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SENATE

S. No. 2105

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Introduced by **Senator GREGORIO B. HONASAN II**

**AN ACT TO GIVE JURIDICAL PERSONALITY TO THE PRESENT VETERANS
MEMORIAL MEDICAL CENTER (VMMC) AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

In recognition of the heroism exemplified by our Filipino soldiers during World War II, the 80th Congress of the United States of America passed Public Land Law 865 on 8 July 1948 which provided \$9.4 million for the construction and establishment of a hospital facility presently known as the Veterans Memorial Medical Center. (VMMC)¹

The VMMC is mandated, among others, to provide the best possible medical care and treatment to eligible veterans and their dependents.² This, however, may not be fully realized as the hospital is primarily dependent on the available funds appropriated by the national government. Under the General Appropriations Act of 2014, the hospital's total budget allocation for FY 2014 is Nine hundred seventy-nine million, ninety-five thousand pesos (P979, 095, 000.00). This amount represents a measly 1.19% of the total budget of the Department of National Defense (DND).³

Under this proposed measure, it is hereby declared the policy of the State to strengthen, promote and support the undertaking of the VMMC in order to render premium medical services to the veterans and their dependents through a comprehensive health care system characterized by excellence, dedication and commitment

In order to achieve this avowed policy, this bill primarily seeks to provide juridical personality to the present VMMC to preserve its viability and continued existence. It is also provided in the bill that a Board of Trustees composed of five (5) members shall govern, direct and control and manage the activities of the VMMC.

In view of the foregoing, immediate passage of this bill is earnestly requested.


GREGORIO B. HONASAN II

¹ "Veterans Memorial Medical Center." N.p., n.d. Web. 30 Jan. 2014.


² Ibid.

³ Philippines. Department of National Defense. *Republic Act No. 10633, General Appropriations Act*. 1st ed. Vol. 109. Manila, Philippines: Official Gazette, 2013. Print. Ser. 2013.

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SENATE

S. No. 2105

RECEIVED BY: 

Introduced by **Senator GREGORIO B. HONASAN II**

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

AN ACT
TO GIVE JURIDICAL PERSONALITY TO THE PRESENT VETERANS MEMORIAL
MEDICAL CENTER (VMMC) AND FOR OTHER PURPOSES

SECTION 1. Short Title. - This act shall be known as "The Veterans Memorial Medical Center Charter Act of 2014."

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to help foster the socioeconomic security and general well-being of the country's veterans and retired military personnel.

In recognition of their patriotic services in the times of war and peace for the cause of freedom and democracy, it is hereby declared the policy of the State to strengthen, promote and support the undertaking of the medical center in order to render premium medical services to the veterans and their dependents through a comprehensive health care system characterized by excellence, dedication and commitment.

SECTION 3. Veterans Memorial Medical Center (VMMC) as a Corporate Entity.
- There is hereby created a body corporate, for the benefit primarily of the Filipino veterans, under the name of the Veterans Memorial Medical Center, hereinafter referred to as the VMMC.

SECTION 4. Purposes and Objectives of the Hospital. - The VMMC shall have the following objectives:

- (a) Construct, establish, operate and maintain veterans' hospital primarily for the veterans' welfare;

- (b) Stimulate and/or undertake scientific researches on the biological, demographic, social, economic, eugenic, physiological aspects of health disorders and abnormalities and their control; and gather, compile, present and publish the findings of such researches for public dissemination;
- (c) Facilitate and encourage the dissemination and exchange of ideas and information on the prevention, treatment and control of diseases; to arouse, enhance and develop public interest and awareness on general health and physical fitness;
- (d) Encourage and/or undertake the training of physicians, nurses, medical technologists, health officers and social workers on the practical and scientific conduct and implementation and delivery of health services, and related activities;
- (e) Assist universities, hospitals and research institutions in their studies of health problems, to encourage advanced training on matters of, or affecting the physical and mental well-being of the people;
- (f) Encourage the formation of other organizations on the national, provincial, city, municipal or barangay level and to coordinate their various efforts and activities for the purpose of achieving a more effective and pragmatic approach on the common problems relative to the objectives herein enumerated; and
- (g) Extend medical outreach treatment to the general public to help prevent, relieve or alleviate the innumerable afflictions and maladies of the people especially the poor and the less fortunate in life without regard to race, creed, color or political belief.

SECTION 5. Social Responsibility. - The VMMC is primarily committed to serve the Filipino veterans as defined in Republic Act No. 6948, as amended by Republic Act No. 7696 and Republic Act No. 9396.

SECTION 6. Corporate Powers. - For the attainment of the above purposes and objectives, the VMMC, as a corporate body, acting through its Board of Trustees, shall have all the powers pertaining to a juridical person, and is therefore authorized:

- (a) To have continuous succession under its corporate name, until otherwise provided by law;
- (b) To prescribe, adopt, amend and/or repeal its bylaws;

- (c) To sue and be sued;
- (d) To acquire, receive, take and hold by request, devise, gift, purchase or lease, either absolutely or in trust for any of its purposes, from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations as are provided in existing laws; to convey or dispose of such assets, grants or properties, movable and immovable; and invest and/or reinvest such proceeds and deal with and expand its assets and income in such a manner as will best promote its objectives;
- (e) To enter into contracts;
- (f) To solicit and receive donations, endowments and funds in the form of contributions, whether in cash or in kind, from both the public and private sectors;
- (g) To open such accounts in banks and other financial institutions, and to disburse such funds or invest the same as the Board may direct to accomplish or advance the purpose or interest of the VMMC;
- (h) To invite foreign health specialists and other similar experts in the various medical fields to train the personnel or trainer or residents of the VMMC;
- (i) To send the VMMC personnel to research institutes, medical institutes, or universities for advance training or observation and to attend international or regional conventions, conferences, congresses and seminars, as the Board may deem necessary, to accomplish the purposes and objectives of the VMMC;
- (j) To enter into such agreements and arrangements with other medical or other institutions, domestic or foreign, as may be deemed desirable by the Board, for the purpose of promoting its purposes and objectives;
- (k) To establish branches of the VMMC in other provinces or cities of the Philippines as may be deemed necessary for greater service coverage to veterans and their dependents that are living in almost all parts of the country; and
- (l) To exercise such powers and perform such duties as may be necessary to carry out the business and purposes for which the VMMC was established or which, from time to time, may be declared by the Board of Trustees to be necessary, useful, incidental or auxiliary to accomplish such purposes.

SECTION 7. Board of Trustees. - The VMMC shall be governed and its activities be directed, controlled and managed by a Board of Trustees, hereinafter referred to as the Board. It shall be composed of five (5) members who shall be appointed by the President of the Philippines. The Board shall be made up of the following:

- (a) Medical Director of the VMMC;
- (b) Two (2) members from the government sector;
- (c) Two (2) veteran members who are of good moral character, of unquestionable integrity, of known probity and patriotism.

The term of office of each member shall for a period of three (3) years. In case of vacancy, such vacancy shall be filled in the same manner as provided for the predecessor, and such appointee shall hold office for the unexpired term only.

SECTION 8. Meetings and Quorum. - The Board of Trustees shall convene at least once a month. The members shall elect from among themselves who will serve as Chairperson of the Board. The Chairperson of the Board may call a special meeting whenever necessary; Provided, That the members are notified in writing at least three (3) days prior to the said meeting. A majority of all the members of the Board holding office at the time the meeting is called shall constitute a quorum for Board meetings. In no case shall any and all members of the Board appoint a representative to act on their behalf.

The decisions of the Board shall be made by a vote of the majority of all its members.

SECTION 9. Medical Director. - The Medical Director shall be appointed by the President of the Philippines upon the recommendation of the Board and shall serve for a term of six (6) years. The Medical Director shall act as the Chief Executive Officer of the VMMC and shall perform the following functions:

- (a) Organize the VMMC into a streamlined medical institution with admirable facilities and competent staff to ensure quality service;
- (b) Appoint members of the professional and administrative staff and other employees or personnel of the VMMC through a screening process based strictly on academic qualifications, experiences and other selection standards; determine the terms and conditions of their employment, and remove them for cause in accordance with law and due process;

- (c) Determine a position qualifications and compensation plan and adjust salaries and benefits for all personnel of the VMMC, subject to the Compensation and Position Classification System of Governance Commission for the GOCCs; and
- (d) Carry out necessary managerial and administrative functions that may be deemed necessary or as directed by the Board of Trustees in furtherance of the objectives of the VMMC set in this Act.

SECTION 10. Secretary. - There shall be a Secretary of the VMMC to be appointed by the Board of Trustees, who shall be the Secretary of the Board and who shall keep such records of the hospital as may be designated by the Board.

SECTION 11. Hospital Executive Committee. - There shall be an Executive Committee consisting of the Medical Director as the presiding officer and the Heads of the Administrative, Medical, Surgical, Rehabilitative, Dental, Psychiatric, Diagnostic and other critical medical departments. The Committee shall exercise the following functions:

- (a) Fix the requirement for admission to the hospital;
- (b) Prescribe the rules and regulations as to the discharge of patients;
- (c) Adopt internal rules of procedures consistent with the provision of the Charter in order to promote administrative efficiency in the treatment, rehabilitation and discharge of patients of the hospitals; and
- (d) Carry out administrative and managerial task to assist the Medical Director in the efficient operations and management of the hospital.

SECTION 12. Personnel and Medical Staff- The VMMC shall have the autonomy to employ such employees and medical personnel, or otherwise enter such arrangements with medical specialist and other consultants as its Board of Trustees shall determine. The personnel and medical staff of the present VMMC shall automatically be transferred to and absorbed by the VMMC as herein created. The incumbent Medical Director shall continue to serve as such for a period of three (3) years or until his successor shall have been appointed by the President of the Philippines.

SECTION 13. Assistance from Government Offices. - The VMMC may call upon any departments, bureau, office, agency, or instrumentality of the government, including

GOCCs, for such assistance as it may need in the pursuit of its purposes and objectives. All individuals, entities and institutions are hereby enjoined to render full assistance and cooperation to VMMC in the accomplishment of its objectives and activities.

SECTION 14. Property of Medical Center. - All existing assets of the VMMC including, but not limited to, the parcel of land belonging to the government situated in the district, Quezon City and more particularly described in the Bureau of Lands as Lot R.P.-3-B-4-A, BSD-10352, all its buildings and other properties shall remain with the VMMC as a corporate entity, including those that may hereafter be given, donated, acquired, transferred or conveyed to the Medical Center or its branches and instrumentalities by any foreign government, as well as those given by trust, foundations, corporations, or persons whether citizen or not. The absolute ownership of the Medical Center over these landholdings including those covered by original and transfer certificates of title in the name of the VMMC is hereby confirmed. Where the issuance of proper certificates of title is still pending for those landholdings the proper government office shall expedite issuance thereof within six (6) months from the date of effectivity of this Act; Provided, That all registration requirements necessary for the issuance of the said titles have been submitted and complied with.

SECTION 15. Land Grants and other Real Properties. - The use of properties and proceeds of such properties shall be governed by the following:

- (a) The State shall support the VMMC in the sum or lump sum amount, through the general appropriations and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further the ends of the hospital, as may be decided by the Board of Trustees in furtherance of the declared hospital objectives under this Act;
- (b) Such parcels of land ceded by law, decree or presidential issuance to the hospital are hereby declared to be reserved for the purposes intended;
- (c) The Board of Trustees shall plan, design and approve and/or cause the implementation of contracts, mechanisms and financial instruments, such as joint ventures, long term leases, fully owned subsidiaries and securitization to give the hospital the flexibility to generate revenues and other resources from land grants and other properties; Provided, That

such mechanism and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the medical core zone of the hospital; Provided, Finally, That such mechanism and arrangements shall not conflict with the medical or health services and academic mission of the hospital; and

- (d) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the hospital shall be consistent with the hospital mission and orientation as a vehicle to extend health services to veterans and their dependents.

SECTION 16. Safeguards on Asset Disposition. - The preservation of the value of the assets of the hospital shall be of primordial consideration. The exclusive core zone of the VMMC as defined in Section 14 shall not be sold, transferred, ceded, conveyed, assigned and encumbered.

SECTION 17. Annual Report. - The VMMC shall render to the President of the Philippines an annual report of its activities and recommendations.

SECTION 18. Effect of Dissolution. - If, for any reason, the VMMC is dissolved, its property remaining at the time of such dissolution shall revert to the Republic of the Philippines for disposition in accordance with law.

SECTION 19. Implementing Rules. - The implementing rules and regulations shall be formulated within ninety (90) days from the approval of this Act.

SECTION 20. Separability Clause. - If any provision of this Act is declared unconstitutional, all the other provisions not affected shall remain in force and effect.

SECTION 21. Repealing Clause. - All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 22. Effectivity Clause. - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,