

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



'22 JUL -7 P2 :23

SENATE
S. B. No. 93

RECEIVED BY: _____

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. According to Department of Health, the ratio of hospital beds is 1.2 beds per 1,000 population, which is comparable to the poorest countries in the world, such as the Sub-

Saharan Africa. In fact, the Philippines has a 10-year backlog in terms of expanding government beds.

To address the current inequities and geographical barriers in accessing specialized health care as most remote areas have been given less medical attention, the DOH issued Department Order No. 2021-0001 designating selected DOH hospitals as specialty centers for brain and spine care, cancer care, among others. The Order likewise provided for resource stratified frameworks to guide upgrading of hospitals towards respective specialties. To further support the policy of the DOH to increase the number of specialty hospitals, 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 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

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*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
2 "*Satellite Specialty Hospitals Act of 2022.*"

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

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

- 13 (1) Philippine Heart Center created under Presidential Decree No. 673;
14 (2) National Kidney and Transplant Institute created under Presidential
15 Decree No. 1832;

1 (3) Lung Center of the Philippines created under Presidential Decree No.
2 1823; and

3 (4) Philippine Children’s Medical Center created under Presidential Decree
4 No. 1631

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

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

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

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

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

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

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

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

1 **SEC. 5. Minimum Standards of Construction.** – The Health Facilities
2 and Services Regulatory Bureau of the Department of Health shall issue guidelines
3 for the minimum design standards of specialty hospitals in accordance with all
4 applicable laws, rules and regulations: *Provided*, That the application for a permit
5 to construct a special hospital shall be accompanied by a hospital plan: *Provided*,
6 *Further*, That no permit to construct a special hospital can be issued without
7 complying with the minimum standards set forth in the guidelines to be issued
8 pursuant to this Section.

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

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

1 **SEC. 7. Tax exemptions.** – All donations, contributions or endowments
2 which may be made by entities or persons to the specialty hospitals for the benefit
3 of their satellite hospitals shall be exempt from income and gift taxes. The
4 importation of medical equipment to be used by the satellite specialty hospitals
5 shall likewise be exempt from import duties, taxes, and other fees.

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

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

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

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

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

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

4 **SEC. 13. *Repealing Clause.*** – All laws, presidential decrees, executive
5 orders, rules and regulations contrary to or inconsistent with the provisions of this
6 Act are hereby repealed or modified accordingly.

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

Approved,