



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

23 JAN 24 P1:18

SENATE
S.B. No. 1752

RECEIVED BY: _____

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
ESTABLISHING THE ORMOC CITY LUNG CENTER AND APPROPRIATING
FUNDS THEREFOR

EXPLANATORY NOTE

Lung and chest diseases are one of the top 10 causes of deaths in the Philippines. The most common of these diseases affecting millions of Filipinos every year are pneumonia, chronic obstructive pulmonary disease (COPD), tuberculosis and other respiratory system illness which ranked 3rd, 5th, 7th and 10th' respectively, as leading cause of mortality. Many cases of pulmonary illnesses also remain unreported and untreated as most incidence occur in poorer population with no access to medical facilities.

An individual's chances of recovering from a serious illness, is largely dependent on his or her ability to afford the required treatment. The City of Ormoc and the municipalities of the Fourth District of Leyte, are no different. There are no publicly-owned advanced and specialized hospitals that cater especially to lung diseases.

This bill seeks the establishment of such a facility, to be known as the Ormoc City Lung Center. This hospital will provide accessible and affordable diagnosis, treatment and rehabilitation for residents of the Fourth District of Leyte, its surrounding municipalities and the entire Province of Leyte, for that matter. It is envisioned to be a center that is equipped with modern equipment and facilities, housed in a building that reflects the advanced level of health services it provides.

Moreover, establishing an advanced center, such as this, comes with economic and educational externalities, as well. This center will encourage the increased development of the medical supplies industry, as well as tourism, retail and food industries. The Ormoc City Lung Center would also provide an advanced learning venue for medical students in the City of Ormoc.

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


JIMÉ 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 “Ormoc City Lung
2 *Center Act.*”
3

4 **SEC. 2. Declaration of Policy.** – Section 15, Article II of the 1987 Constitution
5 declares that “the State shall protect and promote the right to health of the people and
6 instill health consciousness among them.” Furthermore, Section 11, Article XIII also
7 provides that “the State shall adopt an integrated and comprehensive approach to
8 health development which shall endeavor to make essential goods, health, and other
9 social services available to all the people at affordable cost. There shall be priority for
10 the needs of the underprivileged, sick, elderly, disabled, women, and children.”
11 Therefore, the establishment of a modern, advanced health facility that would
12 specifically cater to lung diseases is well within the mandate of the State for all citizens,
13 including those residing in the City of Ormoc and the municipalities of the Fourth District
14 of Leyte.
15

16 **SEC. 3. Establishment of the Ormoc City Lung Center.** – There is hereby
17 established the Ormoc City Lung Center, hereinafter referred to as the Lung Center,
18 which will be a government facility that will offer comprehensive care for patients with
19 lung disorders, including diagnosing and treating complex lung problems. This facility
20 will also provide a strong teaching program and research capability to serve the Filipino
21 people through extensive research on related cases and illnesses. The Lung Center shall

1 be located in Ormoc City, Leyte. The Lung Center shall have the attribute of perpetual
2 succession and shall be vested with the powers of a corporation and shall continue to
3 exist until dissolved for a lawful cause and/or by joint resolution of Congress.

4
5 **SEC. 4. Purposes and Objectives.** – The Lung Center shall have the following
6 purposes and objectives:

- 7
8 a) Establish and operate a lung rehabilitation, treatment of transplant center for
9 the public welfare;
10 b) Offer comprehensive care for patients with lung diseases;
11 c) Conduct training and research on the prevention and treatment of blood and
12 lung diseases, as well as information campaigns on regeneration and transplant
13 services through conventions, seminars, and conferences;
14 d) Establish an efficient lung diseases laboratory including a molecular
15 laboratory;
16 e) Establish a lung transplant program and donor registry;
17 f) Recruit and retain cases for voluntary lung donors;
18 g) Collect lung organs from qualified voluntary donors;
19 h) Process whole lung into lung components;
20 i) Collect lung components;
21 j) Store issue, transport, and distribute whole lung to end-user hospitals and
22 other health facilities;
23 k) Ensure safe supply of lung and their products to all hospitals and other health
24 facilities through adequate distribution and delivery;
25 l) Implement and monitor quality assurance to selected regional lung centers;
26 m) Test lung infections; and
27 n) Provide special and confirmatory tests and perform lung examinations.

28
29
30 **SEC. 5. Powers and Functions.** – The Lung Center shall have the following
31 powers and functions:

- 32
33 a) Adopt a code of by-laws to implement this Section;
34 b) Adopt and use a corporate seal which shall be a matter of judicial notice;
35 c) Determine its organizational structure and the number of salaries of its officers
36 and employees in accordance with the provision of Republic Act No. 10149,
37 otherwise known as the Government-Owned and Controlled-Corporation (GOCC)
38 Governance Act of 2011;

- 1 d) Establish and maintain professional and technical educational systems for the
2 sustained development of the necessary manpower to manage and operate its
3 affairs and business;
- 4 e) Invest its funds as it may deem proper and necessary, but subject to
5 applicable lease, rules and regulations, in any activity related to the Center,
6 including in any bonds or securities and guaranteed by the Government of the
7 Philippines;
- 8 f) Acquire assets, real or personal, interest therein and encumber or otherwise
9 dispose the same as it may deem proper and necessary in the conduct of its
10 business;
- 11 g) Borrow money from local or foreign resources as may be necessary for its
12 operations, subject to applicable laws, rules and regulations;
- 13 h) Accept any gifts, contributions, endowments, grants, bequests, and devices
14 of any kind of real or personal property which are necessary and proper for the
15 attainment of the purpose of the hospitals; and
- 16 i) Perform such acts and exercise such functions as may be necessary and proper
17 for the attainment of the purposes and objectives herein specified;
- 18

19 **SEC. 6. Board of Trustees.** – The affairs and business of the Lung Center shall
20 be directed, its properties managed and its corporate powers exercised, unless
21 otherwise provided in this Act, by its own Board of Trustees which shall be composed
22 of eight (8) members, as follows;

23

- 24 a) The Secretary of the Department of Health as Chairman of the Board or his
25 duly authorized representative;
- 26 b) The Undersecretary/ Assistant Secretary of the Department of Health;
- 27 c) The officer-in-charge of the Provincial Health Office;
- 28 d) One (1) member from the private sector, preferably with experience in
29 finance, administration or management;
- 30 e) One (1) representative who will provide expertise in lung diseases;
- 31 f) One (1) representative who will provide expertise in lung transplant;
- 32 g) One (1) representative from a non-government organization that is concerned
33 with the health sector; and
- 34 h) The Lung Center Executive Director.
- 35

36 The term of office, manner of appointment of the trustees, and other matters pertaining
37 to the governance of the Lung Center shall be determined in accordance with the
38 pertinent provisions of R.A. No. 10149.

1 The Board of Trustees shall be governed by a set of by-laws, which shall contain, among
2 others, an enumeration of each of the members' responsibilities, accountabilities, and
3 cause of termination.

4
5 **SEC. 7. Powers and Functions of the Board.** – The Board of Trustees which shall
6 be the policy-making body of the Lung Center shall have the following powers and
7 functions:

8
9 a) Determine the general policies of the Lung Center within the scope of its
10 powers, objectives and financial resources;

11 b) Establish the organizational structure of the Lung Center, define the duties
12 and responsibilities of all officials and employees and adopt a compensation and
13 benefit scheme, subject to the pertinent provisions of R.A. No. 10149;

14 c) Acquire, hold, and own, in any manner, property of whatever nature or
15 description, concerning the center, and to dispose of such property under mode
16 of encumbrance or conveyance;

17 d) Enter into, make, perform, and carry out contracts of every kind and for any
18 lawful purpose with any person, firm association or corporation, whether public
19 or private, domestic or foreign, for the interest of the center;

20 e) Mortgage, lease, sell, transfer, convey or otherwise dispose of its properties;

21 f) Solicit and receive donations, endowments and funds in the form of
22 contributions, whether in cash or in kind, from both public and private sectors
23 and from domestic or foreign sources, for the benefit of the center;

24 g) Open such accounts in banks and other financial institutions, and to disburse
25 such funds or invest the same as the Board of Trustees may direct to accomplish
26 or advance the purposes or interest of the Lung Center;

27 h) Invite foreign or local health specialist and similar experts in the various
28 medical fields to train the personnel, trainees, fellows or residents of the Lung
29 Center;

30 i) Send the personnel of the Lung Center to research institutes, medical
31 institutes, or universities for advance training or observation and to attend
32 international or regional conventions, conferences, congresses or seminars as
33 the Board of Trustees may deem necessary to accomplish the purposes and
34 objectives of the Lung Center;

1 j) Enter into such agreements and arrangements with other medical or similar
2 institutions, domestic or foreign, as may be deemed desirable by the Board of
3 Trustees promoting the purposes and objectives of the Lung Center;

4 k) Adopt a set of by-laws, rules, regulations, policies, guidelines, and procedures
5 consistent with law and provisions hereof to govern the administration and
6 operation of the hospital; and

7 l) Do all such other acts and things as are or may be necessary for or incidental
8 to the accomplishment of the purposes and objectives of the Lung Center.

9
10 **SEC. 8. *Duties and Responsibilities of the Executive Director.*** – The Lung Center
11 shall be headed by Executive Director who shall have the following duties and
12 responsibilities:

13
14 a) Prepare the agenda for the meetings of the board, and to submit for
15 consideration of the board such policies and measures as they believe necessary
16 to carry out the purposes and objectives of this Act;

17 b) Execute, administer, and implement the policies and measures approved by
18 the board;

19 c) Exercise such other powers and perform such other duties provided in the by-
20 laws and as vested to them by the board.

21
22 **SEC. 9. *Program for Indigents.*** – The Department of Health (DOH) shall ensure
23 that the Lung Center shall adopt and enforce a program for indigents needing lung
24 products and patients with lung diseases in accordance with the implementing
25 guidelines on classification of patients on Availment of Medical Social Services in
26 Government Hospitals.

27
28 **SEC. 10. *Retention of Income.*** – The Lung Center is hereby authorized to retain
29 and utilize their income derived from its operation and non-patient related activities for
30 the maintenance of the other operating expenditures, including capital outlay especially
31 in the acquisition of equipment and supplies, subject to auditing rules and regulations.
32 Further, no amount from such income shall be used to augment the salaries and other
33 compensation of the Lung Center personnel beyond the amounts determined by the
34 Governance Commission for Government Owned and Controlled Corporations (GOCC),
35 as provided for in R.A. No. 10149. The Department of Health (DOH), in coordination

1 with the Department of Budget and Management (DBM) shall issue the necessary rules
2 and regulations to implement this provision.

3
4 **SEC. 11. *Exemption from Taxes.*** – The Lung Center shall be exempt from the
5 payment of taxes on all contributions thereto and all accruals on its income and
6 investment earnings.

7 Any donation, contribution, bequest, subsidy or financial aid which may be made to it
8 shall constitute allowable deduction from the income of the donor for the income tax
9 purposes and shall be exempt from donor’s tax, subject to such conditions as provided
10 in the National Internal Revenue Code of 1997, as amended.

11
12 The Lung Center shall be exempt from all other taxes, whether direct or indirect on its
13 income, properties, and operations.

14
15 **SEC. 12. *Contracts.*** – The Lung Center shall have the authority to enter into
16 contracts with any person or entity, domestic or foreign, and with government for the
17 undertaking of the varied aspects of the Lung Center, including the acquisition, by way
18 of purchase, lease, rent or other deferred payment arrangements of equipment and/or
19 raw materials and supplies, as well as for services connected therewith under such
20 terms and conditions as it may deem proper and reasonable.

21
22 In the acquisition and disposal of property real or personal, a bidding process
23 shall be necessary to conform to the requirements of public bidding as provided for in
24 R.A. 9184, otherwise known as the Government Procurement Reform Act, and related
25 laws.

26
27 **SEC. 13. *Supervision.*** – The Lung Center shall be under the direct supervision
28 of the DOH for purposes of policy direction and control. It shall submit an annual report,
29 pursuant to the pertinent provisions of R.A. No. 10149.

30
31 **SEC. 14. *Implementing Rules and Regulations.*** – Within thirty (30) days from
32 the completion of the appointment of its members, the Board of Trustees shall convene
33 to formulate the rules and regulations necessary for the implementation of this Act.

34
35 **SEC. 15. *Appropriations.*** – The amount of three hundred million pesos (Php
36 300,000,000) is hereby appropriated for the initial operation and maintenance of the
37 Lung Center. Continued appropriations shall be included in the annual General
38 Appropriations Act until project completion.

1
2 **SEC. 16. *Separability Clause.*** – If any provision of this Act is held invalid or
3 unconstitutional, the other provisions not so declared shall remain in force and in effect.

4
5 **SEC. 17. *Repealing Clause.*** – Any other law, issuance or part thereof
6 inconsistent with this Act are hereby repealed or modified accordingly.

7
8 **SEC. 18. *Effectivity Clause.*** - This Act shall take fifteen (15) days after its
9 publication in the Official Gazette or in two (2) newspapers of general circulation.

10
 Approved,