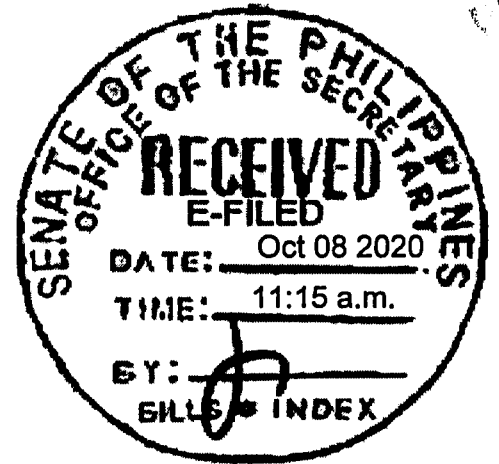


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. B. No. 1873

Introduced by SENATOR SONNY ANGARA

AN ACT
ESTABLISHING SATELLITE SPECIALTY HOSPITALS TO FACILITATE
ACCESS TO SPECIALIZED MEDICAL CARE IN IDENTIFIED REGIONS OF
THE PHILIPPINES AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

In 2015, the University of the Philippines National Health Institute reported that six out of ten Filipinos die without seeing a medical professional due to high cost of health care in the country that prevent people from accessing the needed medical services. Sadly, underprivileged Filipinos will also have to pay for transportation costs to and from the health facilities and other miscellaneous expenses for family members who accompanied the patients. To make matters worse, those suffering from heart, lung, kidney and pediatric diseases would have to travel in major cities where specialized health facilities are currently located.

A study by the World Health Organization revealed that despite several efforts of the national government to reform and strengthen the country's health care system, there still exists regional and socioeconomic disparity in the availability and accessibility of resources which resulted in maldistribution of health infrastructure and human resources across and within the regions. The same report added that almost two thirds of hospital beds are in the island of Luzon, which includes the National Capital Region (NCR). There are 23 hospital beds for 10, 000 people in the NCR while the rest of Luzon, Visayas and Mindanao have only 8.2, 7.8 and 8.3 beds, respectively.

To address the current inequities and geographical barriers in accessing specialized health care as most remote areas have been given less medical attention , this bill mandates the existing specialty hospitals namely Philippine Heart Center (PHC), Lung Center of the Philippines (LCP), National Kidney and Transplant

Institute (NKTII), and the Philippine Children's Medical Center (PCMC) to establish satellite hospitals in provinces which are geographically isolated from their region's tertiary care hospital to be managed and operated by the specialty hospitals pursuant to their respective charters. Furthermore, the bill prioritizes the establishment of specialty hospitals catering to the treatment of the main causes of death among Filipinos such as heart disease, vascular diseases, malignant neoplasms, avitaminosis and other nutritional deficiency, and chronic lower respiratory diseases.

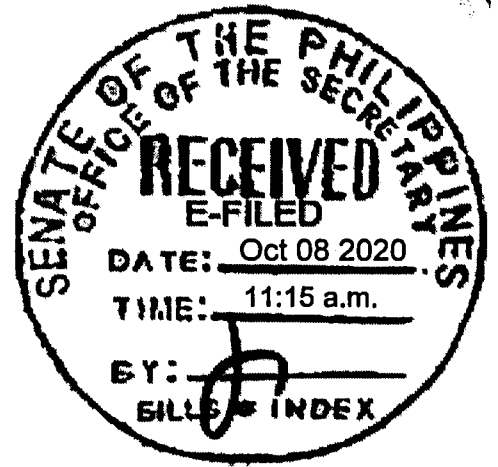
Considering the urgency of the present situation due to COVID-19 pandemic and the need to bring specialized medical services closer to Filipino patients through the timely construction of satellite hospitals, the bill also exempts the procurement of medical equipment and supplies to be used by the satellite specialty hospitals from the bidding process as mandated under Republic Act. No. 9184 or the "Government Procurement Reform Act".

Pursuant to the mandate of the 1987 Philippine Constitution for the State to adopt an integrated and comprehensive approach to health development, it is imperative for the national government to guarantee equitable access to quality health facilities and specialized healthcare services by all Filipinos. Thus, the passage of this bill is earnestly sought.



SONNY ANGARA

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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SENATE
S. B. No. 1873

Introduced by SENATOR SONNY ANGARA

**AN ACT
ESTABLISHING SATELLITE SPECIALTY HOSPITALS TO FACILITATE
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THE PHILIPPINES AND APPROPRIATING FUNDS THEREFOR**

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 and cited as the "*Satellite*
2 *Specialty Hospitals Act of 2020.*"

3 **SEC. 2. Declaration of Policy.** – Section 15, Article II of the 1987 Constitution
4 mandates that the State shall protect and promote the right to health of the people
5 and instill health consciousness among them. Towards this end, the State shall
6 adopt an integrated and comprehensive approach to health development by
7 providing them specialized health services, which shall be available and accessible
8 to all the people at affordable cost.

9 **SEC. 3. Establishment of Satellite Specialty Hospitals or Specialized Units.** –
10 The following specialty hospitals are mandated to establish satellite hospitals in
11 identified regions to be managed and operated pursuant to their respective charters:

- 12 (1) Philippine Heart Center created under Presidential Decree No. 673;
13 (2) National Kidney and Transplant Institute created under Presidential
14 Decree No. 1832;
15 (3) Lung Center of the Philippines created under Presidential Decree No.
16 1823; and

1 (4) Philippine Children's Medical Center created under Presidential Decree No.
2 1631

3 *Provided, That* these specialty hospitals must formulate prioritization plans
4 for the purpose of implementing this Act, subject to the following
5 considerations:

6 (a) The specialty hospitals shall craft the criteria for the identification
7 and development of their satellite hospitals, based on the
8 following:

9 (i) The top burden of disease in the region;

10 (ii) Legal mandates specified in other laws such as but not
11 limited to the Republic Act No. 11215 or the "Integrated
12 Cancer Control Act", Republic Act No. 11036 or the "Mental
13 Health Act", and Republic Act No. 9994 or the "Expanded
14 Senior Citizens Act"; and

15 (iii) Other considerations that the specialty hospitals may deem
16 important for the selection process.

17 (b) Provinces which are geographically isolated from their region's
18 tertiary care hospital shall likewise be given priority for the
19 establishment of satellite specialty hospitals within the nearest
20 general hospital, whichever is feasible;

21 Nothing in this Act shall be construed as restricting the right of the
22 Department of Health (DOH) to establish specialty hospitals or specialized units in
23 DOH hospitals in different regions.

24 **SEC. 4. *Period of Implementation.*** – The establishment of at least one (1)
25 satellite specialty hospital in identified region/s shall be completed over a period of
26 five (5) years: *Provided, That* payments for amortization of outstanding multi-year
27 contract obligations incurred under this Act may extend beyond this period.

28 **SEC. 5. *Minimum Standards of Construction.*** – The Health Facilities and
29 Services Regulatory Bureau of the Department of Health shall issue guidelines for
30 the minimum design standards of specialty hospitals in accordance with all
31 applicable laws, rules and regulations: *Provided, That* the application for a permit

1 to construct a special hospital shall be accompanied by a hospital plan: *Provided,*
2 *Further,* That no permit to construct a special hospital can be issued without
3 complying with the minimum standards set forth in the guidelines to be issued
4 pursuant to this Section.

5 **SEC. 6. Procurement.** – Procurement of medical equipment and supplies to
6 be used by the satellite specialty hospitals shall be exempt from the provisions on
7 bidding process required under Republic Act No. 9184 or the “Government
8 Procurement Reform Act” and other relevant laws: *Provided,* That the following
9 information and documents related to the procurement shall be published in the
10 Government Procurement Policy Board online portal, the website of the procuring
11 entity concerned, if available, and at any conspicuous place reserved for this
12 purpose in the premises of the procuring entity within seven (7) working days from
13 the date of acceptance of the award:

- 14 (i) Project name;
- 15 (ii) Approved budget for contract;
- 16 (iii) Contract period;
- 17 (iv) Name of winning supplier, distributor, manufacturer, contractor or
18 consultant;
- 19 (v) Amount of contract as awarded;
- 20 (vi) Notice of award;
- 21 (vii) Date of award and acceptance;
- 22 (viii) Contract or purchase order; and
- 23 (ix) A certification stating that the procuring entity exerted all efforts to
24 secure the most advantageous price to the government based on
25 existing price data of the agency, the DTI or other relevant agencies or
26 preliminary market scanning done by the agency showing prevailing
27 market prices and practice.

28 **SEC. 7. Tax exemptions.** – All donations, contributions or endowments which
29 may be made by entities or persons to the specialty hospitals for the benefit of their
30 satellite hospitals shall be exempt from income and gift taxes. The importation of
31 medical equipment to be used by the satellite specialty hospitals shall likewise be

1 exempt from import duties, taxes, and other fees.

2 **SEC. 8. Report to Congress.** – Within one hundred twenty (120) days from
3 the effectivity of this Act, the executive directors of the specialty hospitals shall
4 present a report to Congress detailing the construction plan of said satellite specialty
5 hospitals, which shall include the prioritization plan as provided under Section 3 of
6 this Act.

7 For this purpose, the Congress shall establish a Joint Congressional Oversight
8 Committee composed of five (5) members of each house to be appointed by the
9 Senate President and the House Speaker, respectively. This Committee shall
10 determine whether such acts, orders, rules and regulations are within the
11 restrictions provided herein.

12 **SEC. 9. Sunset Review.** – As the need arises or within five (5) years after its
13 effectivity, the Congressional Oversight Committee shall conduct a sunset review of
14 this Act. The term 'sunset review' shall mean a systematic evaluation of the
15 accomplishments and impact of this Act for purposes of determining remedial
16 legislation.

17 **SEC. 10. Appropriations.** – The amount necessary for the implementation of
18 the provisions of this Act shall be taken from the current year's budget of the
19 specialty hospitals enumerated in Section 3 of this Act. Thereafter, such sums as
20 may be necessary for the continued implementation of this Act shall be incorporated
21 in the annual General Appropriations Act.

22 **SEC. 11. Implementing Rules and Regulations.** – The Department of Health,
23 in coordination with the specialty hospitals enumerated in Section 3 hereof, shall
24 promulgate the rules and regulations implementing the provisions of this Act within
25 sixty (60) days from its effectivity.

26 **SEC. 12. Separability Clause.** – If for any reason, any part or provision of
27 this Act is declared invalid or unconstitutional, the remaining parts or provisions not
28 affected shall remain in full force and effect.

29 **SEC. 13. Repealing Clause.** – All laws, presidential decrees, executive orders,
30 rules and regulations contrary to or inconsistent with the provisions of this Act are

1 hereby repealed or modified accordingly.

2 **SEC. 14. Effectivity** – This Act shall take effect fifteen (15) days after its
3 publication in the *Official Gazette* or in a newspaper of national circulation.

Approved,