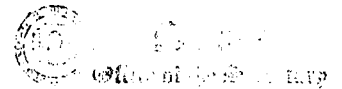


**SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)**



'18 MAY 29 P 6 :25

**SENATE
S. B. No. 1837**

REC'D _____

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

**AN ACT
STRENGTHENING THE REGULATION OF HEALTH FACILITIES IN THE
PHILIPPINES, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226,
OTHERWISE KNOWN AS THE HOSPITAL LICENSURE ACT, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

To complement the DOH's program of upgrading existing government health facilities to ensure quality and affordable health services for all, there is a need to streamline the regulation of health facilities so that a single agency will have the responsibility of promulgating rules, regulations, standards, requirements and specifications in the establishment, construction and operation of health facilities in the Philippines.

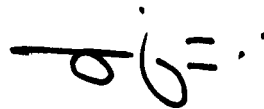
The Philippines is an archipelagic state, and we recognize that healthcare facilities should be accessible for all, regardless of their distance from the National Capital Region. As such, regulation of health facilities throughout the country has been difficult for the government. Hence, there is a pressing need to prioritize the establishment of an agency that would manage, harmonize, and strengthen existing policies and programs to regulate all health facilities.

This proposed measure seeks to establish a Regulatory Bureau for Health Facilities which shall act as the regulatory agency of the Department of Health pertaining to the licensing and operation of all health facilities in the country. The

Regulatory Bureau will have the sole authority to grant a license to operate, and to suspend or revoke the same if the health facility is found, during inspection or monitoring, to have committed gross violations of the standards or rules and regulations. The Regulatory Bureau shall also have the power to approve construction, renovation or expansion of the health facilities.

It is hoped that this measure will help bring appropriate, responsive, and affordable health care facilities to Filipinos all over the country.

In view of the foregoing, the immediate enactment of this measure is sought.



SENATOR JOSEPH VICTOR G. EJERCITO



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

1 **Section 1. Short Title.** – This Act shall be known as the “**Health Facilities**
2 **Regulation Act of 2018**”.

3 **Section 2. Definitions.** – As used in this Act:

4 a) *Health facilities* refer to institutions, whether stationary or mobile, land based
5 or otherwise, that provides healthcare and other health-related establishments
6 which provide diagnostics, therapeutic, rehabilitative, palliative and/or related
7 health care services except medical radiation facilities and hospital pharmacies;

8 b) *License* refers to a formal authorization issued by the Department of Health
9 (DOH) to an individual, partnership, corporation or association to operate a
10 health facility or service. It is a prerequisite for accreditation of a health facility
11 or service by any accrediting body that is recognized by the DOH; and

12 c) *Licensee* refers to the person, partnership, corporation or association granted
13 a license to operate and maintain a health facility or service according to an
14 approved standard set by the Bureau.

15 **Section 3. Regulating Agency.** – The Regulatory Bureau for Health Facilities
16 shall act as the regulatory agency of the Department of Health pertaining to the

1 licensing and operation of all health facilities in the country.

2 **Section 4. Powers and Functions.** – The Bureau shall have the following
3 powers and functions:

- 4 a) To promulgate, establish and prescribe rules, regulations, standards,
5 requirements and specifications in the establishment, construction and
6 operation of health facilities in the Philippines; and to provide
7 penalties/sanctions for violations of such;
- 8 b) To inspect and monitor all health facilities to ensure their continued compliance
9 with the rules and regulations in accordance with this Act;
- 10 c) To grant a license to operate for the operation and maintenance of health
11 facilities, and to suspend or revoke the same in accordance with the provisions
12 of this Act;
- 13 d) To study and adopt a system of identifying and classifying health facilities in
14 the Philippines which shall be the subject of regulations and shall be covered
15 by this Act;
- 16 e) To approve the Certificate of Need for the establishment of new health facilities
- 17 f) To grant permit to construct for the construction designs and plans for all health
18 facilities including renovation or expansion of the same;
- 19 g) To provide consultative and advisory services relative to the establishment and
20 construction of health facilities;
- 21 h) To determine, levy, assess and collect the appropriate permit fee, registration
22 fee, license fee and surcharges pertinent to the operation of facilities except in
23 cases where charges or rate are established by international bodies or
24 associations of which the Philippines is a participating member or by bodies
25 recognized by the Philippine government as the proper arbiter of such charges
26 or rates;
- 27 i) To coordinate and call the assistance of any department, office, agency or
28 instrumentality of the national or local government and other entities concerned
29 with any aspect involving health facilities for the effective implementation of
30 this Act;

- 1 j) To issue cease and desist orders or closure orders immediately to any health
2 facility operating without valid license or preventively suspend health facilities
3 found during inspection or monitoring to have committed gross violations of
4 the standards or rules and regulations;
- 5 k) To hire and train competent individuals and provide qualifications of personnel
6 to be designated as regulatory officers;
- 7 l) To maintain a registry of all regulated health facilities indicating the name of
8 the facility, address or location, classification, name of the director or
9 administrator, ownership, number of authorized beds (if applicable) and such
10 other pertinent data as may be necessary;
- 11 m) To submit yearly reports to the Secretary of Health, and the Chairpersons of
12 the Committees on Health of both Houses of Congress; and
- 13
14 n) Perform such other functions necessary to carry out the duties prescribed under
15 this Act.

16 **Section 5. Quasi-Judicial Powers.** – To carry out its tasks more effectively, the
17 Bureau shall be vested with the following quasi-judicial powers:

- 18 a) To investigate, hear and decide administrative cases initiated by the Bureau or
19 filed by any person against a health facility violating any provision of this Act
20 and its implementing rules and regulations and to impose appropriate
21 administrative sanctions or penalties provided in this Act;
- 22 b) To promulgate rules governing the conduct of administrative hearings:
23 *Provided, That in such proceedings, the Bureau shall not be bound by the*
24 *technical rules of evidence of the Rules of Court: Provided, further, That the*
25 *latter may be applied in a suppletory manner;*
- 26 c) To administer oaths and affirmations, and to issue subpoena duces tecum and
27 ad testificandum, requiring the production of such books, contracts,
28 correspondence, records, statement of accounts and other documents and the
29 attendance and testimony of parties and witnesses, as may be material to the
30 investigation being conducted by the Bureau;
- 31 d) To exercise contempt powers and impose appropriate penalties;
- 32 e) To cause the prosecution of all cases involving violations of this Act and its
33 implementing rules and regulations; and

1 f) To summarily order the closure of health facilities operating without a license.

2 **Section 6. Organizational Structure.** - The Bureau shall organize its divisions
3 and units to carry out its basic functions:

4 a) Conduct inspection of health facilities to determine compliance to standards
5 and technical requirements, prior to issuance of the license.

6 b) Monitor continuous compliance of health facilities and services and shall
7 conduct surveillance on unlicensed health facilities and services.

8 c) Set standards, technical requirements and specifications for regulation of health
9 facilities and services.

10 d) Collect and analyze data submitted through reports from health facilities.
11

12 e) Conduct investigation on the complaints against health facilities and facilitate
13 the closure and suspension of health facilities and services.

14 f) Provide advocacy and technical assistance to the clients and stakeholders.

15 The Bureau shall also organize regulatory offices at the regional level, as line
16 agencies, independent of the DOH Regional Offices.

17 The Secretary of Health shall hire additional personnel in order that the Bureau
18 can carry out its functions and duties. The head of the Bureau shall make the
19 necessary recommendations to the Secretary of Health for the number and
20 competency of the additional personnel to be hired.

21 **Section 7. Construction Design of Health Facilities.** – The Bureau shall
22 review and approve the planning design and construction of health facilities to be
23 constructed and/or will undergo renovation or expansion.

24 An application for the construction design of a health facility shall be submitted
25 to the Bureau in a form prescribed by the latter and accompanied by a plan of the
26 facility proposed to be constructed. The approved construction design and plan issued
27 by the Bureau shall be a prerequisite for the issuance of a building permit by the
28 official of the municipality or city where the facility is proposed to be constructed.

29 **Section 8. Application, Inspection, and Issuance of License to Operate**
30 **(LTO).** – All health facilities shall be duly licensed by the Bureau before such facilities
31 are allowed to operate or be opened to the public.

1 An application of a health facility for the issuance of a License to Operate,
2 including its medical ancillary services, shall be filed with the Bureau or its Regional
3 office using the prescribed forms.

4 The LTO shall be issued upon due compliance of the applicant with the rules
5 and regulations prescribed by the Bureau pursuant to the provisions of this Act:
6 *Provided*, That the Bureau has conducted a comprehensive on-site inspection and has
7 certified that the applicant has satisfactorily complied with the requisites prescribed in
8 this Act and its implementing rules and regulations (IRR) *Provided further*, That an
9 applicant shall also gain the approval of the FDA for its pharmacy and/or medical
10 radiation facility.

11 Upon issuance of the LTO, the health facility shall be included the in the
12 Bureau's registry and in the National Health Facility Registry of DOH.

13 **Section 9. *Validity and Renewal of License.*** – The initial license to operate
14 and maintain a health facility shall be valid for a period prescribed by the Bureau for
15 the type of facility licensed and shall be renewed regularly, subject to the rules and
16 regulations to be issued by the Bureau.

17 **Section 10. *Penalties.*** - Any person, partnership, association or corporation
18 who establishes, operates, conducts, manages or maintains a health facility within the
19 meaning of this Act without first obtaining a license, or violates any provision of this
20 Act or its IRR shall be liable to a fine of not less than Fifty thousand pesos (P50,000.00)
21 but not to exceed One hundred thousand pesos (P100,000.00) for the first offense,
22 not less than One hundred thousand pesos (P100,000.00) but not to exceed Five
23 hundred thousand pesos (P500,000.00) for (the second offense, and not less than
24 Five hundred thousand pesos (P500,000.00) but not to exceed One million pesos
25 (P1,000,000.00) for the third and subsequent offenses. Each day that the health
26 facility or service operates after the first violation shall be considered a subsequent
27 offense.

28 In addition to the penalties specified in the preceding paragraph, the Bureau
29 may summarily order the closure of any health facility found operating without a
30 license, or revoke the license to operate of any health facility after due process.
31 Facilities may only re-apply for a new LTO one year after revocation of its license.

32 **Section 11. *Authority to Use Income / Appropriations.*** – The current
33 DOH appropriations under the General Appropriations Act (GAA) shall be used to carry
34 out the initial implementation of this Act. Thereafter, such sums as may be necessary
35 for the continued implementation of this Act shall be included in the succeeding

1 General Appropriations Act.

2 Likewise, the Bureau is authorized to use fifty (50 %) of the income generated
3 for upgrading of its services and facilities, human resource development, other
4 logistics such as vehicles, and for support to any of its personnel in cases of legal
5 action. This shall be subject to the usual accounting and auditing rules and regulations.

6 **Section 12. Implementing Rules and Regulations.** - The Secretary of
7 Health, upon the recommendation of the Bureau after consultation with recognized
8 health facilities and associations, shall issue the necessary rules and regulations for its
9 effective implementation within ninety (90) days upon the effectivity of this Act.

10 **Section 13. Separability Clause.** - If any part or provision of this Act shall
11 be held unconstitutional or invalid, other provisions hereof which are not affected shall
12 continue to be in full force and effect.

13 **Section 14. Repealing Clause.** - Republic Act No. 4226, otherwise known as
14 the Hospital Licensure Act, is hereby repealed. Presidential decrees, executive orders,
15 rules and regulations and other issuances or parts thereof, which are inconsistent with
16 the provisions of this Act are hereby repealed, amended or modified accordingly.

17 **Section 15. Effectivity.** - This Act shall take effect fifteen (15) days after its
18 publication in the *Official Gazette* or in two (2) newspaper of general circulation.

Approved,