

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



Senate
Office of the Secretary

'22 NOV 10 P5:34

SENATE

S. No. 1497

RECEIVED BY:

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
ESTABLISHING THE GOVERNMENT VACCINE INDEMNIFICATION
PROGRAM, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

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

While there are many approaches to providing health services to our people, the principle that "prevention is better than cure" has always been at the core of our health system such that, among others, Republic Act (RA) No. 7846 or the law on Compulsory Immunization Against Hepatitis-B, and RA 10152, otherwise known as the "*Mandatory Infants and Children Health Immunization Act of 2011*", were enacted into law to ensure the government's proactive role in the preventive health care of infants and children.

According to the 2011 Family Health Survey (FHS) of the Philippine Statistics Authority (PSA), the percentage of Filipino children 12-23 months old who received six (6) basic vaccinations was at 90.9%. However, to sustain this rate is a great challenge to the government. For instance, poliovirus, a highly infectious but vaccine-preventable disease, was totally eradicated in the country in the year 2000 but the Department of Health (DOH) declared a polio outbreak in the country on September 19, 2020. This was attributed to a decline of immunization coverage in the past few years. Moreover, according to the World Health Organization (WHO), a study from the London School of Hygiene and Tropical Medicine revealed that Filipinos who believe "that vaccines are important, are safe and are effective" declined from almost 100% in 2015 to 60-80% in 2018 because of the issue of the dengue vaccine.

The COVID-19 pandemic is the most recent challenge that ravaged the entire international community. Now that the vaccine against the virus is available and is continuously being studied, there is no certainty if the target population will indeed be going to the vaccination sites to be inoculated. In a survey conducted by the Social Weather Stations from September 17-20, 2020 with 1,249 respondents nationwide, 66% said that they are willing to get the COVID-19 vaccine. On the other hand, in a survey conducted by Pulse Asia from November 23 to December 2, 2020 from among 2,400 Filipino adults, only 32% said they are willing to be inoculated. Another survey conducted by OCTA Research from December 9-13, 2020 with 600 respondents from Metro Manila revealed that only 25% are willing to be inoculated. The reasons for their hesitance vary, but confidence in the effectiveness and safety of the vaccine is a primary concern.

This measure proposes the creation of the Government Vaccine Indemnification Fund, which shall be exclusively used to compensate and indemnify identified vaccine recipients who sustained injury and experienced adverse effects due to the vaccination. The Fund will be sourced from the 1% of the contract price of all pharmaceutical companies participating in public tenders and awarded government contracts for the supply of such vaccines.

The bill intends to protect both the vaccine manufacturers and the public. Through the Fund, the government expects to reduce the apprehension and reluctance of the vaccine manufacturers and suppliers because of the fear of possible court cases and related negative effects to their product and company. At the same time, it aims to restore the confidence of the people to the vaccines and the related assistance that the government will provide them.

This legislative measure is initially a response to the call of the DOH to establish such a fund in relation to the COVID-19 vaccine. But beyond this, it hopes to strengthen the country's health system, and promote our people's safety and protection.

In light of the aforementioned, the immediate passage of this bill is highly recommended.



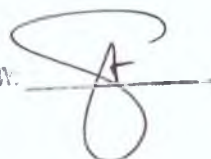
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Be it enacted by the Senate and House of Representative of the Philippines in Congress assembled:

1 Section 1. *Short Title.* - This Act shall be known as the "*Vaccine Indemnification*
2 *Fund Act*".

3 Sec. 2. *Declaration of Policy.* - It is a policy of the State to protect and promote
4 the right to health of the people and instill health consciousness among them.
5 Likewise, it is the State's responsibility to establish and maintain an effective drug
6 regulatory system and undertake appropriate policies that are responsive to the
7 country's health needs and problems.

8 Consistent with this Constitutional mandate, the State shall implement a system
9 for vaccine-related injury indemnification to serve as a fair, efficient and stable
10 mechanism for individuals to obtain compensation upon the occurrence of verified
11 vaccine-related adverse events without need to attribute fault or negligence on
12 vaccine manufacturers or suppliers. This shall be the primary mode of compensation
13 and as an alternative to long-drawn, expensive court litigations that constrain vaccine
14 recipients from pursuing bona fide claims for vaccine-related injuries.

15 Sec. 3. *Sources of the Fund.* - The Government Vaccine Indemnification Fund,
16 hereinafter referred to as the "Fund", shall be subsidized by pharmaceutical companies
17 that supply the government with vaccines for public immunization programs.
18 Pharmaceutical companies participating in public tenders and are awarded

1 government contracts for the supply of such vaccines shall reserve at least one percent
2 (1%) of the contract price which shall form part of the Fund. The reserved amount
3 shall be deposited with the Bureau of the Treasury of the Department of Budget and
4 Management (DBM).

5 Sec. 4. *Use of Fund.* – The Fund shall be earmarked exclusively to compensate
6 and indemnify identified vaccine recipients who sustain injury in connection with the
7 use of the vaccines and where the adverse effects are attributable to the vaccination.

8 Sec. 5. *Management of the Fund.* – The Fund shall be managed by the Vaccine
9 Compensation Board, hereinafter referred to as the “Board”, composed of the
10 following:

- 11 1) Secretary of Justice – Chairperson
- 12 2) Secretary of Health – Vice-Chairperson
- 13 3) Secretary of Budget and Management – Member
- 14 4) Secretary of Finance – Member
- 15 5) Sectoral representative from the healthcare industry – Member
- 16 6) Sectoral representative from the patient advocacy groups – Member
- 17 7) Sectoral representative from the medical societies – Member

18 The sectoral representatives shall have a term of office of three (3) years. The
19 President of the Philippines shall appoint from among a list of three (3) candidates
20 upon the favorable recommendation by the organizations of their respective sectors.
21 Upon approval of this Act, the sectoral representative from the healthcare industry
22 shall have an initial term of one (1) year and the sectoral representative from patient
23 advocacy groups shall have an initial term of two (2) years. Thereafter, the three-
24 year term shall apply to all subsequent appointments. No sectoral representative who
25 has served a full term shall be eligible for reappointment to the Board.

26 Sec. 6. *Powers and Functions of the Board.* – The Board shall have the
27 following powers and functions:

- 28 (a) Provide overall strategic direction and guidance in the implementation of
29 this Act including, but not limited to, the administration and utilization of
30 the Fund, eligibility requirements, rules on filing claims for injury or death
31 and the decision-making process, standard of proof required, elements
32 of compensation and litigation rights of the parties involved;

- 1 (b) Exercise original and exclusive jurisdiction on verified bona fide claims
2 for compensation or indemnification on vaccine-related injuries or death;
3 (c) Establish an efficient system for reporting and periodic reviews on the
4 use and management of the Fund through stringent internal controls
5 and information systems; and
6 (d) Such other powers may be proper and necessary to perform their duties
7 and responsibilities effectively and with full transparency, taking into
8 consideration the best interests of all relevant stakeholders.

9 *Sec. 7. Appropriations.* – The amount needed for the initial implementation of
10 this Act shall be charged against the appropriations of the Department of Health (DOH)
11 in the current and subsequent General Appropriations Act. Thereafter, the amount
12 needed for the continued implementation of this Act shall be taken from the Fund. In
13 case the Fund, after careful assessment and projected utilization, shall be insufficient
14 to answer for potential claims, the DOH shall subsidize such an amount in the
15 supplemental budget to be included in the annual General Appropriations.

16 *Sec. 8. Implementing Rules and Regulations (IRR).* – Within six (6) months
17 from the approval of this Act, the Department of Justice (DOJ), the DOH, the DBM
18 and the Department of Finance (DOF), in coordination with other implementing
19 agencies, shall formulate rules and guidelines as may be necessary for the proper
20 implementation and enforcement of this Act.

21 *Sec. 9. Separability Clause.* – If any provision or part hereof is held invalid or
22 unconstitutional, the remainder of the law or the provision or part not otherwise
23 affected shall remain in full force and effect.

24 *Sec. 10. Repealing Clause.* – Any law, presidential decree or issuance,
25 executive order, letter of instruction, administrative order, rule, or regulation contrary
26 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
27 amended accordingly.

28 *Sec. 11. Effectivity.* – This Act shall take effect fifteen (15) days after its
29 complete publication in the *Official Gazette* or in a newspaper of general circulation in
30 the Philippines.

Approved,