FOURTEENTH CONGRESS OF THE }
    REPUBLIC OF THE PHILIPPINES }
First Regular Session }

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S E N A T E

S.B. No. ___873___

Introduced by SENATOR EDGARDO J. ANGARA

EXPLANATORY NOTE

Government hospitals, while receiving subsidy from the National Government, cannot utilize their income for the maintenance and other operating expenses (MOOE) and capital outlay of the hospital. Said income is required by law to be remitted to the national treasury.
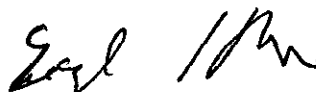
This practice however, has a debilitating effect on the hospital's capability for expansion and improvement of its services. To address this counter-productive approach, this proposed measure seeks to give more meaning to the autonomy of government hospitals in the area of physical and operational development by granting them the authority to utilize their income for their maintenance and other operating expenses (MOOE) and capital outlay expenditures.

Admittedly, as per special provision No. 6 of the General Appropriations Act (GAA), Department of Health (DOH) hospitals are already authorized to retain their income since 2003. The DOH has again proposed the inclusion of said provision in the 2005 GAA.

Through this proposal, DOH hospitals and all other government hospitals for that matter shall now be granted authority to retain their income permanently, without need of proposing its inclusion in the GAA on a yearly basis.

It is hoped that in making our government hospitals more financially independent, effective and efficient delivery of quality health services to the people will be consistently ensured.

Approval of this bill, therefore, is earnestly sought.

EDGARDO J. ANGARA
Senator

SENATE

S. B. No. __873__

Introduced by SEN. EDGARDO J. ANGARA

AN ACT AUTHORIZING GOVERNMENT HOSPITALS TO UTILIZE ALL ITS INCOME FOR HOSPITAL OPERATIONS PARTICULARLY MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE) AND CAPITAL OUTLAY.

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

1 **SECTION 1.** Government hospitals are hereby authorize to utilize

2 their income from pharmacy, fees from *in-house services and facilities,*

3 including but not limited to laboratory, radiology, operating room and

4 nursery facilities and income derived from non-patient related services such

5 as parking fees, interview fees and tour fees, for the maintenance and other

6 operating expenditures *including capital outlay,* especially for the acquisition

7 of hospital machineries and equipment.

8

9

10 **SECTION. 2.** Expenditures under this Act shall be subject to existing

11 auditing rules and regulations. In addition, the retained hospitals shall

12 submit quarterly report of income and expenditures to the Department of

13 Health (DOH), while devolved hospitals shall submit the same to the office of

14 the Provincial Governor or the City/Municipal Mayor.

1   **SECTION. 3.** The DOH, in coordination with the agencies concerned

2   shall formulate the necessary rules and regulations for the effective

3   implementation of this Act within sixty (60) days from its approval.

4

5   **SECTION. 4.** If any provision of this Act or an application thereof to any

6   person or circumstance is held invalid, the other provisions of this Act, and the

7   application of such provision to other persons or circumstances, shall not be affected

8   thereby. If any provision of this Act is held invalid, any other provision not so

9   affected shall continue to be valid and effective.

10

11   **SECTION. 5.** All existing laws, orders, rules and regulations or parts

12   thereof deemed inconsistent with the provisions of this Act are hereby

13   repealed or modified accordingly.

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15   **SECTION 6.** This Act shall take effect fifteen (15) days following the

16   date of its publication in the Official Gazette or in at least two (2) newspapers

17   of general circulation, whichever comes first

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19   *Approved,*