *MUR*

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AN ACT
STRENGTHENING AND PROMOTING MEDICAL TOURISM IN THE
COUNTRY

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "**Medical**
2 **Tourism Act of 2014**".

3
4 **SEC. 2. Declaration of Policy.** - It is the policy of the State to promote the
5 people's right to health and the delivery of quality health care services to patients. In
6 line with the same, the State shall promote the development of medical services that are
7 international in caliber.

8 The State shall facilitate the collaboration between public and private health
9 service providers at the national and local levels in order to establish a globally
10 competitive medical tourism program. Towards this end, the State shall provide
11 mechanisms to maintain, update and improve scientific knowledge, technical skills,
12 competence and doctor-patient relationships of health providers offering medical
13 tourism packages.

14
15 **SEC. 3. National Accreditation Procedures for Hospitals, Medical**
16 **Centers and Health Service Providers.** - In order to ensure the availability of low cost
17 medical treatment, the provision of high quality medical care, and the quick delivery of
18 services, particularly for critical treatments, whether to foreign or local patients, the
19 Department of Health (DOH) is hereby mandated to conduct a national accreditation
20 and affiliation program that will assess the level, competence and quality of health care
21 delivery provided by hospitals, medical centers and health service facilities seeking to
22 provide medical tourism packages to foreign patients.

1 Towards this end, the DOH shall issue appropriate standards, guidelines and
2 procedures for the accreditation process and monitoring of hospitals, medical centers
3 and health service providers seeking to provide medical tourism services to local and
4 foreign clients.

5 Existing hospitals, medical centers and health service facilities who want to avail
6 of the benefits provided herein may request for accreditation with the DOH with respect
7 to the evaluation of quality of health services and the Department of Tourism (DOT) with
8 respect to the attractiveness and quality of such services in the global market.

9
10 **SEC. 4. National Task Force on Medical Tourism.** - There is hereby
11 established and institutionalized a National Task Force on Medical Tourism (NTFMT),
12 hereafter referred to as the "Task Force", which shall serve as an inter-agency and
13 multi-sectoral mechanism tasked to promote the implementation of the National Medical
14 Tourism Plan of the government.

15
16 **SEC. 5. Composition of the National Task Force on Medical Tourism.** --

17 The Task Force shall be composed of the Secretaries of the Department of Health
18 (DOH) and Department of Tourism (DOT) who shall serve as co-chairmen of the Task
19 Force. The Task Force shall be composed on the following members:

- 20 a) The Secretary of the Department of Trade and Industry (DTI);
- 21 b) The Secretary of the Department of Foreign Affairs (DFA);
- 22 c) The Secretary of the Department of Justice (DOJ);
- 23 d) The Secretary of the Department of Interior and Local Government
24 (DILG);
- 25 e) One (1) representative from duly accredited travel and tours
26 organizations;
- 27 f) One (1) representative from duly accredited hospital associations in the
28 country;
- 29 g) One (1) representative from duly accredited associations of medical
30 doctors and practitioners.
- 31 h) One (1) representative from non-governmental organizations (NGOs)
32 involved in the medical tourism advocacy;

33 The five (5) members of the Task Force who are representatives of the travel and
34 tours organizations, hospital associations, medical doctors and medical practitioners
35 and non-government organizations shall be appointed by the President of the
36 Philippines from a list of three (3) nominees from each sector and shall serve for a term
37 of three (3) years, which shall be renewable for another term: *Provided*, That the person
38 appointed shall be of good moral character, of unquestionable integrity, and with

1 expertise and experience of at least six (6) years in medical tourism and such other
2 related fields: *Provided, further,* That in the event of a vacancy, the successor appointed
3 to fill the vacancy shall serve only the unexpired portion of the term of the member
4 succeeded.

5 The members of the Task Force from government agencies and institutions may
6 designate their permanent representatives who shall have a rank not lower than an
7 assistant secretary or its equivalent to attend meetings.

8 All members of the Task Force shall receive emoluments as may be determined
9 by the Task Force in accordance with existing budget and accounting rules and
10 regulations.

11
12 **SEC. 6. Meetings.** – The Task Force shall meet at least once a month upon
13 a three-day notice signed by the two (2) Chairpersons or as often as necessary upon a
14 written request signed by two-thirds (2/3) of its members.

15 The presence of a majority of the members of the Task Force shall constitute a
16 quorum in order for it to conduct its business.

17
18 **SEC. 7. The Powers and Functions of the National Task Force on**
19 **Medical Tourism.** – The Task Force shall have the following powers and functions:

20 (a) To establish, initiate and coordinate multi-sectoral medical tourism action
21 plans at the regional and local government unit level;

22 (b) To establish a medical tourism website and to coordinate the
23 implementation and dissemination of information thereon for the purpose of making
24 medical tourism programs of the government accessible and known internationally;

25 (c) To institutionalize and coordinate the establishment of a legal support
26 mechanism in order to ensure that foreign medical tourism patients are given legal
27 assistance in cases of medical malpractice from the various health providers involved in
28 the medical tourism program of the country;

29 (d) To receive donations and grants from international donor institutions,
30 foundations, and multilateral and bilateral foreign donor agencies involved in the
31 promotion and advocacy of medical tourism all over the world;

32 (e) To establish guidelines and procedures in the prosecution of those service
33 providers and medical practitioners who exploit medical tourism patients and those
34 found in violation of the provisions of this Act;

35 (f) To catalyze and provide the avenue for information sharing, exchange
36 programs and sharing of best practices on issues relating to medical tourism;

1 (h) To provide gender sensitive medical tourism programs and projects that
2 will inform the general public, policy makers in the LGU level and medical practitioners
3 on the various issues concerning medical tourism;

4 (i) To establish a databank that will provide detailed information on the
5 quality and state of medical tourism in the country;

6 (j) To establish a mechanism for the legal protection of medical tourism
7 patients who come to avail of the medical tourism program of the government, as
8 provided for in this Act;

9 (k) To issue certificates of accreditation and affiliation to qualified health
10 service institutions and facilities for the delivery of medical tourism services; and

11 (l) To hire and avail of the services of technical experts, consultants and staff
12 in the field of medical tourism and other relevant fields of disciplines for the effective
13 implementation of its mandated duties and functions.
14

15 **SEC. 8. *The National Task Force on Medical Tourism Secretariat.*** - The
16 National Task Force on Medical Tourism shall establish a Task Force Secretariat which
17 shall serve as the technical support staff to effectively implement the provisions of this
18 Act. Towards this end, the National Task Force on Medical Tourism shall submit to the
19 Civil Service Commission (CSC) the staffing complements of the Task Force Secretariat
20 to effectively implement the provisions of this Act.
21

22 **SEC. 9. *Creation of a National Website for Medical Tourism.*** -- The
23 National Task Force on Medical Tourism, in coordination with the various stakeholders
24 in the medical tourism industry, is hereby mandated to establish a national website on
25 Philippine Medical Tourism. The Website shall highlight the various medical tourism
26 packages being offered in the country and provide a list of accredited medical tourism
27 providers so that prospective patients/clients can register on the website and select
28 medical packages bundled with hotel accommodations, car transfer services, tour
29 guides and caregivers. This website shall contain all the information on the variety of
30 medical procedures available in the Philippines.

31 The Medical Tourism Website shall also incorporate a market information system
32 which shall be installed for the use and benefit of all the stakeholders in the medical
33 tourism industry in the country.
34

35 **SEC. 10. *Marketing of Medical Tourism.*** - The Task Force is hereby
36 tasked to establish a National Marketing Program in order to ensure the generation of
37 the highest possible income for all the stakeholders in the medical tourism industry in

1 the country by matching supply and demand in both domestic and foreign medical
2 tourism markets.

3 As such, within six (6) months from the date of effectivity of this Act, the National
4 Task Force on Medical Tourism shall formulate a strategic marketing plan to highlight
5 the marketing strategies, business plan and operational plan that will be adopted by our
6 government so that our health services, medical tourism packages, hotels, treatment
7 and post-operative vacation packages will be competitive with and comparable to those
8 being offered by other countries.

9
10 **SEC. 11. Issuance of VISA to Foreign Medical Tourists.** - Within six (6)
11 months from the date of effectivity of this Act, the Department of Foreign Affairs (DFA),
12 in consultation with the Department of Tourism, Department of Health and Department
13 of Trade and Industry shall formulate the necessary implementing rules and regulations
14 for the issuance of visas for foreign medical tourists who will seek to visit the Philippines
15 and avail of our country's various medical tourism packages.

16
17 **SEC. 12. Medical Tourism Modernization Credit Facility and Loan**
18 **Package.** – The Land Bank of the Philippines (LBP) is hereby mandated to formulate a
19 Medical Tourism Credit Facility and Loan Package Window which shall provide low
20 interest loans for medical institutions and health service providers seeking to improve
21 and modernize their health facilities, equipment and services in order to participate in
22 the medical tourism program being implemented by the government.

23 Within six (6) months from the date of effectivity of this Act, the Land Bank of the
24 Philippines is mandated to formulate the necessary guidelines, procedures and
25 requirements for the various stakeholders to avail of the Medical Tourism Credit Facility
26 and Loan Package, as mandated under this Section.

27 **SEC. 13. Annual Conference on Medical Tourism.** – The National Task
28 Force on Medical Tourism, in coordination with the various stakeholders in the medical
29 tourism industry, is hereby mandated to conduct an Annual Medical Tourism
30 Conference which will be participated in by those concerned with and participating in
31 domestic medical tourism, including hotel operators, medical practitioners, tours and
32 travel providers, marketing and sales agents, government regulators, policy makers,
33 health facility suppliers and providers and various ancillary service providers involved in
34 the delivery of comprehensive medical tourism packages to clients/patients.

35 The Annual Medical Tourism Conference shall be an avenue for various players
36 in the medical tourism industry to share their knowledge on the issues, business trends

1 and avenues relating to the medium- and long-term prospects of domestic medical
2 tourism.

3 The national conference shall discuss and review the demand and supply data of
4 other countries in order to provide the stakeholders with information needed for them to
5 become internationally competitive in the field of medical tourism.

6 **SEC. 14. *Monitoring the State of Medical Tourism in the Country.*** -- The
7 National Task Force on Medical Tourism is hereby tasked to conduct a comprehensive
8 study on the state of medical tourism in the country, taking into account the quality of
9 health service delivery being provided by existing health providers, the supply of health
10 service providers, the global demand and market for medical tourism and the
11 international competitiveness of the Philippine medical tourism packages. The
12 comprehensive study on the state of medical tourism in the Philippines shall include the
13 following aspects:

14 (1) The socio-economic, demographic and academic training characteristics
15 of the health providers in the country;

16 (2) The extent of satisfaction of clients/patients with services being provided
17 in our country in comparison with the satisfaction rates of other clients in other
18 countries;

19 (3) A market demand analysis on the various medical procedures and
20 operations being demanded by various patients all over the world; and

21 (4) The medium-term and long-term supply and demand prospects of medical
22 tourism industry.

23 Furthermore, the National Task Force on Medical Tourism shall conduct a
24 comprehensive study on the viability and efficiency on the coordination and integration
25 of various medical services being offered by the six (6) government-run hospitals,
26 namely: the Philippine Heart Center, Lung Center of the Philippines, National Kidney
27 and Transplant Institute, Philippine Children and Medical Center and the East Avenue
28 Medical Center, with the end in view of making Philippine medical tourism packages
29 competitive with that of our foreign competitors.

30 Finally, the National Task Force on Medical Tourism shall also conduct a
31 comprehensive study on the viability, efficiency and effectiveness of incorporating into
32 the government's National Medical Tourism Program such provisions and programs of
33 Republic Act No. 8424, otherwise known as the Traditional and Alternative Medicine Act
34 of 1997.

35 Within two (2) years from the date of effectivity of this Act, the Task Force shall
36 make a report to both Houses of Congress on the results of the studies conducted by
37 the Task Force for policy implication, in aid of legislation, in order to further promote the

1 development of the medical tourism industry in the country.

2

3 **SEC. 15. *International Accreditation of our Hospitals and Health Service***

4 ***Facilities.*** - The Department of Trade and Industry (DTI) is hereby mandated to assist
5 the various hospitals and health service delivery points to acquire the required
6 accreditation from foreign countries so that our hospitals and health service facilities can
7 serve foreign tourist patients. Towards this end, the DTI shall conduct intensive
8 consultation with foreign health service accreditation agencies in order to facilitate the
9 accreditation of our hospitals, medical practitioners and health service delivery facilities
10 to serve their foreign patients.

11 Within six (6) months from the date of effectivity of this Act, the Department of
12 Trade and Industry (DTI), in consultation with the Department of Foreign Affairs (DFA),
13 shall promulgate necessary implementing guidelines and accreditation procedures for
14 our hospital to seek accreditation for them to serve foreign patients from foreign
15 countries.

16

17 **SEC. 16. *Appropriation.*** – The amount necessary to implement the
18 provisions of this Act shall be included and incorporated in the annual general
19 appropriations of the various agencies of the government involved in the implementation
20 of the National Task Force on Medical Tourism and in the various provisions of this Act.

21

22 **SEC. 17. *Litigation of Medical Malpractice.*** – Within six (6) months from
23 the date of effectivity of this Act, the Department of Justice (DOJ), in consultation with
24 the Department of Health (DOH), shall promulgate necessary implementing rules and
25 regulations and guidelines in the prosecution of erring health service providers and
26 health practitioners found to have conducted medical malpractice in the provision of
27 medical health services to medical tourism patients/clients.

28

29 **SEC. 18. *Implementing Rules and Regulations (IRR).*** - Within six (6)
30 months from the date of effectivity of this Act, the Department of Tourism (DOT) shall
31 promulgate necessary implementing rules and regulations in the accreditation of travel,
32 tours and tourism facilities and equipment that will seek to implement medical tourism
33 packages and programs for foreign medical patients.

34

35 **SEC. 19. *Repealing Clause.*** - All laws, decrees, executive orders, rules and
36 regulations or parts thereof not consistent with the provisions of this Act are hereby
37 repealed or modified accordingly.

38

1 **SEC. 20. *Separability Clause.*** - If any provision or part of this Act, or the
2 application thereof to any person or circumstance, is held unconstitutional or invalid, the
3 remainder of this Act shall not be affected thereby.

4
5 **SEC. 21. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days
6 from the date of its publication in two (2) newspapers of general circulation.

Approved,