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SENATE
S.B. No. 1267

RECEIVED BY: 

Introduced by **SENATOR IMEE R. MARCOS**

**AN ACT ESTABLISHING A SPECIALTY HOSPITAL IN CEBU CITY TO
SPECIALIZE IN KIDNEY AND ALLIED DISEASES TO BE KNOWN AS THE
VISAYAS KIDNEY INSTITUTE AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

Section 15 of Article II of the 1987 Philippine Constitution provides that "*The State shall protect and promote the right to health of the people and instill health consciousness among them.*"

The American Journal of Kidney Diseases (AJKD) published in July 2020 that the prevalence of chronic kidney disease (CKD) in Asian countries is reported to be among the highest in the world. As of 2016, CKD has emerged as one of the leading causes of deaths. The Philippines in particular has experienced a large rise in the prevalence of dialysis with an approximate increase of 400% over the past 10 years.

According to the National Kidney and Transplant Institute (NKTl), one Filipino develops chronic renal failure every hour or about 120 Filipinos per million population per year. The 2017 Philippine Renal Disease Registry annual report shows that 21,535 Filipino patients underwent dialysis due to kidney failure in 2016.

According to Dr. Lynn Gomez, nephrology chief at Asian Hospital Medical Center, around 2.6 million patients worldwide undergo dialysis or transplantation, but 2.3 million succumb to premature deaths due to lack of access to dialysis and transplantation.

The coronavirus 2019 (COVID-19) pandemic put kidney disease patients at worse position and more troubles every time they need treatment. According to UP College of Medicine professor and Philippine Nephrology Society vice president Dr. Elizabeth Montemayor, patients with kidney problems are a very special group of patients who need very special attention because of the pandemic situation. Dr. Montemayor also said that patients with chronic kidney disease have a higher risk of developing severe COVID-19.

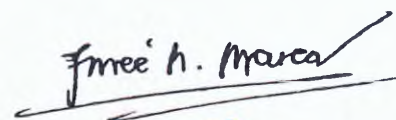
The Visayas region has a total land area of 71,503 km² (27,607 sq mi) and a total population of 19,373,431 based on the 2015 Population Census (POPCEN 2015). There are three administrative regions in the Visayas: Western Visayas, Central Visayas, and Eastern Visayas. It is consist of several islands, including Samar, Negros, Panay, Leyte, Cebu, Bohol, Guimaras, Biliran, Siquijor, Panaon and Bantayan.

At the heart of the Visayas region is Cebu City, which is a 1st class highly urbanized city. According to POPCEN 2015, Cebu City is the fifth-most populated city in the nation and the most populous in Visayas. It is also a significant center of commerce, trade, and education in the entire Visayas.

With the continuous increase of the population in the Visayas region and the geographical distances of provinces and islands in the region, it is adamant for the Visayan people to have better access to health services especially specialty medical institutions right at the center of their region. Healthy population will result in more efficient workers, better production, and strong local economy.

This bill seeks to establish a specialty medical institution in Cebu City that shall specialize in kidney and allied diseases to provide specialized medical services closer to kidney patients from the Visayas region and lessen the transportation costs for the patients due to long distance travel. Moreover, the pandemic also calls for more specialty medical institutions to cater to patients needing chronic dialysis treatment. The bill also seeks to improve the delivery of health services in the entire Visayas region in the long run.

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


IMEE R. MARCOS

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Visayas Kidney
2 *Institute Charter.*"

3 **SEC. 2. Creation of the Visayas Kidney Institute.** – There is hereby created a
4 body corporate to be known as the Visayas Kidney Institute, hereinafter referred to
5 as the Institute, which shall have its principal offices, hospitals, clinics and subsidiaries
6 in Cebu City.

7 **SEC. 3. Purposes and Objectives.** – The Institute shall have the following
8 purposes and objectives:

- 9 a) To construct, establish, equip, maintain, administer and operate such
10 integrated medical institution or institutions that shall specialize in the
11 prevention, diagnosis, treatment, care, rehabilitation and/or relief of
12 kidney and allied diseases in pursuance of the policy of the State to
13 provide the people with specialized health and medical services and
14 address the growing incidence of kidney and related diseases in the
15 Visayas Region;
- 16 b) To promote medical and scientific research relative to the prevention and
17 treatment of kidney and related diseases and initiate planning, invention
18 and development of modern and up-to-date procedures of kidney support
19 and transplantation;
- 20 c) To conduct fact-finding investigations on kidney diseases, and related
21 fields throughout the country or elsewhere, and to report, publish and
22 disseminate information on kidney and related diseases;

- 1 d) To finance, sponsor, organize or participate in congresses, conventions,
2 conferences, seminars, workshops and training programs on kidney
3 diseases and related fields in the country and abroad;
- 4 e) To initiate and encourage the education and training of physicians, nurses,
5 medical and technical personnel, social workers and other health officers
6 in the practical and scientific implementation of services to kidney
7 patients;
- 8 f) To assist universities, hospitals and research institutions in their studies
9 on kidney and allied diseases and other related fields, to encourage and
10 grant scholarships for advanced training and specialization in renal and
11 related fields, and to support educational programs of value to general
12 public health, and
- 13 g) To stimulate the formation of other organizations on the national,
14 provincial, city and/or local levels, and to coordinate the various efforts
15 and activities of such organization for the purpose of achieving a more
16 effective approach to the common problems relative to the purposes and
17 objectives enumerated herein.

18 **SEC. 4. Powers of the Institute.** – For the attainment and/or furtherance of the
19 above purposes and objectives, the Visayas Kidney Institute, as a body corporate,
20 acting through its Board of Trustees, shall have all the powers pertaining to a juridical
21 person, and is authorized, among other powers:

- 22 a) To adopt and use a corporate seal;
- 23 b) To contract and be contracted with;
- 24 c) To adopt its by-laws, rules and regulations as it may deem proper and
25 necessary for the attainment of the purposes of this Act;
- 26 d) To award, enter into, make, execute, perform and carry out domestic or
27 foreign contracts;
- 28 e) To acquire, hold, and own in any manner, property of whatever nature or
29 description, and to dispose of such property under any mode of
30 encumbrance or conveyance;
- 31 f) To obtain loans, borrow funds, arrange financing or credit assistance of
32 whatever kind and nature from all sources, whether domestic or foreign
33 and whether government or private, and to mortgage, pledge or otherwise
34 encumber any of its properties and assets for the purpose of securing or
35 guaranteeing the performance or fulfillment of any obligation it may
36 undertake for itself;
- 37 g) To invest idle funds, as it may deem proper, in government securities and
38 other evidence of indebtedness;

- 1 h) To levy, assess and collect such fees, charges and assessments as may
2 be necessary or proper to support, finance and maintain its operations;
- 3 i) To exercise such other powers and functions as may be incidental or
4 necessary to carry out the purposes and objectives of this Act.

5 **SEC. 5. Board of Trustees.** – The Institute shall be governed, and its activities
6 and properties shall be directed, controlled and managed by a Board of Trustees,
7 hereinafter referred to as the Board, composed of the following members:

- 8 a) The Secretary of Health as the ex-officio Chairman;
- 9 b) The Chief of Hospital as the Vice-Chairman;
- 10 c) Five representatives from the private sector engaged in the medical
11 profession to be appointed by the President;
- 12 d) The Regional Directors of the Department of Health for Central, Eastern
13 and Western Visayas as ex-officio members;
- 14 e) The Governors of the Provinces of Aklan, Antique, Biliran, Bohol, Capiz,
15 Cebu, Eastern Samar, Guimaras, Iloilo, Leyte, Negros Occidental, Negros
16 Oriental, Northern Samar, Samar, Siquijor and Southern Leyte or their
17 authorized representatives as ex-officio members.

18 **SEC. 6. Powers and Functions of the Board.** – For the attainment and furtherance
19 of the provisions of this Act, the Board of Trustees of the Institute shall have the
20 following powers:

- 21 a) To formulate policies, guidelines and programs to effectively implement
22 and carry out the purposes and objectives of this Act;
- 23 b) To prescribe, review and revise the amount of fees, charges, and
24 assessments levied and collected for the support and maintenance of the
25 operations of the Institute;
- 26 c) To control the management, operation and administration of the Institute;
- 27 d) To promulgate such rules and regulations as may be necessary or proper
28 for the effective exercise of the power and functions as well as the
29 discharge of the duties, responsibilities of the Institute, its officers and
30 employees;
- 31 e) To authorize such expenditures of the Institute as may be necessary or
32 proper for the effective management, operation and administration of the
33 Institute;
- 34 f) To determine and organize the Institute's organizational and
35 administrative structure or patters, and to establish, fix, review, revise and
36 adjust the appropriate compensation scheme of the officers and

1 employees of the Institute, with reasonable allowances, bonuses and
2 other incentives;

- 3 g) To adopt the annual and supplemental budget of receipts and
4 expenditures of the Institute;
- 5 h) To appoint, promote, transfer, remove, suspend or otherwise discipline
6 officers and employees of the Institute;
- 7 i) To exercise all the general powers necessary or incidental to the
8 attainment of the purposes and objectives of this Act; and
- 9 j) To do any and all acts as may be necessary or proper for the attainment
10 of the powers and functions of the Institute.

11 **SEC. 7. Term and Compensation of the Board of Trustees.** – Except for the Vice-
12 Chairman who shall serve for a term of six (6) years and the ex-officio members of
13 the Board, the regular members of the Board of Trustees shall serve for a term of
14 three (3) years, with a right to hold-over until their respective successors shall have
15 been duly appointed and qualified. Any member of the Board may be removed by the
16 President for cause. In case of vacancy, the person appointed to fill the vacancy shall
17 hold office for the unexpired term of the member replaced.

18 The Board may fix reasonable per diem for each member subject to applicable
19 laws, rules and regulations.

20 **SEC. 8. Officers of the Institute.** – The Board shall determine the officers of the
21 Institute, who, except as provided in this Act, shall be appointed by the Chairman of
22 the Board of Trustees subject to confirmation by the Board. The Institute may have
23 such executive officers, personnel and staff as the Board may deem necessary for the
24 effective operation of the Institute.

25 **SEC. 9. Powers and Duties of the Chief of Hospital.** – The Chief of Hospital who
26 is also the Vice-Chairman of the Board of Trustees shall be the Chief Executive Officer
27 of the Institute. He shall exercise the following powers and duties:

- 28 a) To execute the policies, guidelines and programs approved by the Board,
29 and to be responsible for the efficient discharge of management and
30 operational functions;
- 31 b) To submit for the consideration and approval of the Board proposed
32 measures, policies, guidelines and programs as he may deem necessary
33 or proper for the effective implementation of the purposes and objectives
34 of this Act;
- 35 c) To direct and supervise the management, operation and administration of
36 the Institute, and for this purpose, he may delegate any or some of his
37 administrative responsibilities and duties to the other officers of the
38 Institute;

- 1 d) To execute, on behalf of the Institute, all contracts and agreements which
2 the Board may enter into, and to execute, accomplish and deliver any and
3 all documents relative to such contracts and agreements;
- 4 e) To represent the Institute in all dealings with other offices, agencies,
5 instrumentalities of the Government, and all other persons or entities,
6 domestic or foreign, and whether public or private;
- 7 f) To exercise such other powers and perform such duties as may be vested
8 upon him by the Board.

9 **SEC. 10. Authority of the Chairman in Emergencies.** – In case of emergencies
10 which require immediate action by the Board and there is no sufficient time to call a
11 meeting thereof, the Chairman of the Board, may decide on any matter or take any
12 action within the authority of the Board itself.

13 **SEC. 11. Assistance from Government.** – The Board may call upon any
14 Department, Bureau, Agency, Office or instrumentality of the Government, including
15 government-owned and controlled corporations, for such assistance as it may need in
16 the pursuit of the purposes and objectives of this Act.

17 **SEC. 12. Donations to the Institute.** – The Institute is hereby authorized to solicit
18 and receive donations, grants, contributions, gifts or endowments from all sources
19 whether foreign or domestic, and whether public or private, without the need of
20 securing a permit, approval or registration from any government agency.
21 Notwithstanding any provision of law to the contrary, all donations, grants,
22 contributions, gifts or endowments received by the Institute pursuant hereto, shall be
23 exempt from income, gift, donor's and all other kinds of taxes, and shall further be
24 deductible in full for purposes of computing the maximum amount deductible for tax
25 purposes under the National Internal Revenue code, as amended.

26 **SEC. 13. Exemptions from Fees, Duties and Taxes.** – The Institute is hereby
27 declared exempt from all income and all other internal revenue taxes, tariffs and
28 customs duties and all other kinds of taxes, fees, charges and assessments levied by
29 the Government and its political subdivisions, agencies and instrumentalities. The
30 President of the Philippines, upon the recommendation of the Secretary of Finance,
31 may partially or fully lift the exemption herein provided, if he shall find that the
32 Institute is already self-sustaining and financially capable of paying such taxes,
33 customs duties, fees, charges and other assessments, after providing for the debt
34 service requirements and the projected capital and operating expenditures of the
35 Institute.

36 **SEC. 14. Applicability of Civil Service Laws.** – The Institute and its officials and
37 employees shall be subject to civil service laws and pertinent rules and regulations
38 issued by the Civil Service Commission.

1 **SEC. 15. *Charity Package.*** – The Board is hereby mandated to formulate a
2 charity package for indigent patients. Priority shall be given to patients who are
3 residents of the Visayas region.

4 **SEC. 16. *Resident Auditor.*** – The Commission on Audit shall appoint a
5 representative who shall be the auditor of the Institute together with the necessary
6 personnel to assist said representative in the performance of duties. The Number and
7 salaries of the auditor and said personnel shall be determined by the Commission on
8 Audit, subject to its rules and regulations.

9 The Auditor shall, as soon as practicable, but not later than three (3) months
10 after the accounts have been submitted for audit, send an annual report to the Board.
11 The Auditor may also submit such periodic and special reports as the Board may deem
12 necessary.

13 **SEC 17. *Annual Report.*** – An annual report of the activities and operations of
14 the Institute, together with the audit report, shall be submitted by the Board to the
15 President of the Philippines and to both Houses of Congress through the Department
16 of Health.

17 **SEC. 18. *Applicability of the Corporation Law.*** – The provisions of the general
18 corporation law, insofar as they are not inconsistent with the provisions of this Act
19 shall apply to the Institute.

20 **SEC. 19. *Effect of Dissolution.*** – If for any reason, the Institute is dissolved, its
21 properties and assets shall revert to the National Government for disposition in
22 accordance with law.

23 **SEC. 20. *Appropriations.*** – The amount necessary to carry out the provisions of
24 this Act shall be included in the General Appropriations Act of the year following its
25 enactment and thereafter.

26 **SEC. 21. *Implementing Rules and Regulations.*** – The Department of Health
27 shall promulgate such rules and regulations as may be necessary to carry out the
28 provisions of this Act within ninety (90) days from the approval of this Act.

29 **SEC. 22. *Separability Clause.*** – *If*, for any reason or reasons, any part or
30 provision of this Act shall be declared as unconstitutional or invalid, the other parts or
31 provisions hereof which are not affected thereby shall continue to be in full force and
32 effect.

33 **SEC. 23. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
34 publication in the *Official Gazette* or in any newspaper of general circulations.

Approved,