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

OFFICE OF THE SECRETARY

10 JUL 15 A9:42

SENATE

RECEIVED BY 

S. No. 1444

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

The Philippines has been growing as a "medical tourism" destination of choice because of our world class physicians, modern technology, and our uniquely Filipino brand of caring. Tourists get great value for money and at a fraction of the cost in developed countries. We are home to some of the best hospitals and stand alone specialty clinics in the world, offering world-class expertise and state-of-the-art facilities. We also have some of the world's best spa retreat resorts and tour destinations in this part of the earth.

The government issued Executive Order No. 372 realizing that medical tourism is a huge revenue potential industry. According to the International Trade Commission in Geneva, Switzerland, it is a \$40billion global industry, and expected to grow to \$188billion in 2013. The EO, issued last October 2004, created a "Public-Private Sector Task Force for the Development of Globally, Competitive Philippine Service Industries" to promote the development of three service sectors, namely: a) Information and Communications Technology; b) *Health and Wellness*; and c) Logistics.

For the Health and Wellness sector, which now has the "Philippine Medical Tourism Program (PMTP)," eleven government agencies were tasked to work together to promote the same. The different mandates and expertise of each agency are supposed to contribute much to the development of the program. Unfortunately, due to the number of participating agencies and despite the good intentions of the Executive Order, confusion has resulted in the process – by both the agencies involved and by the private sector desiring to participate. Like for instance, the participating agencies individual roles in the task force, or the private sectors guidelines for accreditation.

This bill, therefore, seeks to centralize the functions of the Task Force, and to integrate most of the different functions of the different agencies pertinent to the PMTP, in one office, thus the proposed creation of the Medical Tourism Bureau within the Department of Tourism.

The Philippines needs to compete in the medical tourism's multi-billion dollar industry to help uplift the economic state of the country. The Philippines has many things to promote in its medical tourism package. Filipino medical practitioners are one of the best educated and trained in Asia. They are not only expert service providers but are also well known to be warm, sincere and caring. Filipinos are fluent in English and medical tourists will not have a problem communicating with their Filipino doctors, nurses or caregivers. The Philippines is also home to world-class hospitals like St.

Lukes Medical Center, Makati Medical Center, Asian Hospital, Medical City and Metropolitan Hospital.

For the Philippines, promoting and advancing our health and wellness sector, especially the medical tourism industry, has at least three important implications: the acceleration of socio-economic development, earnings in foreign exchange, and reversal of the current outward migration orientation. This is an incentive for doctors to stay and lure back our health workers who had international training.

There is urgent need to position the country as a medical tourism destination now. The sooner that this office is established, the sooner we can achieve our goals.

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



JUAN MIGUEL F. ZUBIRI

10 JUL 15 19:42

SENATE

S. No. 1444

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Introduced by Senator JUAN MIGUEL F. ZUBIRI

AN ACT
CREATING THE MEDICAL TOURISM BUREAU WITHIN THE DEPARTMENT OF
TOURISM, DEFINING ITS POWERS AND FUNCTIONS,
AND FOR OTHER PURPOSES

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

1 **Section 1. Declaration of Policy.** – It is hereby declared a policy of the State to
2 promote, encourage and develop its health and wellness sector, in particular the
3 medical tourism industry, as a major national activity in which private sector investment
4 effort and initiative are fostered and supported, and through which socio-economic
5 development may be accelerated, foreign exchange earned, and international and
6 returning Filipino medical tourists offered a choice of special packages of medical
7 services coupled with leisure components.

8 **Section 2. Statement of Objectives.** – This Act seeks to establish at the seat of
9 government a bureau whose task will be to properly and adequately address the needs
10 of foreign tourists as well as Filipino balikbayans and OFWs seeking medical treatment
11 in the country, and of the private sector seeking to provide the services for those needs.

12 **Section 3. Definition of Terms** – For purposes of this Act, the following terms are
13 herein defined:

14 (A) **"Medical Tourism"** – travel to the Philippines for the purpose of availing
15 healthcare services or treatment of illnesses and health problems in order to
16 maintain one's health and well-being (DOT, DOH, PEZA 2006). The
17 concept of this new tourism product is to offer cost-effective medical
18 treatments while showcasing tourist attractions in the Philippines.

19 (B) **"Health and Wellness"** – refers to the sector under which the medical
20 tourism industry falls, covers a wide spectrum of services that promote
21 physical well-being which ranges from holiday packages bundled with

1 everything from spa to cosmetic treatments to cardiovascular surgery; and
2 diagnostic services to rehabilitative care. May be used interchangeably with
3 the term "medical tourism."

4 (C) **"Health care facility"** means any institution, building, or agency or portion
5 thereof, whether public or private (for-profit or nonprofit) that is used,
6 operated, or designed to provide health services, medical treatment, or
7 nursing, rehabilitative, or preventive care to any person or persons. This
8 includes, but is not limited to, ambulatory surgical facilities, health
9 maintenance organizations, home health agencies, hospices, hospitals,
10 infirmaries, intermediate care facilities, kidney treatment centers, long-term
11 care facilities, medical assistance facilities, mental health centers, outpatient
12 facilities, public health centers, rehabilitation facilities, residential treatment
13 facilities, skilled nursing facilities, and adult daycare centers. The term also
14 includes, but is not limited to, the following related property when used for or
15 in connection with the foregoing: laboratories, research facilities,
16 pharmacies, laundry facilities, health personnel training and lodging facilities,
17 and patient, guest, and health personnel food service facilities, and offices
18 and office buildings for persons engaged in health care professions or
19 services.

20 (D) **"Health care provider"** means any person or entity who provides health
21 care services including, but not limited to, hospitals, medical clinics and
22 offices, special care facilities, medical laboratories, physicians, pharmacists,
23 dentists, physician assistants, nurse practitioners, registered and other
24 nurses, paramedics, firefighters who provide emergency medical care,
25 emergency medical or laboratory technicians, and ambulance and
26 emergency medical workers.

27 **Section 4. Creation of the Medical Tourism Bureau** – There is hereby created
28 a Medical Tourism Bureau under the Department of Tourism. The Bureau shall be
29 headed by a Director.

30
31 Within ninety (90) days from the approval of this Act, the Bureau shall draw up the
32 plans, programs and policies to implement the National Medical Tourism Program, and
33 conduct a briefing for all concerned government agencies. The plan shall serve as the
34 framework for the government's medical tourism program.

35
36 **Section 5. Powers and Responsibilities of the Bureau** – The Bureau shall
37 have the following powers and responsibilities, which it shall exercise:

- 1 1. Formulate policies, plans, programs and projects to promote the Medical
2 Tourism industry of the country;
- 3 2. Administer, coordinate and supervise all activities of the government
4 concerning health and wellness;
- 5 3. Advise the Secretary on the promulgation of laws relative to the policy, plans,
6 programs and projects designed to promote and develop the health and
7 wellness sector and medical tourism industry;
- 8 4. Facilitate the simplification of procedures and regulations for the availment of
9 medical services by foreign tourists and returning OFWs and Filipino
10 balikbayans;
- 11 5. Represent the government in all such conferences concerning health and
12 wellness/medical tourism;
- 13 6. Formulate standards for health and wellness/medical tourism-oriented
14 establishments that will prescribe minimum levels of operating quality and
15 efficiency in order to ensure that facilities, personnel and services are
16 maintained in accordance with acceptable local and international norms in the
17 operations of tourism-oriented establishments;
- 18 7. Approve the construction standards of accredited health care facilities with
19 the assistance of the Department of Health;
- 20 8. Approve the construction standards of accredited medical tourism-oriented
21 and –related establishments including hotels, resorts, inns, and other related
22 facilities and services and prescribe information reporting on the purchase,
23 sale or lease of the said establishments and facilities;
- 24 9. Undertake research studies and surveys for the continuing analysis of
25 economic conditions and trends in the global medical tourism field; and
26 maintain a statistical data bank on the health and wellness and medical
27 tourism industry;
- 28 10. Promote the country as a premier Health and Wellness destination through
29 international local expositions, fairs and conferences;
- 30 11. Design products and implement programs to encourage private-sector
31 investment and participation in health and wellness and medical tourism
32 activities and projects;
- 33 12. Monitor and evaluate plans, programs and projects of the Bureau;
- 34 13. Promulgate rules and regulations necessary to carry out the Bureau's
35 objectives, policies and functions;
- 36 14. Analyze specific geographic areas with potential medical tourism value and
37 encourage private sector investment in these areas;

1 15. Enlist the aid, assistance and support of any and all government agencies,
2 civil or military, in the implementation of the laws pertaining to the bureau's
3 rules and regulations;

4 16. Recommend sanctions for criminal liability of those who are in violation of the
5 provisions of this Act or any of its rules and regulations promulgated
6 pertaining to the medical tourism industry;

7 17. Exercise such other powers and functions as may be necessary or incidental
8 to the attainment of its mandate.

9 **Section 6. Structure and Staffing Pattern.** – Within sixty (60) days from
10 approval of this Act, the Secretary of Tourism, upon the recommendation of the Director
11 of the Bureau, shall design and recommend for approval of the President the Bureau's
12 positions, structure and staffing pattern. The positions hereunder created shall be filled
13 with regular appointments.

14 **Section 7. Transitory Provision.** – The functions of the Office of Product
15 Research and Development, or any such office performing the task, pertaining to health
16 and wellness are hereby transferred to the Bureau.

17
18 The functions of the different agencies involved in the Task Force for Health and
19 Wellness pertaining to medical tourism, including the accreditation of facilities, granting
20 of licenses, are also hereby transferred to the Bureau.

21
22 **Section 8. Appropriations.** – The amount necessary for the effective
23 implementation of this Act shall be taken from the current fiscal year's appropriation of
24 the DOT. Thereafter, such sum as may be necessary for the implementation of this Act
25 shall be included in the annual budget of the DOT under the General Appropriations
26 Act.

27
28 **Section 9. Implementing Authority.** – The Secretary of the Department of
29 Tourism shall promulgate the implementing rules and regulations, orders and other
30 issuances as may be necessary to implement and carry out the intent, objectives,
31 purposes and provisions of this Act. .

32
33 **Section 10. Separability Clause.** – If any part, section or provision of this Act is
34 held invalid or unconstitutional, other provisions not affected thereby shall remain in
35 force and effect.

1 **Section 11. Repealing Clause** - All other laws, decrees, orders, issuances, rules
2 and regulations that are inconsistent with the provisions of this Act are hereby repealed,
3 amended or modified accordingly.

4 **Section 12. Effectivity.** – This Act shall take effect fifteen (15) days after its
5 publication in the Official Gazette or in at least two (2) newspapers of general
6 circulation.

7

8 Approved.