

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

\*18 NOV 12 P 4:35

**SENATE**  
**S.B. NO. 2086**

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Introduced by Senator Maria Lourdes Nancy S. Binay

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

EXPLANATORY NOTE

Article II, Section 15 of the 1987 Philippine Constitution provides:

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

Health facilities play an important role in ensuring that the life and health of every Filipino is safely guarded and nurtured making it possible to prevent, cure and rehabilitate illnesses and provide guaranteed health care services. It is essential that health facilities reach a standard of effectiveness and that they deliver quality health services.

The proposed bill seeks to strengthen the regulation of health facilities and services by authorizing the Bureau of Health Facilities and Services (BHFS) of the Department of Health to:

- Establish and prescribe rules, regulations, standards and specifications
- Inspect and monitor all health facilities and other related facilities to ensure compliance with rules and regulations
- Study and adopt a system classifying health facilities

- Approve construction designs and plans
- Provide consultative and advisory services
- Determine, assess, and collect fees
- Coordinate and call assistance
- Maintain a register of health facilities

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

  
MARIA LOURDES NANCY S. BINAY  
Senator



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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.”  
3

4 Sec. 2. *Definition of Terms.* – As used in this Act, the terms:

5 (a) “Health facilities” refer to institutions and other health-related  
6 establishments which provide diagnostics, therapeutic,  
7 rehabilitative, and/or other health care services except medical  
8 radiation facilities and hospital pharmacies;

9 (b) “License” refers to a formal authorization issued by the  
10 Department of Health (DOH) to an individual, partnership,  
11 corporation or association to operate a hospital and other  
12 health facilities. It is a prerequisite for accreditation of a  
13 hospital and other health facilities by any accrediting body  
14 that is recognized by the DOH; and

15 (c) “Licensee” refers to the person, partnership, corporation or  
16 association granted a license to operate and maintain a health  
17 facility according to an approved standard set by the Bureau.

1            *Sec. 3. Regulating Agency.* – The Health Facilities and Services Regulatory  
2 Bureau (HFSRB) shall act as the regulatory agency pertaining to the licensing  
3 and operation of health facilities and services in the country.

4  
5            *Sec. 4. Powers and Functions.* – The HFSRB shall have the following  
6 powers and functions:

- 7            (a) To establish and prescribe rules, regulations, standards and  
8 specifications in all cases related to the issued certificate of  
9 license of health facilities and other related facilities and  
10 administer and enforce the same;
- 11            (b) To inspect and monitor all health facilities and other related  
12 facilities to ensure their continued compliance with the rules  
13 and regulations in accordance with this Act and to make  
14 recommendations to directors or administrators of health  
15 facilities for the correction of deficiencies found during the  
16 inspections;
- 17            (c) To study and adopt a system of classifying health facilities and  
18 other related facilities in the Philippines;
- 19            (d) To approve construction designs and plans for health facilities,  
20 government or private, including renovation or expansion of  
21 the same in accordance with the provisions of this Act;
- 22            (e) To provide consultative and advisory services relative to the  
23 establishment and construction of health facilities and other  
24 related facilities;
- 25            (f) To determine, levy, assess and collect the appropriate permit  
26 fee, registration fee, license fee and surcharges pertinent to  
27 the operation of facilities and services except in cases where  
28 charges or rate are established by international bodies or  
29 associations of which the Philippines is a participating member

1 or by bodies recognized by the Philippine government as the  
2 proper arbiter of such charges or rates;

3 (g) To coordinate and call the assistance of any department,  
4 office, agency or instrumentality of the national or local  
5 government and other entities concerned with any aspect  
6 involving health facilities for the effective implementation of  
7 this Act;

8 (h) To maintain a register of health facilities and other related  
9 facilities with licenses indicating the name of the facility,  
10 address or location, classification, name of the director or  
11 administrator, ownership, number of authorized beds and  
12 such other pertinent data as may be necessary;

13 (i) To promulgate and implement the rules and regulations  
14 governing the registration, licensure and operations of health  
15 facilities and other related facilities and to periodically review  
16 and amend the same, subject to the approval of the Secretary  
17 and in consultation with the sectors concerned: *Provided, That*  
18 such rules and regulations shall be in accordance with the  
19 provisions of this Act;

20 (j) To grant a certificate of license for the operation and  
21 maintenance of health facilities and services, and to suspend  
22 or revoke the same in accordance with the provisions of this  
23 Act;

24 (k) To submit yearly reports to the Secretary of Health, and the  
25 Chairpersons of the Committees on Health of both Houses of  
26 Congress; and

27 (l) Perform such other functions as may be prescribed by law.  
28

29 Sec. 5. *Quasi-Judicial Powers.* – To carry out its tasks more effectively, the  
30 HFSRB shall be vested with the following quasi-judicial powers:

- 1 (a) To investigate, hear and decide administrative cases initiated  
2 by the HFSRB or filed by any person against a hospital or  
3 health service establishment violating any provision of this Act  
4 and its implementing rules and regulations and to impose  
5 appropriate administrative sanctions or penalties as provide in  
6 this Act: *Provided*, That the health facility concerned shall be  
7 accorded due process by allowing it to be present at all  
8 hearing and to present its side;
- 9 (b) To promulgate rules governing the conduct of administrative  
10 hearings: *Provided*, That in such proceedings, the HFSRB shall  
11 not be bound by the technical rules of evident of the Rules of  
12 Court: *Provided, further*, That the latter may be applied in a  
13 suppletory manner;
- 14 (c) To administer oaths and affirmations, and to issue subpoena  
15 *duces tecum* and *ad testificandum*, requiring the production of  
16 such books, contracts, correspondence, records, statement of  
17 accounts and other documents and the attendance and  
18 testimony of parties and witnesses, as may be material to the  
19 investigation being conducted by the HFSRB;
- 20 (d) To exercise contempt powers and impose appropriate  
21 penalties which shall not include physical detention nor  
22 suspension of the right to operate as health facility;
- 23 (e) To cause the prosecution of all cases involving violations of  
24 this Act and its implementing rules and regulations; and
- 25 (f) To summarily order the closure of health facilities and other  
26 related facilities operating without a license.

27  
28 *Sec. 6. Registration and License.* – All health facilities and other related  
29 facilities, government or private, shall be registered and duly licensed by the

1 HFSRB before such facilities are allowed to be operated or be opened to the  
2 public.

3  
4 *Sec. 7. Construction Design.* – The HFSRB shall review and approve the  
5 planning design and construction of government or private health facilities and  
6 other related facilities to be constructed and/or will undergo renovation or  
7 expansion.

8 An application for the construction design of a health facility or other  
9 related facility shall be submitted to the HFSRB in a form prescribed by the latter  
10 and accompanied by a plan of the facility proposed to be constructed. The  
11 approved construction design and plan issued by the HFSRB shall be a  
12 prerequisite for the issuance of a building permit by the official of the  
13 municipality or city where the facility is proposed to be constructed.

14  
15 *Sec. 8. Application for Registration and Issuance of License.* – An  
16 application for registration of a health facility or other related facility and for the  
17 issuance of a license for its operation and maintenance, including that of a  
18 facility performing medical ancillary services, shall be filed with the HFSRB or its  
19 deputized office using the form prescribed by it: *Provided,* That an applicant for a  
20 license to operate and maintain a hospital pharmacy or a medical radiation facility  
21 shall seek the approval of the Food and Drug Administration (FDA): *Provided,*  
22 *further,* That the FDA shall deputize the HFSRB to issue license to operate  
23 medical radiation facilities and pharmacies located inside the hospitals in  
24 pursuant to the Harmonization and Streamlining of the Licensure System for  
25 hospitals. The application for registration shall be filed and a license shall be  
26 issued upon due compliance of the applicant with the rules and regulations  
27 prescribed by the HFSRB pursuant to the provisions of this Act.

28  
29 *Sec. 9. Validity and Renewal of License.* – The initial license to operate  
30 and maintain a health facility or other related facility shall be valid for a period of

1 three (3) years from the date of issuance, and shall be renewed regularly,  
2 subject to the rules and regulations to be issued by the HFSRB.

3  
4       Sec. 10. *Inspection.* – The license to operate and maintain a health facility  
5 or other related facility shall be issued by the HFSRB only after it has conducted  
6 a comprehensive on-site inspection and has certified that the applicant has  
7 satisfactorily complied with the requisites prescribed in this Act and its  
8 implementing rules and regulations (IRR).

9  
10       Sec. 11. *Suspension and Revocation of License.* – The HFSRB, after  
11 conducting an administrative hearing, with due notice to the licensee, may  
12 suspend or revoke the license to operate and maintain a health facility or other  
13 related facility of any person, partnership, corporation or association for any of  
14 the following grounds:

- 15           (a) Violation by the licensee of any provision of this Act or any  
16           other existing law governing or related to health facility  
17           operations;  
18           (b) Violation of rules and regulations prescribed in the  
19           implementation of this Act; and  
20           (c) Failure to make necessary corrections or adjustments required  
21           by the HFSRB in the improvement or maintenance of facilities  
22           and services.

23  
24       Sec. 12. *Appeal.* – The orders, rulings or decisions of the HFSRB shall be  
25 appealable to the Secretary of Health.

26  
27       Sec. 13. *Separate Licenses Required.* – Separate licenses shall be required  
28 for health facilities and other related facilities or branches thereof maintained in  
29 separate premises even though they are operated under the same management:  
30 *Provided, however,* That separate licenses shall not be required for separate



1 buildings in the same compound: *Provided, further,* That the approval of the  
2 designs and plans for construction or renovation of buildings within the same  
3 compound shall also be secured from the HFSRB to determine compliance with  
4 standards and requirements herein authorized.

5  
6       Sec. 14. *Non-transferability of License.* – A license for the operation of a  
7 health facility or other related facility shall not be transferable. Transfer of  
8 location of the facility shall require an application for a new license.

9  
10       Sec. 15. *Penalties.* – Any person, partnership, association or corporation  
11 who establishes, operates, conducts, manages or maintains a health facility or  
12 other related facility within the meaning of this Act without first obtaining a  
13 license, or violates any provision of this Act or its IRR shall be liable to a fine of  
14 not less than Fifty thousand pesos (P50,000.00) but not to exceed One hundred  
15 thousand pesos (P100,000.00) for the first offense, not less than One hundred  
16 thousand pesos (P100,000.00) but not to exceed Five hundred thousand pesos  
17 (P500,000.00) for the second offense, and not less than Five hundred thousand  
18 pesos (P500,000.00) but not to exceed One million pesos (P1,000,000.00) for the  
19 third and subsequent offenses. Each day that the health facility or other related  
20 facility operates after the first violation shall be considered a subsequent offense.

21       In addition to the penalties specified in the preceding paragraph, the  
22 Bureau may summarily order the closure of any health facility or other related  
23 facility found operating without a license.

24  
25       Sec. 16. *Appropriations.* – The current DOH appropriations under the  
26 General Appropriations Act (GAA) shall be used to carry out the initial  
27 implementation of this Act. Thereafter, such sums as may be necessary for the  
28 continued implementation of this Act shall be included in the succeeding General  
29 Appropriations Act.

1           Sec. 17. *Implementing Rules and Regulations.* – The Secretary of Health,  
2 upon the recommendation of the HFSRB, shall issue the necessary rules and  
3 regulations for its effective implementation within sixty (60) days upon the  
4 effectivity of this Act.

5  
6           Sec. 18. *Separability Clause.* – If any part or provision of this Act shall be  
7 held unconstitutional or invalid, other provisions hereof which are not affected  
8 shall continue to be in full force and effect.

9  
10          Sec. 19. *Repealing Clause.* – Republic Act No. 4226, otherwise known as  
11 the Hospital Licensure Act, is hereby repealed. Presidential decrees, executive  
12 orders, rules and regulations and other issuances or parts thereof, which are  
13 inconsistent with the provisions of this Act are hereby repealed, amended or  
14 modified accordingly.

15  
16          Sec. 20. *Effectivity Clause.* – This Act shall take effect fifteen (15) days  
17 after its publication in the *Official Gazette* or in any newspaper of general  
18 circulation.

Approved,