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

SENATE
S. No. 1768

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article XIII, Section 11, provides:

> The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all people at affordable cost. There shall be priority for the needs of the underprivileged sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.

Prescription drugs represent one of the most frequently used medical care interventions in treating common acute and chronic diseases. However, many Filipinos, especially the elderly and other vulnerable populations, are unable to afford necessary medications because of excessive persistent prescription drug price inflation.

This bill seeks to establish a prescription drug price monitoring commission that will study the cost of prescription pharmaceutical products in the Philippines and recommend plausible ways to make prescription drugs more affordable and cost-effective.*

MIRIAM DEFENSOR SANTIAGO

* This bill was re-filed during the Thirteenth Congress, *First Regular Session*.

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AN ACT
ESTABLISHING A PRESCRIPTION DRUG PRICE MONITORING COMMISSION

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

SECTION 1. *Short Title.* – This Act shall be known as the "Prescription Drug Price Monitoring Act of 2007."

SECTION 2. *Establishment.* – There is established a commission to be known as the "Prescription Drug Price Monitoring Commission" (in this Act referred to as the "Commission").

SECTION 3. *Duties of the Commission.* –

(A) *Studies.* – The Commission shall conduct the following studies:

(1) A study on the cost of prescription pharmaceutical products in the Philippines;

(2) A study on the drug prices in other industrialized nations; and

(3) A study on the feasibility of establishing in the Philippines a pharmaceutical products price review board.

(B) In conducting the study under paragraph (A)(3), the Commission shall –

(1) Assess the impact of such a board in other industrialized nations, such as the United States, on containing the costs of prescription drugs and the introductory prices of new drugs;

(2) Recommend how such a board might operate in the Philippines, including membership of the Board;

(3) Recommend guidelines that might be used by the Board in determining whether prices or price increases for prescription drugs are excessive and whether the introductory prices of new drugs are excessive; and

(4) Recommend incentives for drug manufacturers to price their products fairly in the Philippines.

(C) *Reports.* –

(1) *Annual Reports.* – The Commission shall submit to the Congress an annual report, beginning on the third year after the enactment of this Act, which shall include information and recommendations regarding national and international drug policy issues, such as –

(a) Trends and changes in prices for prescription and nonprescription drugs in the Philippines;

(b) Trends and changes in prices for prescription drugs in other industrialized nations, such as the United States, Canada, Japan, Mexico, and countries of the European Union;

(c) The availability and affordability of prescription drugs in the Philippines; or

(d) Recommendations to make prescription drugs more affordable and cost-effective;

(D) *Special Report.* – The Commission shall submit to the Committee on Finance of the Philippine Senate, the Committee on Trade and Commerce, and the Committee on Ways and Means of the House of Representatives, by not later than two (2) years after the enactment of this Act, a report on the study conducted under subsection (A)(3).

SECTION 4. *Membership.* –

(A) *Number and Appointment.* – The Commission shall be composed of seven (7) members to be appointed as follows:

(1) The President shall appoint three (3) members;

(2) The Speaker of the House of Representatives shall appoint one (1) member;

(3) The minority leader of the House of Representatives shall appoint one (1) member;

(4) The majority leader of the Senate shall appoint one (1) member; and

(5) The minority leader of the Senate shall appoint one (1) member.

(B) *Qualifications.* –

(1) *In General.* – The membership of the Commission shall include the following:

(a) Individuals with national recognition for their expertise in the fields of health care economics and quality assurance, medicine, pharmacology, pharmacy, and prescription drugs; and

(b) Other health care professionals.

(2) *Limitation.* – No more than two (2) individuals who are, or have been, in the full or part-time employ of a pharmaceutical company within one (1) year from the date of appointment under subsection (1) may be appointed to the Commission at any time.

(C) *Chairman.* – The Chairman shall be elected by the members.

(D) *Deadline for Appointment.* – Members of the Commission shall be appointed not later than one (1) year after the enactment of this Act.

(E) *Terms.* –

(1) *In General.* – Each member shall be appointed for the life of the Commission.

(2) *Vacancies.* – A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(F) *Meetings.* – The Commission shall meet at the call of the Chairperson or a majority of its members.

(G) *Quorum.* – Four (4) members of the Commission shall constitute a quorum but a lesser number may hold hearings.

SECTION 5. *Technical Assistance.* – Upon the request of the Commission, the head of a government agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

SECTION 6. *Termination.* – The Commission shall terminate five (5) years after the enactment of this Act.

SECTION 7. *Authorization of Appropriations.* – There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SECTION 8. *Separability Clause.* – If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 9. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 10. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,