

FIFTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
*First Regular Session* )

OFFICE OF THE SECRETARY

10 JUL -8 P1:31

**SENATE**

S. No. 994

RECEIVED BY: 

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Introduced by Senator Manuel "Lito" M. Lapid

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**EXPLANATORY NOTE**

Seventy percent (70%) of the country's hospitals are privately owned. Distributed to the different areas of the country, these institutions provide the much needed medical services and facilities that government hospitals cannot alone provide thereby filling a void in the people's health needs.

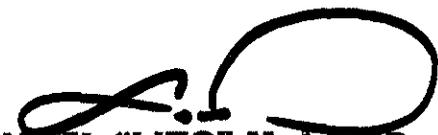
As a partner in promoting people's health, the government must provide assistance to private hospitals to ensure their viability and high quality service.

This legislation proposes a Private Hospital Development Plan, which will be drawn in coordination with the Secretary of Health, appropriate government agencies and non-government organizations. This plan shall monitor the needs of private hospitals in terms of its facilities, equipment and human resources. It shall also grant tax incentives to accredited private hospitals.

This bill likewise proposes the creation of a Special Private Hospital Fund that will be sourced from real property taxes paid by private hospitals. The money collected shall be used to finance the improvement of private hospital facilities and to assist community-based projects in various localities. This fund shall be managed and disbursed by the local health board in each municipality or chartered city with private hospitals.

Through this bill, we hope to build a bridge of cooperation between the government and private hospitals. It shall provide the needed link between the public's ever growing health care needs and the advanced medical services afforded by private hospitals to help build a healthy nation.

The immediate passage of this bill is therefore requested.

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

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**AN ACT  
PROVIDING ASSISTANCE TO PRIVATE HOSPITALS BY GRANTING  
INCENTIVES AND ESTABLISHING A PRIVATE - HOSPITAL  
DEVELOPMENT PLAN AND FOR OTHER PURPOSES**

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

**SECTION 1. Short Title.** – This Act shall be known as the "***Private  
Hospital Assistance Act of 2010.***"

**SEC. 2. Declaration of Policy.** – It is the policy of the State to provide  
assistance to private hospitals to ensure their viability and enable them to continue  
giving quality service to the people.

**I. PRIVATE HOSPITAL DEVELOPMENT PLAN**

**SEC. 3. The Private Hospital Development Plan.** – The Secretary of  
Health, in consultation with the appropriate government agencies, the Philippine  
Hospital Association and other non-government organizations, shall draw up a Private  
Hospital Development Plan that shall:

1. Assess the prevailing situation in a certain locality and identify needs in  
terms of facilities, equipment and human resources, provide incentives for, and

establish agreements and linkages with private hospitals and clinics to answer these needs;

2. Identify undeserved or unserved areas in terms of secondary and tertiary care where private hospitals can be established and, in collaboration with other government agencies, provide proper incentives for the same;

3. Promulgate rules and regulations regarding the number, composition and other matters relating to the creation of the Private Hospital Board as provided for in Section 5 of this Act;

4. Establishing guidelines for better coordination and cooperation between government and private hospitals system in the country so as to provide better quality medical services to more people needing medical attention.

## II. CREATION OF THE PRIVATE HOSPITAL FUND AND BOARD

**SEC. 4. *Private Hospital Fund.*** – All proceeds from the payment of real property taxes of private hospitals shall accrue to a Special Private Hospital Fund which shall be used for the following purposes:

- a) Improvement of hospital facilities to accommodate more service ward patients; and
- b) Financial assistance to community-based health projects in the locality.

**SEC. 5. *The Private Hospital Fund Board.*** – The private hospital fund shall be managed and disbursed by a local Board which shall be constituted in each municipality or chartered city with private hospitals, and shall be composed of:

- a) The Mayor of municipality/chartered city as Chairperson;
- b) A director from every private hospital in the municipality or city;
- c) The municipality health officer;
- d) Two (2) representatives of the private sector or non-governmental

organizations.

The members of this Board shall be chosen in accordance with implementing rules and regulations to be issued by the Secretary of Health. The Private Hospital Board shall adopt its own rules and regulations, which shall enable it to finance the activities, provided for in Section 4 of this Act.

**SEC. 6.     *Audit of the Private Hospital Fund.*** – The disbursement of the Private Hospital Fund shall be subject to audit by the Commission on Audit.

**SEC. 7.     *Separability Clause.*** - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected by such declaration, shall remain in full force and effect.

**SEC. 8.     *Repealing Clause.*** – Any provision of law, rules and regulations inconsistent with this Act is hereby repealed or modified accordingly.

**SEC. 9.     *Effectivity.*** – This Act shall take effect fifteen (15) days upon its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

***Approved,***