

FOURTEENTH CONGRESS OF THE REPUBLIC
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First Regular Session

7 JUN 30 P1 06

SENATE

RECEIVED BY: S. B. No. 58

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

Medical tourism can be broadly defined as the provision of cost effective medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. The term was initially coined by travel agencies and the media as a catch-all phrase to describe a rapidly growing industry where people travel to other countries to obtain medical care while at the same time touring, vacationing and enjoying the attractions of the countries which they are visiting. Medical tourism has become a common form of vacationing and covers a broad spectrum of medical services. It mixes leisure, fun and relaxation together with wellness and healthcare.

A combination of many factors has led to the recent increase in popularity of medical tourism. Exorbitant cost of healthcare and medical facilities in advanced countries, ease and affordability of international travel, favorable currency exchange rates in the global economy, rapidly improving technology and high standards of medical care in the developing countries has all contributed their share to this rapid development of medical tourism. Some countries that operate from a public health-care system are so taxed that it can take a considerable amount of time, sometimes even years, to get needed medical care. The time spent waiting for a procedure, such as a hip replacement, can be a year or more in Britain and Canada. However, in Bangkok or Bangalore, a patient could feasibly have an operation the day after their arrival.

Medical tourists are generally residents of the industrialized nations of the world. The countries to which they travel are typically less developed and have a lower cost of medical care. Ten years ago, medical tourism was hardly large enough to be noticed. Today, more than 250,000 patients per year visit Singapore alone—nearly half of them from the Middle East. This year, approximately half a million foreign patients will travel to India for medical care, whereas in 2002, the number was only 150,000. In monetary terms, experts estimate that medical tourism could bring India as much as \$2.2 billion per year by 2012. Argentina, Costa Rica, Cuba, Jamaica, South Africa, Jordan, Malaysia, Hungary, Latvia and Estonia all have broken into this lucrative market as well, or are trying to do so, and more countries join the list every year.

Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. By 2015, the health of the vast Baby Boom generation will have begun its slow, final decline, and, with more than 220 million Boomers in the United States, Canada, Europe, Australia and New Zealand, this represents a significant market for inexpensive, high-quality medical care.

Studies indicate that the cost of surgery in Argentina, India, Bolivia, Thailand or South Africa can be one-tenth of what it is in the United States or Western Europe, and sometimes even less. A heart-valve replacement that would cost US\$200,000 or more in the U.S., for example, goes for \$10,000 in India—and that includes round-trip airfare and a brief vacation package. Similarly, a metal-free dental bridge worth \$5,500 in the U.S. costs \$500 in India, a knee replacement in Thailand with six days of physical therapy costs about one-fifth of what it would in the States, and Lasik eye surgery worth \$3,700 in the U.S. is available in many other countries for only \$730. Cosmetic surgery savings are even greater: A full facelift that would cost \$20,000 in the U.S. runs about \$1,250 in South Africa.

India is a relative newcomer to medical tourism, but is quickly catching up with Thailand, and recent estimates indicate that the number of foreign patients is growing there by 30 percent each year. It is known in particular for heart surgery and hip resurfacing, areas of advanced medicine in which India is generally considered a global leader. Probably no country has been in the news for medical tourism than India in 2005 - 2006, and the government and private hospital groups both seem committed to a goal of making the subcontinent a world leader in the industry. Indian medical industry's main appeal is low-cost treatment. Most estimates claim treatment costs in India start at around a tenth of the price of comparable treatment in America or Britain.

Medical tourism is also a growing segment of Thailand's tourism and health-care sectors. In 2005, one Bangkok hospital took in 150,000 treatment seekers from abroad. In 2006, medical tourism was estimated to earn the country 36.4 billion baht. One patient who received a coronary artery bypass surgery at Bumrungrad Hospital in Bangkok said the operation cost him US\$12,000, as opposed to the \$100,000 he estimated the operation would have cost him at home in the US. Today many Thai physicians hold US professional certification. Thailand has long been known as a preferred destination for medical tourists. Over one million people per year travel there for everything from cosmetic surgery to cutting edge cardiac treatment.

Singapore has made international news for providing complex neurosurgical procedures. Currently Singapore boasts the largest number of US Joint Commission accredited hospitals in the region.

Malaysia, which drew 100,000 patients in the first half of 2005, expects its medical tourism receipts to reach 590 million dollars in five years' time.

Medical tourism is a multi-billion dollar industry and the Philippines needs to compete for this market in order to uplift the economic state of its country. The Philippines has many things to promote in its medical tourism package. It has many world-class hospitals like St. Luke's Medical Center, Makati Medical Center, Asian Hospital, Medical City and Metropolitan Hospital. The Philippines has thousands of world-class doctors, nurses and other health care professionals who can give foreign patients not only expert service but also the sincere, caring attention that Filipinos are known for. Filipinos are fluent in English; some are multi-lingual and most of them can pick up and learn a foreign language easily. Medical tourists will have no problem communicating with their Filipino doctors, nurses and caregivers. Furthermore, the Philippines is an ultimate tropical paradise of 7,107 islands and warm, gentle breezes, with a coastline twice the length of that of the United States. For those looking for a total experience of relaxation, restoration and rejuvenation, our country can provide a complete array of choices for a patient's total care.

It is in this framework that we need to proactively promote our medical tourism industry. It is hoped that this proposed measure will be an attractive strategy to reverse the current outward migration of our professionals, prompt new doctors to stay and lure back our health workers who had international training.

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


MANUEL "LITO" M. LAPID
Senator

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S. B. No. 58

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AN ACT
INSTITUTING A COMPREHENSIVE AND HOLISTIC
MECHANISM FOR THE PROMOTION OF MEDICAL TOURISM
IN THE COUNTRY AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "**Medical Tourism Act of 2007**".

SEC. 2. Declaration of Policy. -- It is hereby declared the policy of the State to promote the right to health and the delivery of quality health care service to patients. In the pursuit of such policy, the State shall institutionalize a medical tourism program that is comprehensive and holistic. As such, the State will facilitate the collaboration among government and private health service providers at the national and local levels in order to promote quality medical tourism in the country.

Towards this end, the State shall provide the mechanisms to maintain, update, and improve the scientific knowledge, technical skill, competence, and patient relationship of every health provider that is involved in the provision of medical tourism packages in the Philippines thereby promoting the medical tourism industry in the country.

SEC. 3. National Accreditation Procedures for Hospitals, Medical Centers and Health Service Providers. – In order to ensure the delivery of low cost medical treatment, high quality medical care and short waiting time for critical treatments to foreign and local patients, the Department of Health (DOH) is hereby mandated to conduct a national accreditation and affiliation program that will assess the

level, competency and quality of health care delivery being provided by hospitals, medical centers and health service facilities seeking to provide medical tourism to foreign patients.

Towards this end, the DOH shall issue the appropriate standards, guidelines and procedures for the accreditation process and monitoring of hospitals, medical centers and health service providers seeking to provide medical tourism services to local and foreign clients

Existing hospitals, medical centers and health service facilities who want to avail of the benefits provided herein may request for an accreditation with the Department of Health (DOH) with respect to the evaluation of quality of health services and the Department of Tourism (DOT) with respect to the tourism aspect of the facility or services.

SEC. 4. National Task Force on Medical Tourism. - There is hereby established and institutionalized a National Task Force on Medical Tourism (NTFMT), herein referred to as the "*Task Force*" which shall serve as an inter-agency and multi-sectoral mechanism tasked to promote the implementation of the National Medical Tourism Plan of the government.

SEC. 5. Composition of the National Task Force on Medical Tourism. -- The Task Force shall be composed of the Secretaries of the Department of Health (DOH) and Department of Tourism (DOT) which shall serve as the co-chair of the Task Force. The Task Force shall be composed on the following members:

- a) The Secretary of the Department of Trade and Industry (DTI);
- b) The Secretary of the Department of Foreign Affairs (DFA);
- c) The Secretary of the Department of Justice (DOJ);
- d) The Secretary of the Department of Interior and Local Government (DILG);
- e) One (1) representative from the duly accredited travel and tours organizations;
- f) One (1) representative from the duly accredited association of hotel operators and travel accommodation facilities;
- g) One (1) representative from the duly accredited hospital association in the country;
- h) One (1) representative from the duly accredited association of medical doctors and practitioners.
- i) One (1) representative from the non-governmental organizations (NGOs) involved in the medical tourism advocacy;

The five (5) members of the Task Force coming from the representatives of the travel and tours organization, association of hotel operators and travel accommodation facilities, hospital association, medical doctors and medical practitioners and non-government organizations shall be appointed by the President of the Philippines, from a list of three (3) nominees from each sector, who shall serve for a term of three (3) years, and renewable for another term: *Provided*, That the person appointed shall be of good moral character, of unquestionable integrity, and with expertise and experience of a least six (6) years in medical tourism and its various related fields: *Provided, further*, That in the event of a vacancy, the successor appointed to fill the same shall serve only the unexpired portion of the term of the member he/she succeeds to.

The members of the National Task Force on Medical Tourism from the government agencies and institutions may designate their permanent representatives who shall have a rank not lower than an assistant secretary or its equivalent to attend meetings.

All members of the Task Force shall receive emoluments as may be determined by the Task Force, in accordance with existing budget and accounting rules and regulations.

SEC. 6. Meetings. – The National Task Force on Medical Tourism shall meet at least once a month upon a three-day notice signed by the two (2) Chairpersons or as often as necessary upon the written request signed by two-thirds (2/3) of its members.

The presence of a majority of the members of the Task Force shall constitute a quorum in order for it to conduct its business.

SEC. 7. The Powers and Functions of the National Task Force on Medical Tourism. – The Task Force shall have the following powers and functions:

(a) To promote the enforcement of this Act, as well as the other applicable national legislations, rules, regulations and standards on medical practice standards and ethics;

(b) To establish, initiate and coordinate multi-sectoral medical tourism action plans at the regional and local government unit level to respond to the advocacy of promoting quality medical tourism in the country;

(c) To coordinate the implementation and dissemination of information in the Medical Tourism Website, as created under this Act, so that the medical tourism programs of the government will be made accessible to the various parts of the world;

(d) To institutionalize and coordinate the establishment of a legal support mechanism in order to ensure that foreign medical tourism patients are given legal

assistance in cases of medical malpractice from the various health providers involved in the medical tourism program of the country;

(e) To receive donations and grants from international donor institutions, foundations, and multilateral and bilateral foreign donor agencies involved in the promotion and advocacy of medical tourism all over the world;

(f) To establish guidelines and procedures in the prosecution of those service providers and medical practitioners who have been found to exploit medical tourism patients and those in violation of the provisions of this Act;

(g) To catalyze and provide the avenue for exchange of information, exchange programs and sharing of best practices on issues relating to medical tourism;

(h) To provide gender sensitive medical tourism programs and projects that will inform the general public, policy makes in the LGU level and medical practitioners on the various issues concerning medical tourism;

(i) To establish a databank which will provide detailed information on the quality and state of medical tourism in the country;

(j) To establish a mechanism for the legal protection of medical tourism patients who come to avail of the medical tourism program of the government, as provided for in this Act;

(k) To issue certificates of accreditation and affiliation to qualified health service institutions and facilities for the delivery of medical tourism services; and

(l) To hire and avail of the services of technical experts, consultants and staff in the field of medical tourism and other relevant fields of disciplines for the effective implementation of its mandated duties and functions.

SEC. 8. *The National Task Force on Medical Tourism Secretariat.* - The National Task Force on Medical Tourism shall establish a Task Force Secretariat which shall serve as the technical support staff to effectively implement the provisions of this Act. Towards this end, the National Task Force on Medical Tourism shall submit to the Civil Service Commission (CSC) the staffing complements of the Task Force Secretariat to effectively implement the provisions of this Act.

SEC. 9. *Creation of a National Website for Medical Tourism.* -- The National Task Force on Medical Tourism, in coordination with the various stakeholders in the medical tourism industry, is hereby mandated to establish a national website on *Philippine Medical Tourism*. The Website shall highlight the various medical tourism packages being offered in the country and provide the list of accredited medical tourism providers so that prospective patients/clients can register at the website and select medical packages bundled with hotel accommodation, car transfer service, a tour guide

and caregiver. This website shall contain all the information on the variety of medical procedures available in the Philippines.

The Medical Tourism Website shall also incorporate a market information system which shall be installed for the use and benefit of all the stakeholders in the medical tourism industry in the country.

SEC. 10. *Marketing of Medical Tourism.* – The Task Force is hereby tasked to establish a National Marketing Program in order to ensure the generation of the highest possible income for all the stakeholders in the medical tourism industry in the country by matching supply and demand in both domestic and foreign medical tourism markets.

As such, within six (6) months from the date of effectivity of this Act, the National Task Force on Medical Tourism is hereby tasked to formulate a strategic marketing plan which highlight the marketing strategies, business plan and operational plan that will be adopted by our government so that our health services, medical tourism packages, hotels, treatment and post-operative vacation packages will be competitive and comparable as compared to that being offered by other countries.

SEC. 11. *Issuance of VISA for Foreign Medical Tourists.* - Within six (6) months from the date of effectivity of this Act, the Department of Foreign Affairs (DFA), in consultation with the DOT, DOH and DTI shall formulate the necessary implementing rules and regulations for the issuance of visas for foreign medical tourists who will seek to visit the Philippines and avail of our country's various medical tourism packages.

SEC. 12. *Medical Tourism Modernization Credit Facility and Loan Package.* – The Land Bank of the Philippines (LBP) is hereby mandated to formulate a Medical Tourism Credit Facility and Loan Package Window which shall provide a low interest loans for medical institutions and health service providers seeking to improve and modernize their health facilities, equipment and services in order to participate in the medical tourism program being implemented by the government.

Within six (6) months from the date of effectivity of this Act, the Land Bank of the Philippines is mandated to formulate the necessary guidelines, procedures and requirements for the various stakeholders to avail of the Medical Tourism Credit Facility and Loan Package, as mandated under this Section.

SEC. 13. *Annual Conference on Trends in Medical Tourism.* – The National Task Force on Medical Tourism, in coordination with the various stakeholders in the medical tourism industry, is hereby mandated to conduct an Annual Medical

Tourism Conference which will be participated by the various players in the medical tourism business, including hotel operators, medical practitioners, tours and travel providers, marketing and sales agents, government regulators, policy makers, health facilities suppliers and providers and various ancillary service providers involved in the delivery of a comprehensive medical tourism package to clients/patients.

The Annual Medical Tourism Conference is envisioned to be an avenue where various players in the medical tourism industry will share their knowledge on the issues and business trends relating to the medium and long term prospects of the medical tourism business.

The national conference will discuss and review the various demand and supply data of the various countries in order to provide the stakeholders with the information needed for them to be competitive in the medical tourism business.

The proceedings of the National Conference on Medical Tourism will be published and be made available to the public.

SEC. 14. *Monitoring the State of Medical Tourism in the Country.* -- The National Task Force on Medical Tourism is hereby tasked to conduct a comprehensive study on the state of medical tourism in the country, taking into account the quality of health service delivery being provided by existing health providers, the supply of health service providers, the global demand and market for medical tourism and the competitiveness of the Philippine medical tourism packages in comparison with the medical tourism packages being provided by other countries. The comprehensive study on the state of medical tourism in the Philippines shall include the following aspects, namely:

(1) The socio-economic, demographic and academic training characteristics of the health providers in the country;

(2) The extent with which the clients/patients for the medical tourism packages are satisfied with the services being provided in our country in comparison with the satisfaction rates of other clients in other countries;

(3) A market demand analysis on the various medical procedures and operations being demanded by various patients all over the world; and

(4) The medium-term and long-term supply and demand prospects of medical tourism industry.

Furthermore, the National Task Force on Medical Tourism shall conduct a comprehensive study on the viability and efficiency in coordinating and integrating the various medical services being offered by the six (6) government-run hospitals, namely:

the Philippine Heart Center, Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children and Medical Center and the East Avenue Medical Center, with the end in view of making the medical tourism package in the Philippines competitive with that of our foreign competitors.

Finally, the National Task Force on Medical Tourism shall also conduct a comprehensive study on the *viability, efficiency and effectiveness of incorporating into the National Medical Tourism Program of the government the provisions and programs of Republic Act No. 8424, otherwise known as the Traditional and Alternative Medicine Act of 1997.*

Within two (2) years from the date of effectivity of this Act, the Task Force shall make a report to both Houses of Congress on the results of the studies conducted by the Task Force for policy implication, *in aid of legislation*, in order to further promote the development of the medical tourism industry in the country.

SEC. 15. *Appropriation.* – The amount necessary to implement the provisions of this act shall be included and incorporated in the annual general appropriations of the various agencies of the government involved in the implementation of the National Task Force on Medical Tourism and in the various provisions of this Act.

SEC. 16. *International Accreditation of our Hospitals and Health Service Facilities.* -- The Department of Trade and Industry (DTI) is hereby mandated to assist the various hospitals and health service delivery points to acquire the required accreditation from foreign countries so that our hospitals and health service facilities can serve foreign tourist patients. Towards this end, the DTI shall conduct intensive consultation with foreign health service accreditation agencies in order to facilitate the accreditation of our hospitals, medical practitioners and health service delivery facilities to serve their foreign patients.

Within six (6) months from the date of effectivity of this Act, the Department of Trade and Industry (DTI), in consultation with the Department of Foreign Affairs (DFA), shall promulgate necessary implementing guidelines and accreditation procedures for our hospital to seek accreditation for them to serve foreign patients from foreign countries.

SEC. 17. *IRR on Litigation of Medical Malpractice.* – Within six (6) months from the date of effectivity of this Act, the Department of Justice (DOJ), in consultation with the Department of Health (DOH), shall promulgate necessary implementing rules and regulations and guidelines in the prosecution of erring health service providers and

health practitioners found to have conducted medical malpractice in the provision of medical health services to medical tourism patients/clients.

SEC. 18. Exemptions From Filing Fees and Other Expenses. – When the victim of medical malpractice abuse and exploitation institutes a criminal and civil action for the recovery of damages, he/she shall be exempt from payment of filing fees, and other fees as required.

SEC. 19. Implementing Rules and Regulations (IRR). - Within six (6) months from the date of effectivity of this Act, the Department of Tourism (DOT) shall promulgate necessary implementing rules and regulations in the accreditation of travel, tours and tourism facilities and equipment that will seek to implement medical tourism packages and programs for foreign medical patients.

SEC. 20. Repealing Clause. - All Laws, decrees, executive orders, rules and regulations or parts thereof not consistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 21. Separability Clause. - If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

SEC. 22. Effectivity Clause. - This Act shall take effect fifteen (15) days from the date of its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,