

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )



'15 AUG 11 P2:00

SENATE  
S. No. 2896

RECEIVED BY: J

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Introduced by Senator Miriam Defensor Santiago

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AN ACT  
CREATING A MEDICINE BANK

EXPLANATORY NOTE

The Constitution, Article 2 provides:

Section 15. The State shall protect and promote the right to health of the people and instill health consciousness among them.

The Constitution, Article 13 likewise provides:

Section 11. 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 the 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.

Section 12. The State shall establish and maintain an effective food and drug regulatory system and undertake appropriate health, manpower development, and research, responsive to the country's health needs and problems.

According to the World Health Organization, about 10 million people—most of them in low- and middle-income countries—die needlessly every year because they do not have access to existing medicines and vaccines. In the Philippines alone, millions of poor people fall sick and die because they lack access to the diagnostics, vaccines, and medicines needed to identify, prevent, or treat debilitating diseases.

This bill aims to improve the poor's access to medicines by establishing a Medicine Bank. The Medicine Bank shall collect donations of pharmaceuticals and

health care supplies and distribute them to Community Health Centers and to various government-owned and operated institutional facilities for dispensing to poor patients in need of live-saving medicines.<sup>1</sup>

  
MIRIAM DEFENSOR SANTIAGO  
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<sup>1</sup> This bill was originally filed in the Fourteenth Congress, Third Regular Session and refiled in the Fifteenth Congress, First Regular Session.

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Office of the Secretary

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AN ACT  
CREATING A MEDICINE BANK

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Medicine Bank Act.”

2 SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State  
3 to protect and promote the right to health of the people. Towards this end, the State shall  
4 adopt an integrated and comprehensive approach to health development which shall  
5 endeavor to make essential goods, health, and other social services available to all the  
6 people at affordable cost. There shall be priority for the needs of the under-privileged,  
7 sick, elderly, disabled, women, and children. The State shall endeavor to provide free  
8 medical care to paupers. The State shall also establish and maintain an effective drug  
9 regulatory system responsive to the country’s health needs and problems.

10 SECTION 3. *Definition of Terms.* – In this Act, the term –

11 (a) “Charitable, religious, or nonprofit organization” means any organization  
12 which is organized and is operating for charitable or religious purposes or to promote  
13 social welfare, and which distributes pharmaceuticals and health care supplies at no cost  
14 to needy persons;

15 (b) “Eligible person” means any eligible person as defined by rules and  
16 regulations to be issued by the Secretary;

1 (c) "Institutional facility" means a government owned and operated: (1)  
2 Hospital; (2) Convalescent home; (3) Nursing home; (4) Extended care facility; (5)  
3 Mental institution; (6) Rehabilitation center; (7) Health maintenance organization; (8)  
4 Psychiatric center; (9) Mental retardation center; (10) Penal institution; or (11) Any other  
5 government-owned organization or facility whose primary purpose is to provide a  
6 physical environment for patients to obtain health care services or at-home care services,  
7 except those places where physicians, dentists, veterinarians, osteopaths, podiatrists, or  
8 other prescribers are duly licensed to engage in exclusively private practice;

9 (d) "Licensed practitioner," for purposes of this Act, means a physician, nurse,  
10 dentist, pharmacist, pharmacy, hospital, or other person licensed, registered, or  
11 otherwise permitted by law, to distribute, dispense, administer, or prescribe in  
12 accordance with law;

13 (e) "Pharmaceutical company" means any company that manufactures  
14 pharmaceuticals and health care supplies or distributes such items;

15 (f) "Pharmaceuticals and health care supplies" means any medicine  
16 prescription or nonprescription, excluding all controlled substances listed under  
17 appropriate laws; or health care supplies such as soap, personal sanitary products, baby  
18 formula, dietary supplement, health care aids such as thermometers, surgical gloves, or  
19 bandages, or any other item which is fit for human consumption or external use, before  
20 the expiration date stamped on the product;

21 (g) "Pharmacist" means an individual licensed to practice pharmacy in the  
22 Philippines;

23 (h) "Pharmacy" means any place in the Philippines where drugs are dispensed  
24 and pharmaceutical care is provided;

25 (i) "Prescription" means an order for medication which is dispensed to or for  
26 an ultimate user, but does not include an order for medication which is dispensed for

1 immediate administration to the ultimate user (e.g. an order to dispense a drug to a  
2 bed patient for immediate administration in a hospital is not a prescription) and as  
3 defined by law.

4 (j) "Secretary" means the Secretary of Health. The Secretary shall also serve  
5 as the Medicine Bank Director or if he or she is unable to do so, he or she shall authorize  
6 a licensed pharmacist or another individual with the qualifications and knowledge of  
7 receiving, distributing, or storing pharmaceuticals, to administer the Medicine Bank;

8 SECTION 4. *Creation of a Medicine Bank.* – There is hereby created within the  
9 Department of Health a "Medicine Bank."

10 (a) The purpose of the Medicine Bank is to collect donations of  
11 pharmaceuticals and health care supplies and distribute them to Community Health  
12 Centers and to various institutional facilities that are government owned and operated for  
13 distribution by the Community Health Centers and these institutional facilities and  
14 for dispensing to eligible individuals in need as defined pursuant to this Act.

15 (b) The Medicine Bank is an agent for collection and distribution of such  
16 donations to Community Health Centers and other government owned institutional  
17 facilities as defined in this Act, but not for purposes of filling individual prescriptions for  
18 eligible persons. These donations have no actual cash value and cannot be considered  
19 a liquid asset or inventory. Thus, circumstances affecting the Medicine Bank may  
20 necessitate the charging of administrative fees for the distribution of materials.  
21 The Secretary shall determine the fee amount necessary to ensure the continuance  
22 of the Medicine Bank and shall promulgate these rules and regulations within  
23 ninety (90) days after the enactment of this Act. The Secretary shall assess these  
24 fees onto the receiving entities requesting for medicines and supplies and not to eligible  
25 individuals. Government institutional facilities, as defined in this Act, and any other

1 entity receiving medicines and supplies from the Medicine Bank shall not charge or pass  
2 the cost of these medicines and supplies onto the eligible individual(s).

3 (c) The Medicine Bank shall ensure that all material, including prescription  
4 drugs, non-prescription drugs, over-the-counter drugs, medical supplies, and other items  
5 shall be identified, dated, and transported to the Medicine Bank. Upon receipt by the  
6 Medicine Bank, all medicines and materials will be examined and inspected carefully by  
7 the Secretary, or his or her lawful designee, as the Medicine Bank Director, before  
8 further distribution to the Community Health Centers or to the various institutional  
9 facilities that are government owned and operated for the lawful dispensing by these  
10 institutional facilities to eligible individuals.

11 (d) The Medicine Bank shall ensure that each incoming delivery of prescription  
12 drugs and other medicines and materials shall be examined to ensure that factory seals are  
13 intact. Products that are found to be damaged, outdated, deteriorated, misbranded,  
14 or adulterated, shall be isolated until they can be discarded in accordance with law or  
15 department guidelines.

16 (e) The Medicine Bank shall ensure that all donated medications will be  
17 labeled as required by law. No medication which has been previously dispensed by a  
18 practitioner to a private citizen will be accepted. Materials received which are not  
19 prescription medicines such as over-the-counter medicines, home health equipment,  
20 medical supplies, and any other items, shall also be carefully inspected upon receipt.  
21 They must be judged fit for use before being distributed or will be properly disposed of in  
22 accordance with law. The Secretary shall promulgate rules and regulations and guidelines  
23 he or she deems necessary and appropriate to minimize government liability for  
24 distribution of medical equipment. Such rules and regulations may require that medical  
25 equipment and supplies are received with the proper and correct operating manual,  
26 documentation of maintenance history associated with the equipment. In the instances in

1 which the equipment is new or never used, the Medicine Bank may require that factory  
2 information be provided. Proper rules and regulations should be established to ensure  
3 that the government and the Medicine Bank shall not be held liable for problems that  
4 arise from the use or operation of these items.

5 (f) The Medicine Bank Director shall ensure that the rooms where the  
6 Medicine Bank storage is located shall be secure from unauthorized entry. The Medicine  
7 Bank storage rooms are to be entered through a locked door, and keys are to be held only  
8 by the Pharmacy Staff and the Medicine Bank Director. The area must be well-lighted  
9 and the building must be locked and guarded by security personnel at all times. No  
10 controlled substances will be handled by the Medicine Bank. No clients or patients or  
11 eligible individuals will come to, or receive donated medicines or materials directly from  
12 the Medicine Bank. Dispensing of medicines and supplies received from the Medicine  
13 Bank will take place only at Community Health Centers or mobile health units, or the  
14 various institutional facilities that are government owned and operated as defined  
15 under this Act for the lawful dispensing by these institutional facilities to eligible  
16 individuals, and where the pharmaceuticals will be dispensed by licensed practitioners.

17 (g) All drugs, including prescription drugs without special storage  
18 requirements, shall be stored according to rules and regulations, or in accordance with  
19 accepted standards regarding conditions and temperatures for the storage of drugs.

20 (h) Careful inventory of all donated pharmaceuticals and other materials shall  
21 be maintained and updated, as necessary, upon receipt and distribution. Medicines, and  
22 other pharmaceutical supplies and equipment leaving the Medicine Bank shall be double-  
23 checked for damage and proper identity. Because medications are donated to the  
24 Medicine Bank by many sources, including local doctors' offices, pharmacies,  
25 religious and charitable organizations, the Medicine Bank shall ensure that upon receipt,  
26 each medication will be added to the inventory list with the name and address of

1 the donor, date of donation, name of medication, strength, lot number, quantity, and  
2 expiration date. Full inventories of available medications shall be made available to the  
3 Community Health Centers and the various institutional facilities that are government  
4 owned and operated on a regular basis. Community Health Centers and the various  
5 institutional facilities that are government owned and operated shall then place orders  
6 with the Medicine Bank for the medicines available at that time. The Medicine Bank  
7 shall generate a dated record of each distribution to each health center or institutional  
8 facility. Oldest stock shall be distributed first. Older drugs shall be rotated to the front of  
9 the shelf as new drugs of the same type are received.

10 As distributions of medicine are made to each participating site, receiving staff  
11 shall check the distribution against a packing list, sign and fax the list back to the  
12 Medicine Bank Director. Medicines shall be dispensed by licensed practitioners at the  
13 receiving sites.

14 Medications close to expiration shall be distributed only if the  
15 requesting health center or institutional facility assures the Medicine Bank staff that the  
16 medications are for immediate dispensing and shall be consumed by the patient prior  
17 to the expiration date. All outdated drugs shall be isolated from other drugs and disposed  
18 of according to applicable laws or regulations. The inventory record for all outdated  
19 drugs shall note the disposal or return to manufacturer of each item, and such records  
20 shall be maintained for five (5) years as required by law.

21 The Secretary, or his or her designee, the Medicine Bank Director, and the  
22 appropriate staff, shall conduct a physical inventory several times a year and reconcile  
23 this with computer inventory records. If a discrepancy is found between the physical and  
24 computer inventories, the physical count is definitive. At such times, the computer count  
25 may be adjusted to reflect the true count. A list of changes to the computer inventory  
26 shall be kept and periodically reviewed. Special attention shall be paid to instances when



1 the same item repeatedly appears to be short, when only expensive items appear to be  
2 missing, where inventory consistently indicates shortages more than overages, or when a  
3 pattern of discrepancy emerges at particular times or when particular staff are on duty. At  
4 these times, an investigation shall be conducted by the Medicine Bank Director with the  
5 assistance of the National Bureau of Investigation.

6 (i) The Medicine Bank shall comply promptly with all recalls and  
7 withdrawals of prescription drugs and over-the-counter drugs. Notices of recall or  
8 withdrawal of prescription drugs and over the counter drugs are periodically issued by the  
9 Department of Health, other government or local government agencies, and  
10 manufacturers. Additionally, notices of any action undertaken to protect public health  
11 and safety, may also be issued by responsible parties. When these notices are  
12 received by the Community Health Centers, the various institutional facilities that are  
13 government owned and operated, or the Department of Health, the Pharmacist shall  
14 immediately notify the Director of the Medicine Bank, and any affected medicines or  
15 other items shall be immediately removed from the inventory and destroyed or returned  
16 to the supplier. In addition, the Medicine Bank shall notify the health centers and the  
17 various government institutional facilities that may have received such  
18 pharmaceutical or other items from the Medicine Bank, that such pharmaceutical or item  
19 is the subject of a recall or withdrawal.

20 (j) The Medicine Bank shall follow disaster plans that are in place for the  
21 Department of Health or other government agencies. These complete disaster plans shall  
22 be made available for review in the Medicine Bank Pharmacy and shall be carefully  
23 followed in the event of an emergency. In addition, the Medicine Bank shall develop and  
24 implement special procedures which will address the security of the drugs and  
25 pharmaceuticals stored in the Medicine Bank.

1           Should a crisis occur when the Medicine Bank is closed and no personnel  
2 are on duty, the Medicine Bank Pharmacist shall be notified immediately by the  
3 Medicine Bank staff or Department of Health officials. The Medicine Bank Director  
4 shall also be notified immediately. Either or both of these people shall go to the  
5 Medicine Bank promptly to assess the damage.

6           If there is physical damage that compromises the integrity of the room in which  
7 drugs are stored, all drugs shall be immediately removed and relocated to a secure  
8 place. If the room appears to continue to be safe, secure and clean, the Medicine Bank  
9 shall remain where it is.

10          If the crisis causes the temperature to exceed, or go below permitted levels, all  
11 drugs shall be discarded. Likewise, all medication damaged by water or fire shall be  
12 discarded. Any container, which appears to be damaged in any way, shall be discarded.  
13 All medications discarded shall be disposed of properly.

14          (k)    The Medicine Bank office shall establish and maintain a current list of all  
15 persons responsible for the distribution, storage and handling of prescription drugs.

16          A current list of responsible persons, including the Medicine Bank Pharmacist, the  
17 Medicine Bank Director, and any other necessary persons shall be maintained by the  
18 Medicine Bank, including a description of each person's duties with regard to the  
19 Medicine Bank, as well as a brief summary of each person's qualifications. This  
20 list shall be available for review at all times.

21          SECTION 5. *Exceptions to Liability.* – (a) A charitable, religious, or nonprofit  
22 organization which in good faith receives pharmaceuticals or health care supplies fit  
23 for human consumption or external use, and donates them at no charge to the Medicine  
24 Bank, shall not be liable for any civil damages or criminal penalties resulting from  
25 the use of the pharmaceuticals or health care supplies distributed or dispensed to

1 eligible persons unless an injury or illness results to those eligible persons as a result of  
2 that organization's gross negligence or wanton acts or omissions

3 (b) Any pharmacy, wholesale prescription drug distributor, pharmaceutical  
4 company, institutional facility, or practitioner that in good faith provides pharmaceuticals  
5 and health care supplies to the Medicine Bank without remuneration or expectation of  
6 remuneration, shall be exempt from civil liability for injuries and damages resulting  
7 from their acts or omissions in providing pharmaceuticals and health care supplies,  
8 except for gross negligence, or wanton acts or omissions on the part of the pharmacy,  
9 wholesale prescription drug distributor, pharmaceutical company, institutional  
10 facility, or practitioner.

11 (c) Any donated or previously dispensed prescription drug:

12 (1) Shall be in its dispensed, unopened, tamper-evident single user unit;

13 (2) Shall have remained at all times in the control of a person trained  
14 and certified by law, rule, or regulation in the storage and administration of drugs  
15 in institutional facilities;

16 (3) Shall not have been adulterated, misbranded, or stored under  
17 conditions contrary to standards established by law, rule, or regulation or the  
18 product manufacturer; and

19 (4) Shall be used before the expiration date on the unit.

20 (d) This section shall not relieve any organization from any other duty imposed  
21 upon it by law for the inspection of donated pharmaceuticals or health care supplies,  
22 or for any provisions regarding the handling of those products, or relieve any health care  
23 provider from liability arising out of the prescription of such pharmaceuticals or  
24 health care supplies.

1           SECTION 6. *Prohibition on Sale of Donated Pharmaceuticals or Health Care*  
2 *Supplies.* – (a) Other than the Medicine Bank, no person or organization shall sell, or  
3 offer for sale, any pharmaceutical or health care supply donated or distributed by  
4 the Medicine Bank under this Act.

5           (b) Any person who violates this section shall be punished by imprisonment of  
6 one (1) year and a fine of ten thousand pesos (₱10,000.00).

7           SECTION 7. *Labeling of Donated Pharmaceuticals or Health Care Supplies.* –  
8 Any charitable, religious, or nonprofit organization which receives and distributes  
9 donated pharmaceuticals or health care supplies pursuant to this Act shall affix a label  
10 upon those items stating that the items are donated and are not for resale and  
11 stating that they are fit for human consumption or use on the date that they left  
12 control of the charitable, religious, or nonprofit organization.

13           SECTION 8. *Implementing Rules and Regulations.* – The Secretary of Health shall  
14 issue the necessary rules and regulations to carry out the objectives of this Act.

15           SECTION 9. *Separability Clause.* – If any provision of this Act is held invalid or  
16 unconstitutional, the same shall not affect the validity and effectivity of the other  
17 provisions hereof.

18           SECTION 10. *Repealing Clause.* – All laws, decrees, orders, and issuances, or  
19 portions thereof, which are inconsistent with the provisions of this Act, are hereby  
20 repealed, amended or modified accordingly.

1           SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days  
2 after its publication in the *Official Gazette* or in two (2) newspapers of general  
3 circulation.

Approved,

/tmdp7Aug2015