

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



16 JUL 19 P2:38

SENATE

S. No. 535

OFFICE OF THE SECRETARY OF THE SENATE  
J

---

Introduced by Senator Antonio "Sonny" Trillanes IV

---

**AN ACT  
ESTABLISHING A COST SHARING SCHEME TO PROVIDE FOR A HOSPITAL  
CARE PROGRAM IN LOCAL GOVERNMENT UNITS AND FOR OTHER  
PURPOSES**

**EXPLANATORY NOTE**

The Constitution mandates that the State shall adopt an integrated and comprehensive approach to health development which would enable all the citizens to afford basic social services such as health. Even with the passage of the Quality Affordable Medicine Law, however, other costs of commodities continue to increase; thus, limiting people's access to medical care.

Moreover, the devolution of the health services to the local government units via the Local Government Code of 1991 was a welcome development to the LGUs. However, the function of delivering health care services to their people met several setbacks such as financial and budgetary constraints.

This bill, thus, seeks to introduce a cost sharing scheme between LGUs and their residents, and the Department of Health to institutionalize local health delivery system and solve the problem with regard to access to medical services. The bill also seeks to establish a Board of Trustees that shall manage the proposed system. With this proposed measure, it is hoped that no Filipino will then be denied access to quality and affordable health care.

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

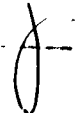
  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

SEVENTEENTH CONGRESS OF THE )  
 REPUBLIC OF THE PHILIPPINES )  
 First Regular Session )

'16 JUL 19 P2:38

SENATE

S. No. 535

RECEIVED  


**Introduced by Senator Antonio "Sonny" Trillanes IV**

**AN ACT  
 ESTABLISHING A COST SHARING SCHEME TO PROVIDE FOR A HOSPITAL  
 CARE PROGRAM IN LOCAL GOVERNMENT UNITS AND FOR OTHER  
 PURPOSES**

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

1           **SECTION 1. Declaration of Policy.** - It is the policy of the State to provide for  
 2 adequate health services for all its citizens as mandated by the Constitution. As a basic  
 3 service, this function is now a responsibility of Local Government Units (LGUs). As such, all  
 4 local government units, as mandated in the Local Government Code of 1991 or Republic Act  
 5 No. 7160, are required to render health facilities and to provide access to proper medical care  
 6 possible. Local government units shall utilize the powers and authority given to them to  
 7 fulfill this mandate including consolidating or coordinating their efforts, services and  
 8 resources for purposes commonly beneficial among them, and the provision of budgetary  
 9 allocations for health programs and services.

10  
 11           **SEC. 2. Establishment of a Cost Sharing Scheme for Hospital Care Program -**  
 12 Every province or city, in cooperation with the municipalities and barangays, shall establish a  
 13 Cost Sharing Scheme for a Hospital Care Program. This scheme shall ensure the access of  
 14 their residents to affordable quality and accessible medical care from health facilities and  
 15 hospitals. The Hospital Care program will cover all residents of the local government units  
 16 under their respective jurisdictions.

17  
 18           **SEC. 3. The Cost Sharing Scheme.** - Every province or city, municipality and  
 19 barangay shall appropriate funds for the Hospital Care Program, which shall be placed in  
 20 Trust Fund for this purpose. The contribution of each local government shall be as follows:

City Dwellers (per person)	Municipal Residents
Resident ----- P 30.00	Resident -----P30.00
Barangay ----- P15.00	Barangay -----P15.00
City Government ----- P120.00	Municipal Government -----P70.00
Dept. of Health ----- P75.00	Provincial Government -----P50.00
Total ----- P240.00	Department of Health -----P75.00
	Total----- P240.00

21           The contributions to the Cost Sharing Scheme may be adjusted by the Board of  
 22 Trustees who will manage the program according to the needs of its beneficiaries and to

1 improve the quality of health care services: *Provided, however,* That any adjustment in the  
2 National Government contribution shall be decided by the Department of Health according to  
3 the needs of the respective local government units and the availability of funds.  
4

5 The trust fund shall be used solely for the purposes of the Hospital Care Program and  
6 the improvement of the health facilities. The fund shall be deposited into a bank account and  
7 managed by the Board of Trustees: *Provided, however,* That the fund shall not be invested in  
8 any financial instrument or undertaking that may jeopardize the feasibility and viability of the  
9 Hospital Care Program.  
10

11 **SEC. 4. Identification Card System.** - There is hereby established an ID System  
12 which shall require the issuance of an identification card to every citizen as proof of their  
13 qualification to the program, and which shall contain the following information:  
14

- 15 a) residence address;
- 16
- 17 b) date of birth;
- 18
- 19 c) blood type;
- 20
- 21 d) thumb mark;
- 22
- 23 e) civil status; and
- 24
- 25 f) picture.
- 26

27 The identification card shall be signed by the barangay treasurer, municipal/ city  
28 treasurer and municipal/ city health officer. Every citizen seeking medical attention shall  
29 present said ID upon admission to any hospital. Said ID shall be accepted as proof of identity  
30 in all government sectors including the COMELEC.  
31

32 **SEC. 5. Creation of the Board of Trustees.** - There shall be a Board of Trustees in  
33 every province to manage the Hospital Care Program and the Trust Fund.  
34

- 35 a) For provinces, the Board of Trustees shall be composed of the Provincial Governor as  
36 Chairman, Provincial Health Officer as President and Chief Executive Officer, and  
37 the following as members:  
38
  - 39 1. President of the Provincial Mayor's League;
  - 40
  - 41 2. Chairman of the Provincial Councilor's League;
  - 42
  - 43 3. Chairman of the Provincial Barangay's League;
  - 44
  - 45 4. Vice Governor of the Province;
  - 46
  - 47 5. Chairman of the Provincial Health Board; and
  - 48
  - 49 6. Four (4) Representatives from four (4) Non-Government Organizations.
  - 50

1 b) For Highly Urbanized Cities, the Board of Trustees shall be composed of the City  
2 Mayor as Chairman, City Health Officer as President and Chief Executive Officer,  
3 and the following as members:

- 4 1. President of Mayors' League;
- 5 2. Chairman of the Councilors' League;
- 6 3. Chairman of the Barangays' League;
- 7 4. Vice Mayor of the City;
- 8 5. Chairman of the City Health Board; and
- 9 6. Four (4) Representatives from four (4) Non-Government Organizations.

10 The Non-Government Organization representatives shall be selected by the Provincial  
11 Governor or City Mayor, as the case may be, from NGOs involved in providing health and  
12 social services operating in the province or city. The members of the Board shall have a term  
13 of three (3) years and shall receive reasonable allowances as determined by the Board.

14  
15 **SEC. 6. Powers and Functions of the Board of Trustees.** - The Board of Trustees  
16 shall have the following powers and functions:

- 17 a) To administer the Hospital Care Program and manage the Trust Fund;
- 18 b) To formulate and promulgate policies for the sound administration of the program;
- 19 c) To set standards necessary to ensure the quality of hospital service, the proper  
20 utilization of services, viability of the Trust fund and other rules that may be needed  
21 for the successful implementation of the Hospital Care Program;
- 22 d) To formulate the rules and guidelines for the proper availment of the services of the  
23 Hospital Care Program including limits to the amount of service and medicine that  
24 can be availed, amendments to the coverage and other relevant aspects or the  
25 program;
- 26 e) To amend the contributions to the cost sharing scheme to make it more responsive to  
27 the needs of the Hospital Care Program and other external factors;
- 28 f) To set the guidelines for the accreditation of the health facilities;
- 29 g) To negotiate and enter into contracts with health care institutions, health professionals  
30 and their juridical or natural persons regarding the financing, payments, pricing  
31 design and administrative systems and procedures necessary for the delivery of the  
32 services of the Hospital Care Program;
- 33 h) To collect, deposit, administer and disburse the Trust fund in accordance with the  
34 provisions of this Act;

- 1 i) To monitor and inspect the delivery of services to ensure the appropriate delivery of  
2 quality hospital service and make certain the satisfaction of the beneficiaries;  
3  
4 j) To solicit, receive and manage grants, donations and other forms of assistance;  
5  
6 k) To organize its office, fix the compensation of and appoint personnel as may be  
7 deemed necessary for the successful implementation of the Hospital Care Program;  
8 and  
9  
10 l) To submit a report on the financial condition and status of operations for the Hospital  
11 Care Program to the Sangguniang Panlalawigan or Sangguniang Bayan of all  
12 municipalities. The reports shall likewise be posted in every municipality and made  
13 available to the beneficiaries.  
14

15 **SEC. 7. *The Hospital Care Program.*** - There shall be created a Hospital Care  
16 Program in every province or city which shall provide the following services to their  
17 residents:  
18

19 a) In-patient Hospital Care:

- 20  
21 1. room and board;  
22  
23 2. services of health care professionals;  
24  
25 3. diagnostic, laboratory and other medical examinations;  
26  
27 4. use of surgical or medical equipment and facilities; and  
28  
29 5. prescription drugs and biologicals, subject to limitations set forth.  
30

31 b) Outpatient Care:

- 32  
33 1. services of health care professionals;  
34  
35 2. diagnostic, laboratory, and other medical examination services;  
36  
37 3. personal preventive services; and  
38  
39 4. prescription drugs and biologicals, subject to limitations set forth.  
40

41 The following treatments shall be excluded from the coverage of the Outpatient Care:  
42

- 43 a) eyeglasses and optometric services;  
44  
45 b) dental examinations and dentures;  
46  
47 c) expensive and sophisticated procedures such as CT scans, and the Hospital Care  
48 Program;  
49  
50 d) cosmetic procedures and surgery;

- 1  
2 e) non-prescription drug and devices;  
3  
4 f) drug and alcohol abuse and dependency; and  
5  
6 g) other ailments as may be declared by the Board of Trustees.  
7

8 **SEC. 8. Accreditation of Health Facilities.** -The Board of Trustees shall ensure that  
9 health facilities shall be available for the Hospital Care Program. All government health  
10 facilities shall participate in the program and in addition, private health facilities shall be  
11 accredited to provide services for the program.  
12

13 **SEC. 9. Enrolment Beneficiaries.** - Every barangay shall enroll their residents in the  
14 Hospital Care Program. The barangay captain shall certify that the person to be enrolled is a  
15 resident of the barangay based on official records such as the municipal civil registry,  
16 community tax certificates and others. The municipal local treasurers in coordination with the  
17 barangay treasurers shall collect the contributions of the residents and remit them to the  
18 provincial or city treasurer.  
19

20 **SEC. 10. The Department of Health.** - The DOH shall maintain its subsidy for  
21 indigent patients who are for confinement in specialty hospitals as well as the other hospitals  
22 under its jurisdiction. Said hospitals shall be covered by the cost-sharing scheme.  
23

24 **SEC. 11. Separability Cause.** - If any section or provision of this Act is declared  
25 unconstitutional, the rest of the provisions not affected thereby shall continue to be valid.  
26

27 **SEC. 12. Repealing Clause.** - All laws, as well as pertinent rules and regulations  
28 thereof, which are inconsistent with the provisions of this Code, are hereby repealed or  
29 amended accordingly.  
30

31 **SEC. 13. Effectivity.** - This Act shall take effect fifteen (15) days after its complete  
32 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

*Approved,*