

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

10 JUL 26 P6:39

~~RECORDED BY~~

SENATE

S.B. No. 2070

Introduced by Senator EDGARDO J. ANGARA

EXPLANATORY NOTE

Government hospitals, while receiving subsidy from the National Government, cannot utilize their income for the maintenance and other operating expenses (MOOE) and capital outlay of the hospital. Said income is required by law to be remitted to the national treasury.

This practice however, has a debilitating effect on the hospital's capability for expansion and improvement of its services. To address this counter-productive approach, this proposed measure seeks to give more meaning to the autonomy of government hospitals in the area of physical and operational development by granting them the authority to utilize their income for their maintenance and other operating expenses (MOOE) and capital outlay expenditures.

Admittedly, as per special provision No. 6 of the General Appropriations Act (GAA), Department of Health (DOH) hospitals are already authorized to retain their income since 2003. The DOH has again proposed the inclusion of said provision in the 2005 GAA.

Through this proposal, DOH hospitals and all other government hospitals for that matter shall now be granted authority to retain their income permanently, without need of proposing its inclusion in the GAA on a yearly basis.

It is hoped that in making our government hospitals more financially independent, effective and efficient delivery of quality health services to the people will be consistently ensured.

Approval of this bill, therefore, is earnestly sought.


EDGARDO J. ANGARA

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OFFICE OF THE SECRETARY

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AN ACT
AUTHORIZING GOVERNMENT HOSPITALS TO UTILIZE ALL ITS INCOME
FOR HOSPITAL OPERATIONS PARTICULARLY MAINTENANCE AND
OTHER OPERATING EXPENSES (MOOE) AND CAPITAL OUTLAY

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

1 **SECTION 1.** Government hospitals are hereby authorize to utilize their income
2 from pharmacy, fees from in-house services and facilities, including but not limited to
3 laboratory, radiology, operating room and nursery facilities and income derived from
4 non-patient related services such as parking fees, interview fees and tour fees, for the
5 maintenance and other operating expenditures including capital outlay, especially for the
6 acquisition of hospital machineries and equipment.

7
8 **SEC. 2.** Expenditures under this Act shall be subject to existing auditing rules and
9 regulations. In addition, the retained hospitals shall submit quarterly report of income and
10 expenditures to the Department of Health (DOH), while devolved hospitals shall submit
11 the same to the office of the Provincial Governor or the City/Municipal Mayor.

12
13 **SEC. 3.** The DOH, in coordination with the agencies concerned shall formulate
14 the necessary rules and regulations for the effective implementation of this Act within
15 sixty (60) days from its approval.

16
17 **SEC. 4.** If any provision of this Act or an application thereof to any person or
18 circumstance *is* held invalid, the other provisions of this Act, and the application of such
19 provision to other persons or circumstances, shall not be affected thereby. If any
20 provision of this Act is held invalid, any other provision not so affected shall continue to
21 be valid and effective.

22

1 **SEC. 5.** All existing laws, orders, rules and regulations or parts thereof deemed
2 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

3

4 **SEC. 6.** This Act shall take effect fifteen (15) days following the date of its
5 publication in the Official Gazette or in at least two (2) newspapers of general circulation,
6 whichever comes first

7

8 *Approved,*