

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



15 AUG 19 P2 31

SENATE
S. No. 2908

RECEIVED BY: *J.*

Introduced by Senator Miriam Defensor Santiago

AN ACT
TO PROVIDE FOR THE PUBLIC DISCLOSURE OF PRICES FOR HOSPITAL AND
AMBULATORY SURGICAL CENTER PROCEDURES AND DRUGS

EXPLANATORY NOTE

The Constitution, Article 2, Section 15, provides:

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

Today, seeking medical care in one's lifetime is almost to be expected. According to the latest figures culled by the Department of Health, the five leading causes of mortality in the year 2000 were: (1) diseases of the heart; (2) diseases of the vascular system; (3) malignant neoplasms; (4) pneumonia; and (5) accidents.

Treatment of such diseases or conditions would not be possible with home remedies, but would necessitate professional medical care. If there are several medical centers that provide such health care, the choice of which one to go to should belong to the patient. However, in order for such patients to make rational decisions, access to reliable and adequate information is key. Such information should include the financial costs involved in the treatment of these conditions.

Given the rising costs of medical care, a more comprehensive estimate of the financial cost of such treatment would help prepare patients or family members for the financial burden. This information is not readily available at present. Hence, this bill seeks to provide the public with a full disclosure of prices for hospital and ambulatory surgical center procedures and drugs. This information should include rates of both

private and public hospitals; otherwise, it would not give the patient a complete list of options available in the country.

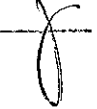
As the government agency mandated to ensure the protection of the public's health, it is only appropriate that the Department of Health be tasked with the responsibility of relaying this information to the public. The DOH is the principal health agency in the Philippines. It is responsible for ensuring access to basic health services to all Filipinos through the provision of quality health care and the regulation of providers of health goods and services. It is, therefore, incumbent upon this agency to make certain that all hospitals and clinics that offer their medical services to the public make full disclosure of information vital for health care planning.¹


MIRIAM DEFENSOR SANTIAGO
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¹ This bill was originally filed in the Fifteenth Congress, First Regular Session.

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*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 “Hospital Price
2 Disclosure Act”.

3 SECTION 2. *Declaration of Policy.* – It is the policy of the State to protect and
4 promote the right to health of the people and instill health consciousness among them.

5 SECTION 3. *Definition of Terms.* – For purposes of this Act, the terms:

6 A. “Ambulatory Surgical Center” shall refer to a public or private
7 medical-surgery establishment with an on-site organized medical staff
8 of physicians and a permanent facility with 16 operating room
9 equipment which does not provide services or accommodations for
10 patients to stay overnight;

11 B. “DOH” shall refer to the Department of Health;

12 C. “Hospital” shall refer to a facility licensed to provide care and
13 treatment for sick or injured patients, primarily while they are acutely
14 ill or chronically ill. It must have facilities for diagnostic treatment and

1 major surgery and maintains permanent and full-time facilities for the
2 care of overnight resident bed patients under the supervision of one or
3 more licensed physicians; and

4 D. "Secretary" shall refer to the Secretary of the Department of Health.

5 SECTION 4. *Data Reporting by Hospitals and Ambulatory Surgical Centers and*
6 *Public Posting.* –

7 A. *Quarterly Reporting Requirement.* – Beginning one (1) year from the
8 enactment of this law, hospitals shall report to the Secretary, not later
9 than forty-five (45) days after the end of each calendar quarter, for each
10 procedure or drug selected under Subsection (B) of this Section, and
11 ambulatory surgical centers shall report to the Secretary, for each
12 procedure selected under Section 5, the following data:

13 1. The frequency with which the hospital performed the procedure,
14 or administered the drug in an inpatient setting, or the center
15 performed the procedure during such quarter;

16 2. If the procedure was performed or the drug was so administered
17 during such quarter, the average and the median of the price
18 charged by the hospital or center for such procedure or drug
19 during such quarter;

20 B. *Selection of Procedures and Drugs.* – Based on national data, the
21 Secretary shall select the following:

- 1 1. The twenty-five (25) most frequently performed hospital
2 inpatient procedures;
- 3 2. The twenty-five (25) most frequently performed hospital
4 outpatient procedures; and
- 5 3. The fifty (50) most frequently administered drugs in a hospital
6 inpatient setting.

7 The Secretary shall periodically update the procedures and drugs
8 selected.

9 SECTION 5. *Administrative Provisions.* –

10 A. *Classification of Procedures.* – For the purpose of Section 4, the
11 Secretary shall establish rules for the classification of different medical
12 procedures and for the assignment of items and services to these
13 procedures;

14 B. *Computation of Average and Median Prices.* – For purposes of Section
15 4, the computation of an average and median price for a procedure or
16 drug shall be in accordance with a methodology prescribed by the
17 Secretary. Such methodology may provide for reporting by the hospital
18 or ambulatory surgical center of unit prices for specific items and
19 service included in a procedure, including appropriate per diem prices,
20 and a method of converting such unit prices for a procedure to an
21 average and median price for such procedure.

1 C. *Form of Report and Notice.* – The Secretary shall specify the
2 electronic form and manner by which a hospital or ambulatory surgical
3 center shall report data under Section 4 and the form for posting of
4 notices under Section 5 (B).

5 SECTION 6. *Public Availability of Data.* –

6 A. *Public posting of data.* – The Secretary shall promptly post, on the
7 official website of the Department of Health the data reported under
8 Section 4. Such data shall be set forth in a manner that promotes price
9 comparison among hospitals and ambulatory surgical centers.

10 B. *Notice of availability.* – A hospital and ambulatory surgical center
11 shall prominently post at each admission site of the hospital or center a
12 notice of the availability of the data reported under Section 4 on the
13 official public web site of the Department of Health.

14 SECTION 7. *Penalty.* – Any hospital or ambulatory surgical center who fails to
15 comply with the provisions of this Act shall suffer a fine of not more than Ten Thousand
16 Pesos (₱10,000).

17 SECTION 8. *Appropriation.* – To carry out the provisions of this Act, such
18 amount as may be necessary is hereby authorized to be appropriated from the National
19 Treasury. Thereafter, the amount necessary for the continuous operation of the Public
20 Disclosure Program shall be included in the annual appropriation of the DOH.

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

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

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

Approved,

/aml 2015