


**SENATE**

S. No. 938

RECEIVED BY: 

---

Introduced by Senator Manuel "Lito" M. Lapid

---

**EXPLANATORY NOTE**

It is the policy of the State to protect and promote the right to health of its people. This can be pursued by undertaking appropriate health manpower development which is responsive to the country's health needs and problems. Recently, there has been a resurgence of heart, kidney, and lung problems which have caused economic dislocation and the eventual curtailment of the enjoyment of productive and happy life.

Medical centers such as the Philippine Heart Center, the National Lung Center of the Philippines, the National Kidney Center, and the Philippine Children's Medical Center which provide specialized services were established individually and organized as government corporations which function independently of each other. Their services for patients and their teaching and research functions are pursued with minimum coordination, if any, among each other.

There is need therefore, to integrate and rationalize these specialty centers by establishing a Medical Center System that will consist of existing facilities in order to achieve a more effective and efficient implementation of resources and thereby improve the health care delivery system in the country.

Moreover, the proposed bill seeks to establish the Philippine Medical Center System to serve as a teaching, training and research institution for students of medicine and its allied fields, residents and post graduate fellows.

This Philippine Medical Center shall be developed and maintained as a medical tertiary care institution to serve the public.

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

  
**MANUEL "LITO" M. LAPID**  
Senator

**SENATE**

S. No. 938

RECEIVED BY

Introduced by Senator Manuel "Lito" M. Lapid

**AN ACT**  
**ESTABLISHING THE PHILIPPINE MEDICAL CENTER SYSTEM,**  
**PROVIDING FOR ITS ADMINISTRATION AND SUPPORT AND FOR**  
**OTHER PURPOSES**

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

**TITLE I**  
**GENERAL PROVISIONS**

**SECTION 1. *Establishment of the Philippine Medical Center System.*** - There is hereby established a Philippine Medical Center System, hereinafter referred to as the System, which shall be attached to the Department of Health. The System shall provide specialized medical services, professional and advanced medical training and research. It shall make its services and resources available to the public, especially the indigents.

**SEC. 2. *Component Units.*** - Without prejudice to Section 7 (b), the System shall consist of the following specialized research centers and hospitals :

1. The Philippine Heart Center;
2. The Lung Center of the Philippines;
3. The National Kidney Institute; and
4. The Philippine Children's Medical Center.

**SEC. 3. *Purposes and Functions.*** - The purposes and functions of the System are as follows:

- a. To formulate, develop and implement an integrated and comprehensive specialized medical and health program;
- b. To operate specialty medical institutions mentioned in Section 2, as well as any other component unit which may be established pursuant to Section 7 (b);
- c. To provide integrated specialty medical services to the public;
- d. To provide medical practitioners, advanced instruction and training pertaining to its specialized health programs;
- e. To create and implement undergraduate, internship, residency, and post-residency programs for medical students and physicians;

- f. To undertake research in various medical and health fields covered by its program;
- g. To train physicians, nurses, medical technicians, nutritionist-dietitians, pharmacists, other members of the medical and other allied medical fields for the purpose of implementing its program;
- h. To engage in a continuing education and information campaign on the nature, prevention, treatment and control of the various diseases covered by its program;
- i. To develop, strengthen and enhance the capabilities and technical skills for specialized medical care of all regional hospitals of the Department of Health; and
- j. To coordinate with the Philippine Hospital Association, as well as with non-governmental organizations, in delivering specialty care to the people.

**SEC. 4. *The Powers of the System.*** - The System shall have the power of a corporation, the powers set forth in this Act and such other powers as may be granted to it by other laws.

## **TITLE II**

### **THE MANAGEMENT OF THE PHILIPPINE MEDICAL CENTER SYSTEM**

**SEC. 5. *The Board of Trustees.*** - The government of the System shall be vested in the Board of Trustees. It shall be the highest policy-making body of the System. The administration of the System and the exercise of its powers are vested in the Board of Trustees as well as in the President of the System insofar as authorized by said Board.

**SEC. 6. *Composition of the Board of Trustees.*** - The Board of Trustees shall be composed of the Secretary of Health as the *Ex-Officio* Chairman, the Chairman of the Committee on Health of the Senate, the Chairman of the Committee on Health of the House of Representatives, the Secretary of Science and Technology, the President of the System, the Chairman of the Association of Philippine Medical Colleges, the Directors of the component units of the System and three (3) members representing the medical and allied medical profession to be appointed by the President of the Philippines.

**SEC. 7. *Powers of the Board of Trustees.*** - The Board of Trustees shall have the following powers and duties in addition to its general powers of administration:

- a. To receive and appropriate to the ends specified by law such sums as maybe provided by law for the support of the System;
- b. To provide for the establishment of additional component units;
- c. To appoint, on recommendation of the Executive Director of the System, physicians, nurses, nutritionist-dietitians, pharmacists, other medical staff members, instructors, researchers, other employees of the System; to fix their compensation, hours of service, and such other terms and conditions as it may deem proper consistent with civil service laws, rules and regulations;

- d. To receive in trust, gifts, legacies and donations of real and personal property for the benefit of the System or of any of its component units;
- e. To establish a fund raising program to supplement the funds appropriated by the government;
- f. To prescribe rules for its own government;
- g. To enact for the administration of the System such ordinances and regulations, not contrary to law as are consistent with the purposes of the System; and
- h. To exercise such other purposes as may be necessary for the proper discharge of its functions and for the attainment of the purposes of the System.

**SEC. 8. *The Chairperson.*** - The Chairperson of the Board of Trustees shall preside over all its meetings. In his absence, the following shall act as Chairperson in the order herein stated: The Executive Director of the System, then the other appointive members of the Board in the order of seniority of their appointment.

**SEC. 9. *Meetings, Quorum.*** -

- a. Regular meetings of the Board shall be held once a month.
- b. Special meetings may be held as often and whenever necessary as may be called by the Chairperson or by the President of the System.
- c. A quorum of the Board of Trustees shall consist of a majority of all the members holding office at the time of the meeting of the Board is called.

**SEC. 10. *Annual Report.*** - On or before the first Friday following the opening of the regular session of Congress, the Board of Trustees shall submit to the President of the Philippines and to Congress a detailed report setting forth the progress, conditions and needs of the System.

**SEC. 11. *The Executive Director of the System.*** - Leadership of the System is vested in the Executive Director who shall be appointed by the President of the Philippines from among the nominees of the System's Board of Trustees.

**SEC. 12. *Terms and Qualifications of the Executive Director.*** - The Executive Director of the System shall serve for a term of three (3) years without prejudice to only one reappointment to the same position. In case of vacancy in the Office of the Executive Director of the System before the lapse of the term of the incumbent, the person appointed, in accordance with Section 11, to fill the vacancy shall serve only for the unexpired portion of the term. The Executive Director shall have the appropriate management and financial expertise, and preferably an extensive exposure or experience in Hospital Administration of a tertiary level hospital with training/ teaching facilities.

**SEC. 13. *Powers of the Executive Director.*** - The Executive Director of the System shall have the following powers and functions:

- a. To exercise general supervision over the day to day operations of the System;

- b. To carry out the policies laid down by the Board of Trustees;
- c. To coordinate the activities of the various component medical units of the System;
- c. To prepare an annual report to the Board of Trustees on the work of the past year and the needs of the current year. He/she shall also present to the Board of Trustees the annual budget of the System with estimates of income and expenditures ;
- e. To execute and sign in behalf of the System all contracts, deeds and other instruments necessary for the proper conduct of business of the System;
- f. To exercise such other powers as may be delegated to him/her by the Board of Trustees.

**SEC. 14. *Hospital Director.*** - Each component unit of the System will have a Director appointed by the System's Board of Trustees for a term of six (6) years. The Director shall be the Executive Director of the component unit and shall administer, direct and coordinate all activities of the hospital to carry out its objectives in the provision of health care, furtherance of education and research, and participation in community health programs. The Hospital Director shall have an extensive experience and training in Hospital Administration and proven managerial capability in running a tertiary level hospital (preferably with training facilities).

**SEC. 15. *Other Officers.*** - The Board of Trustees may appoint such other officers as may be necessary for the operation of the System.

### **TITLE III FISCAL AUTONOMY AND ACCOUNTABILITY**

**SEC. 16. *Fiscal Autonomy.*** - (a) All income, receipts and fees accruing to or derived by the System for its operation shall, upon their collection, be automatically released to the System.

(b) All appropriations for government assistance to the System under the annual appropriations law and any supplemental or deficiency appropriations shall be paid in lump sum. The System shall submit a program of expenditures for the approval of Congress.

**SEC. 17. *Auditing.*** - All accounts and expenses of the System shall be audited by the Commission on Audit.

### **TITLE IV MISCELLANEOUS PROVISIONS**

**SEC. 18. *Property of the System.*** - The property of the System shall consist of such real and personal property, now owned or reserved for, or may hereafter be given, donated, acquired, transferred or conveyed to the System by the Philippine Government, its branches and instrumentalities, any foreign government, as well as by trusts, foundations, corporations, as persons, alien or domestic, in order to carry out its purposes and objectives as set forth herein.

**SEC. 19. *Budgetary Estimate.*** - Such sum as may be necessary for the implementation of this Act is hereby authorized to be appropriated out of any funds in

the National Treasury not otherwise appropriated. Thereafter, the amount needed for the operation and maintenance of the System shall be included in the Annual Appropriations Act.

**SEC. 20. *Repealing Clause.*** - Any provisions of law or rules and regulations or any part thereof, inconsistent with the provisions of this Act is hereby repealed, amended or modified accordingly.

**SEC. 21. *Separability Clause.*** - If any separable provision of this Act be declared unconstitutional, the remaining provision shall continue to be in force.

**SEC. 22. *Effectivity.*** - This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) newspapers of national circulation.

***Approved,***