

SENATE

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S. B. No. 199

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INTRODUCED BY SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

AN ACT
INSTITUTIONALIZING MALASAKIT CENTERS TO COMPLEMENT THE IMPLEMENTATION OF REPUBLIC ACT NO. 11223 OTHERWISE KNOWN AS THE "UNIVERSAL HEALTH CARE ACT" BY REQUIRING PHILHEALTH TO ESTABLISH, OPERATE AND MAINTAIN MALASAKIT CENTERS IN ALL DOH, LGU, SUC and DND HOSPITALS IN THE COUNTRY, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines is an archipelagic state, and we recognize that healthcare should be accessible for all, regardless of their distance from the National Capital Region. However, today, it is not uncommon for an indigent patient or his/her relative to knock on the doors of various government agencies to avail of financial assistance to cover medical expenses. We are aware of the long lines of patients desperately requesting for a guarantee letter from the Philippine Charity Sweepstakes Office (PCSO). Still, these do not include indigent Filipinos who do not have the financial means to travel and personally request for medical assistance.

In 2018, a one-stop shop dubbed as "Malasakit Center" was launched by the government in the Vicente Sotto Memorial Medical Center (VSMMC) in Cebu City. Seen to effectively ease the process of availing government services for patients, more Masakit Centers were established. By the first half of 2019, there were about 34 Malasakit Centers all over the country.

Currently, the Malasakit Centers houses desk representatives from the Department of Health (DOH), Department of Social Welfare and Development (DSWD), Philippine Health Insurance Corporation (Philhealth) and Philippine Charity Sweepstakes Office (PCSO).

With the enactment of Republic Act No. 11223 or the "Universal Health Care Act", every Filipino citizen is automatically included in the National Health Insurance Program. Even in anticipation of how UHC will bring about a dramatic change in how patients can more freely access individual health care through secured health financing through PhilHealth and more effective and efficient implementation of public health programs by the DOH for population-based services for the community, the challenge remains in how we can close the gap between indigent, marginalized families and those who can afford availing of basic and specialty medical services in both the outpatient clinics and the hospital in-patient setting.

The benefits under the Universal Health Care (UHC) rely on health benefits package as determined by the Philhealth. As such, out-of-pocket expenditures may still arise if the benefit packages are not enough to cover the medical needs of indigent and poor patients. In 2017, despite the safety nets of Philhealth, out-of-pocket payment accounted for 55% of health expenditures, according to the Philippine Statistics Authority.

This proposed measure intends to reduce, if not eliminate, out-of-pocket expenditures of indigent and poor patients including non-medical expenses like transportation costs. Malasakit Centers will also be a Health System Enabler to improve assessment for patient assistance and referral to provide much needed system support for patient navigation.

This bill seeks to establish, maintain and operate Malasakit Centers in all DOH, LGU, DND and SUC hospitals in the country which will house desk representatives from the Philhealth, DOH and DSWD. The Philhealth representative shall be in charge of assisting and processing the concerns of both direct and indirect contributors to Philhealth regarding the implementation of Republic Act No. 11223 or the "Universal

Health Care Act" which may include concerns on coverage, billing, health benefits packages, among others. The DOH representative shall be in charge of providing medical assistance, while the DSWD representative will be providing financial or direct assistance. This way we can deliver basic services to communities in the most efficient, responsive and sustainable manner.

In view of the foregoing, approval of this bill is earnestly sought.



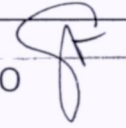
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Short Title.** - This Act shall be known as the "Malasakit Centers
2 Act of 2019."

3
4 **SEC. 2. Declaration of Policies.** - It is the declared policy of the State to
5 improve the delivery of health care services to the people, and to ensure financial
6 assistance for hospital and medical expenses are available and accessible to the
7 people.

8
9 **SEC. 3. Definition of Terms.** - For purposes of this Act, the following terms
10 shall mean:

11 (a) *DOH Hospital* refers to a refers to a hospital under the management and
12 administration of the Department of Health (DOH), including the four (4)
13 corporate hospitals under the Secretary of Health, namely: Philippine Heart
14 Center, Lung Center of the Philippines, National Kidney and Transplant Institute
15 and the Philippine Children's Medical Center;

- 1 (b) *DND Hospital* refers to a hospital managed by the Department of National
2 Defense;
- 3 (c) *Financial Assistance or Material Assistance* refers to actual cash or check which
4 covers burial, transportation, and other allied assistance given by agencies as
5 mandated by existing laws, rules and regulations to provide such assistance;
- 6 (d) *Indigent Patient* refers to patient who has no visible means of income, or whose
7 income is insufficient for the subsistence of his/her family, as identified by the
8 Department of Social Welfare and Development (DSWD), LGU social worker or
9 the medical social worker of the health facility;
- 10 (e) *Local Government Unit (LGU) Hospital* refers to a hospital managed by the local
11 government units, usually the provincial government;
- 12 (f) *Malasakit Center* refers to a processing center for Philhealth and one-stop shop
13 for Filipinos in need of medical assistance;
- 14 (g) *Medical Assistance* refers to assistance for out-of-pocket expenditure in form of
15 coupon, stub, guaranty letter, promissory note or voucher that has monetary
16 value, given directly to individual recipients or beneficiaries to address their
17 immediate needs;
- 18 (h) *Out-of-pocket expenditure* refers to medical and surgical services not currently
19 paid for or sufficiently reimbursed by PhilHealth under Republic Act No. 11223
20 or the Universal Health Care Act, or other financing sources;
- 21 (i) *Poor Patient* refers to those not classified as indigent but are otherwise
22 considered poor or with financial difficulty to access adequate medical care
23 and/or pay hospital bills because of certain unavoidable circumstance, such as
24 but not limited to:
- 25 1. Senior citizens, persons with disability (PWD), orphans, abused women and
26 children as defined by RA 9262 or the Anti-Violence Against Women and
27 Their Children Act of 2004 and RA 7610 or the Special Protection of Children
28 Against Abuse, Exploitation and Discrimination Act;
 - 29 2. Patients with catastrophic illness or any illness as a primary condition that
30 is life or limb-threatening and requires prolonged hospitalization, extremely
31 expensive therapies or other special but essential care that would deplete
32 one's financial resources, unless covered by special health funding policies;

- 1 3. Unemployed or without gainful employment;
- 2 4. Suspected or confirmed victims of torture as defined by Republic Act
- 3 No.9745 or the Anti-Torture Act of2009;
- 4 5. Soldiers and police rendered disabled to be gainfully employed and their
- 5 dependents and dependents of soldiers and police killed in action;
- 6 6. Rebel returnees, prisoners of war and their dependents;
- 7 7. Victims of calamities or disasters such as but not limited to typhoons,
- 8 earthquake, whose place of residence are officially under a state of
- 9 emergency or calamity; and

10 (j) *SUC Hospital* refers to hospitals managed by State Universities and Colleges.

11

12 **SEC. 4. *Malasakit Centers.*** – To complement the implementation of Republic
13 Act No. 11223, otherwise known as the Universal Health Care Act, there shall be
14 established a Malasakit Center in each DOH, LGU, DND and SUC hospital in the country
15 which shall serve as (a) processing center for all Philhealth concerns regarding
16 coverage, billing, health benefits packages, patient navigation and referral to the
17 health care provider network, and (b) one-stop shop medical assistance to cover out-
18 of-pocket medical expenses of indigent and poor patients.

19 The Philhealth shall administer and manage the Malasakit Centers in close
20 coordination with the DOH and DSWD. Each Malasakit Center shall consist of duly
21 designated representatives from the Philhealth, DOH and DSWD with the following
22 delegation of functions:

- 23 1. The Philhealth representative shall be in charge of the over-all operation of
- 24 the Malasakit Center. He/she shall assist and process the concerns of both
- 25 direct and indirect contributors to Philhealth regarding the implementation
- 26 of Republic Act No. 11223, including but not limited to coverage, billing,
- 27 health benefits packages, financial concerns. The Philhealth representative
- 28 shall also assist in patient navigation and referral to the health care provider
- 29 network;
- 30 2. The DOH representative shall be in charge of providing medical assistance
- 31 to indigent and poor patients; and
- 32 3. The DSWD representative shall be in charge of providing financial or direct

1 assistance to indigent and poor patients.

2
3 **SEC 5. *Provision of Medical Assistance.*** – The DOH shall provide medical
4 assistance to indigent and poor patients through the Malasakit Center which shall be
5 charged from the annual appropriation of the DOH for assistance to indigent patients.
6 The DOH may also augment medical assistance using the following sources:

- 7 a) Other appropriations earmarked by national government agencies and local
8 government units purposely for medical assistance to indigent and poor
9 patients: Provided, That appropriations earmarked for a specific hospital shall
10 only be used for that specific hospital; and
11 b) Donations and grants-in-aid: Provided, That donations and grants donated
12 for a specific hospital shall only be used for that specific hospital: Provided
13 further, That the donations and grants shall only be used for the purpose
14 specified by the donor.

15
16 The DOH shall issue guidelines for the proper implementation of the medical
17 assistance to indigent and poor patients which shall include order of charging from
18 the aforementioned sources of financing, availment procedures, transfer and release
19 of funds, recording and reporting, monitoring and evaluation, partnerships with private
20 hospitals, among others.

21
22 The DOH shall make a quarterly report to the Office of the President and
23 Congress regarding the expenditures or disbursement of the medical assistance to
24 indigent and poor patients.

25
26 **SEC 6. *Medical Assistance.*** - The Medical Assistance shall cover for
27 medical and surgical services not currently paid for or sufficiently reimbursed by
28 PhilHealth in accordance with Republic Act No. 11223 or other financing sources, and
29 shall be used for the following drugs, medicines, goods and other services prescribed
30 by the physician of the health facility such as but not limited to:

- 31 a. Laboratory, imaging and all other diagnostic procedures;
32 b. Drugs and medicines included in the Philippine National Drug Formulary

1 (exemptions to be cleared by Pharmaceutical Division);

- 2 c. Supplies, orthopedic/assistive devices, prosthesis, blood and blood products;
- 3 d. Dental services, except those that are for aesthetic purpose and not medically
4 indicated;
- 5 e. All clinically indicated medical and surgical procedures, whether emergency
6 or elective;
- 7 f. Prescribed post-hospitalization rehabilitation services, aftercare program,
8 appropriate mental and psychological support, including those done on an
9 outpatient basis;
- 10 g. In case of non-availability of clinically indicated drugs, medicines, tests,
11 services or procedures in government health facilities, the concerned
12 government health facility may enter into contract with DOH-accredited
13 private health facility to provide the needed drug, test, service or procedure
14 to the patient, charged against the DOH hospital;
- 15 h. All hospital bills including professional fees, provided that the expenses for
16 professional fees shall not exceed fifty percent (50%) of the approved
17 assistance; and
- 18 i. All other medical, health, documentary and related services billed by the
19 hospital.

20 *Provided,* That medical assistance to patients shall be based on need as
21 recommended by the medical social worker attending physician, approved by the Chief
22 of Hospital/Medical Center Chief of the institution involved and DOH authorized
23 officials, subject to availability of funds.

24

25 **SEC. 7. Provision of Financial Assistance.** – The DSWD shall provide
26 financial assistance through the Malasakit Center to indigent and poor patients,
27 individuals in emergency situations, under distress or are in need of supplemental
28 financial support due to health or medical conditions, sickness or disease; funeral and
29 burial concerns, which also includes the most direct and economical transportation
30 expense to or from place of residence or specific destination.

31 The provision of financial assistance through Malasakit Centers shall be charged
32 to the annual appropriation of the DSWD for assistance to individuals and families in

1 difficult circumstances. The DSWD shall issue policies and guidelines on the release of
2 such assistance for the proper implementation of the program.

3
4 **SEC. 8. *Establishment of Malasakit Centers.*** - The Philhealth and DOH
5 shall, in the establishment of the Malasakit Centers, undertake consultations with all
6 DOH, LGU, DND and SUC hospitals; Provided, That in the establishment of the
7 Malasakit Centers, highest priority shall be given to those economically-depressed
8 areas or provinces.

9
10 Within three (3) years from the effectivity of this Act, the Philhealth and DOH
11 shall establish Malasakit Centers down to the Primary and Secondary Care level to
12 help facilitate the adoption of appropriate health seeking behaviors, assist primary
13 care providers in encouraging medical consultation at the health centers, monitor
14 patient compliance, and ensure proper patient referral and availment of benefits.

15
16 Private hospitals are hereby encouraged to establish Malasakit Centers. The
17 Philhealth and DOH may enter into a Memorandum of Agreement with private
18 hospitals for the establishment of Malasakit Centers which shall cater indigent and
19 poor patients of the private hospital.

20
21 **SEC. 9. *Donations from Non-Governmental Organizations and the***
22 ***Private Sector.*** - The DOH may solicit and receive donations from the private sector
23 for medical assistance to indigent and poor patients. Such donations shall be exempt
24 from income or donor's tax and all other taxes, fees and charges imposed by the
25 government: Provided, That donations from the private sector for a particular hospital
26 shall only be used for the benefit of the patients of the particular hospital: Provided
27 further, That the donations and grants shall only be used for the purpose specified by
28 the donor. As such, the donor may send his or her representatives to the Malasakit
29 Center for the provision of the medical assistance donated by the donor in the
30 particular hospital.

31 Receipts from donations, whether in cash or in kind, shall be accounted for in
32 the books of the DOH in accordance with accounting and auditing rules and

1 regulations. The receipts from cash donations and proceeds from sale of donated
2 commodities shall be deposited with the National Treasury and recorded as a special
3 account in the General Fund and shall be available to the DOH through a special
4 budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292.
5 Donations with a term not exceeding one (1) year shall be treated as trust receipts.

6 The DOH shall submit the quarterly reports of all donations received, whether
7 in cash or in kind, and expenditures or disbursements thereon with electronic signature
8 to the DBM, through the Unified Reporting System, and to the Speaker of the House
9 of Representatives, the President of the Senate of the Philippines, the House
10 Committee on Appropriations, the Senate Committee on Finance and the Commission
11 on Audit, by posting such reports on the DOH website for a period of three (3) years.
12 The head of the DOH shall send written notice to the said offices when said reports
13 have been posted on its website which shall be considered the date of submission.
14

15 **SEC 10. Appropriations.** - The amount necessary to establish Malasakit
16 Centers shall be included in the General Appropriations Act. Additionally, there shall
17 be an annual appropriation for the assistance to indigent patients under the DOH
18 specifically for medical assistance to indigent and poor patients as provided for in
19 Section 5 of this Act, and an annual appropriation for assistance to individuals and
20 families in difficult circumstances under the DSWD budget for financial assistance to
21 indigent and poor patients as provided for in Section 7 of this Act.
22

23 **SEC 11. Implementing Rules and Regulations.** - Within ninety (90) days
24 from the approval of this Act, Philhealth, DOH, DSWD, in coordination with
25 Department of Interior and Local Government shall jointly issue the implementing
26 rules and regulations of this Act.
27

28 **SEC. 12. Separability Clause.** - Any portion or provision of this Act that is
29 declared unconstitutional shall not have the effect of nullifying other portions or
30 provisions hereof as long as such remaining portions can still subsist and be given
31 effect in their entirety.
32

1 **SEC. 13. *Repealing Clause.*** - All laws, ordinances, rules, regulations, other
2 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
3 or modified accordingly.

4
5 **SEC. 14. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
6 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,