


FIFTEENTH CONGRESS OF THE REPUBLIC
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SENATE

S. No. 32

RECEIVED BY 

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

Health is a fundamental human right. It is the obligation of the State to institute the necessary enabling mechanisms in order to deliver the appropriate health service that is responsive to the needs of all sectors of society. The prime duty of the State is to serve and protect the people and provide a health service delivery system that protects the rights and welfare not only of the rich but also of the poor. As such, it behooves upon the State to ensure that affordable health services are constantly and effectively rendered to the underprivileged.


Our 1987 Constitution provides that the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to the people at affordable costs. It likewise provides that the State shall endeavor to provide free medical care to paupers. While the citizens of the State have the right to expect the appropriate health service from the States, the economics of health provides that there has to be a mechanism to compensate medical practitioners and health providers for the medical services actually rendered by said health professionals.

It is the vision of this measure to catalyze the enabling health mechanisms that will ensure that our citizens, particularly the poor and less privileged sector of our society are afforded adequate and proper medical care and attention.

The physician belongs to a profession with a long and noble tradition directed to healing the infirm through a compassionate concern for his fellowmen. In the pursuit of their medical profession, the physician's principal objective is the health of the patient under his care. Because of the significant importance and responsibility that goes with the practice of the medical profession, there is an urgent need to institutionalize a mechanism wherein our health providers are compensated for the free medical services rendered by them.

Under this proposed measure, a medical doctor and/or health provider rendering actual medical services, as defined by the Department of Health (DOH), shall be entitled to an allowable tax deduction of up to ten percent (10%) of the gross income derived from the actual performance of the medical profession.

In view of the foregoing, early passage of this bill is earnestly requested.



MANUEL "LITO" M. LAPID
Senator

10 JUL -1 AIG:04

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AN ACT
PROVIDING A MECHANISM FOR HEALTH PROVIDER'S INCENTIVES
FOR THE MEDICAL ASSISTANCE ACTUALLY PROVIDED TO THE POOR
AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the ***“Free Medical Assistance to the Poor Act of 2010.”***

SEC. 2. Declaration of Policy. - It is the declared policy of the State to value the dignity of every person and guarantee the right to health of every individual, particularly those who cannot afford the health services of a medical doctor.

As such, the State shall adopt a pro-poor and holistic approach to health development which shall endeavor to make essential health services available to the people.

Herewith, the State shall endeavor to provide free medical care to the poor and the under privilege sector of our society.

SEC. 3. Definition of Terms. –

a) **Department** – For purposes of this Act, the term Department shall refer to the Department of Health (DOH).

b) **Health Services** – Refers to all services performed, provided, or arranged by the medical doctor to promote, improve, conserve, or restore the mental and/or physical well-being of patient. These medical services include, but are not limited to, the management of health services resources; preventive and curative

health measures; evacuation of the wounded, injured, or sick; selection of the medically fit and disposition of the medically unfit; blood management; combat stress control; and medical, dental, laboratory, and optometric services.

SEC. 4. *Requirements for Availment.* – For purposes of availing of the benefits and services as envisioned in this Act, a medical doctor or health provider shall secure a certification from the Department of Health (DOH), or accredited association/organization by the DOH that the said medical services to be provided are within the services defined by the Department, as provided for in this Act.

For purposes of determining the number of hours actually provided by the medical doctor and/or health provider in the provision of medical services, the association and/or organization duly accredited by the Department shall issue the necessary certification that said medical services were actually undertaken by the health provider.

The certification issued by the DOH shall be submitted to the Bureau of Internal Revenue (BIR) for purposes of availing the tax deductions as provided for in this Act.

SEC. 5. *Incentives to Medical Doctors and Health Providers.* - For purposes of this Act, a medical doctor and/or health provider rendering actual medical services, as defined by the Department, shall be entitled to an allowable tax deduction of up to ten percent (10%) of the gross income derived from the actual performance of the medical profession.

The total tax deduction earned by a registered medical facility shall be allocated among its partners in proportion to the respective shares of the latter in the earnings thereof.

SEC. 6. *Information, Education and Communication (IEC) Campaign.* – The Department of Health (DOH), in cooperation with the Philippine Information Agency (PIA), is hereby mandated to conduct an annual information, education and communication (IEC) campaign in order to inform the medical doctors of the procedures and guidelines in availing tax deductions and inform the general public that a free medical assistance mechanism is being provided by the State.

SEC. 7. *Oversight Powers of the Department of Health.* - The Department of Health (DOH) shall have oversight powers as to the implementation of the provisions of this Act and the conduct of the medical doctors in the availment of the incentives provided for in this Act.

SEC. 8. *Reportorial Requirement.* - For purposes of determining the effectiveness and social impact of the provisions of this Act, the DOH shall submit an Annual Report to both Houses of Congress indicating therewith the number of patients who actually benefited from this Act.

The report shall state in detail, among others, the geographic location, demographic characteristics and socio-economic profile of the beneficiaries of this measure.

SEC. 9. *Appropriation.* – The funds needed for the implementation of this Act shall be incorporated in the Annual Appropriation of the Department of Health (DOH).

SEC. 10. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the date of effectivity of this Act, the Bureau of Internal Revenue (BIR) shall formulate the necessary Revenue Regulations for the proper implementation of the tax component as envisioned in this Act.

The DOH shall formulate the necessary implementing rules and regulations with respect to the medical services covered under this Act and the process of accreditation of organizations and/or associations which will provide free medical assistance.

SEC. 11. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected by such declaration, shall remain in full force and effect.

SEC. 12. *Repealing Clause.* – Any law, decree, ordinance, administrative circulars not consistent with any provision of this Act is hereby amended, repealed or modified accordingly.

SEC. 13. *Effectivity Clause.* - This act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,