

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

OFFICE OF THE SECRETARY

8 NOV 25 P5:27

SENATE

S. No. 2901

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Introduced by Senator FRANCIS G. ESCUDERO

EXPLANATORY NOTE

Health is a basic human right. Our constitution affirms this fundamental tenet when it declared as a policy of the State to "protect and promote the right to health of the people..." (Article II, Sec. 15)

Cognizant of this constitutional mandate, this bill seeks to convert the Eastern Regional Medical Center in Tacloban City into a Government Owned and Controlled Corporation (GOCC) and the Calbayog City District Hospital, as a subsidiary thereof.

Public health care is one basic need that must be available and affordable to the citizenry especially the less fortunate. The Constitution has likewise guaranteed 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 all the people at affordable cost" (Article XIII, Sec. 11).

The public health care center in the First District of Samar, consisting of Calbayog City and nine municipalities, is the Calbayog City District Hospital located in the Calbayog City proper. Since its operation in December 1957 it has always served the medical needs of the people of the First District of Samar. There are three existing private hospitals in the area whose services and facilities the poor people cannot afford to pay forcing them to go to Eastern Visayas Regional Medical Center (EVRMC) in Tacloban City.

This deterioration brought about by the devolution and the astronomical fees of the three private hospitals add to the exodus of patients from the First District of Samar to EVRMC in Tacloban City. It is simply pathetic for patients of the Calbayog City District Hospital to be driven away because of lack of medical personnel, medicines, facilities and other necessary services. We have to consider the traveling expenses of patients who traveled 4-5 hours by very rough roads and the risks of dying on the way to Tacloban City.

The LGU of Calbayog City has only one ambulance being used to transport patients once or twice daily from Calbayog City to Tacloban City.

On the other hand, EVRMC has only a bed capacity of Two Hundred Fifty (250) serving the Four Million One Hundred Eighty Seven Thousand (4,187,000) populace of both Samar and Leyte. This is the very reason why there is a considerable number of

patients not accommodated at once and many have to wait for their turn due to lack of available space in the hospital.

It is hoped that with this bill, the foregoing problems may be resolved with dispatch and effectiveness. Transforming the EVRMC into a corporate entity and the Calbayog City District Hospital as a subsidiary thereof is to equip such hospitals the needed resource and organizational framework.

Early passage of this bill is thus sought.



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AN ACT
CONVERTING THE EASTERN VISAYAS REGIONAL MEDICAL CENTER
IN TACLOBAN CITY INTO A GOVERNMENT OWNED AND
CONTROLLED HOSPITAL CORPORATION AND THE CALBAYOG CITY
DISTRICT HOSPITAL AS A SUBSIDIARY THEREOF AND
APPROPRIATING FUNDS THEREFOR

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

1 **WHEREAS**, the President is given under existing laws the continuing
2 authority to reorganize the National Government, including government owned
3 or controlled corporations, having statutory and constitutional bases found in:
4 Section 20, Book III of the Administrative Code of 1987 (Executive Order No. 292)
5 on the President's residual powers; Presidential Decree No. 1416, as amended by
6 Presidential Decree No. 1772; and Section 16, Article XVIII of the Constitution;

7 **WHEREAS**, in the case of *Larin vs. Executive Secretary* (280 SCRA 713
8 [1997]), the Supreme Court has categorically ruled that the above-enumerated
9 laws exist, are valid and effective which constitute the bases for the President's
10 continuing power or authority to reorganize the National Government;

11 **WHEREAS**, pursuant to Section 11, Article XIII of the 1987 Constitution,
12 "the State shall adopt an integrated and comprehensive approach to health
13 development which shall endeavor to make essential goods, health, and other
14 social services available to all the people at affordable cost. There shall be priority
15 for the needs of the underprivileged sick, elderly, disabled, women, and children.

1 The State shall endeavor to provide free medical care to paupers". Section 12 of
2 the same Article likewise mandates that "the State shall establish and maintain
3 an effective food and drug regulatory system and undertake appropriate health
4 manpower development and research, responsive to the country's health needs
5 and problems".

6 **WHEREAS**, it will take much longer time for government hospitals to
7 become Centers of Excellence if they remain as budgetary line agencies under the
8 Department of Health (DOH) and if current management practices and financing
9 systems are followed; a comprehensive organizational change among these
10 hospitals supported by management system reforms must be put in place to
11 improve their existing conditions;

12 **WHEREAS**, there is a need to demonstrate that corporate practices in
13 government owned institutions will bring forth beneficial effects influenced by
14 rewards for good performance and penalties for the lack of it, and there is a need
15 further to demonstrate that these are effective not only in other industrial sectors
16 but in the health sector particularly hospital institutions as well.

17 **WHEREAS**, there is a need to convert some existing government hospitals
18 into corporate entities or as government owned or controlled hospital
19 corporation in order to strengthen their capability to more effectively deliver
20 medical and hospital services to the CENTER (Eastern Visayas Regional Medical
21 Center) based on pre-determined operational and performance indicators, has
22 been identified as one of the DOH hospitals with the potential to operate as a
23 government owned and controlled corporation and the Calbayog City District
24 Hospital as its subsidiary;

25 **WHEREAS**, the corporate re-structuring of government hospitals like the
26 EVRMC and the Calbayog City District Hospital as subsidiary would enable

1 them to attain reasonable degree of financial, management and operation
2 autonomy for efficiency and quality care;

3 **WHEREAS**, this bill shall be the legal basis during the transition period to
4 gather evidences of the applicability and success of corporate re-structuring of
5 EVRMC and in due time when positive results have been achieved, eventual
6 legislation shall be sought to convert the EVRMC into a corporate organization
7 and the Calbayog City District Hospital in Calbayog City as subsidiary.

8 **SEC. 1. Short Title.** - This shall be known as "*An Act converting the*
9 *EASTERN VISAYAS REGIONAL MEDICAL CENTER as a Government Owned*
10 *and Controlled Hospital Corporation (GOCHC) and the CALBAYOG CITY*
11 *DISTRICT HOSPITAL as subsidiary*".

12 **SEC. 2. Declaration of Principles and Policies.** - Sections 11 and 12, Article
13 XIII of the Constitution of the Republic of the Philippines declares that the State
14 shall adopt an integrated and comprehensive approach to health development
15 which shall endeavor to make essential goods, health, and other social services
16 available to all the people at affordable cost; that there shall be priority for the
17 needs of the underprivileged sick, elderly, disabled, women, and children; that
18 the State shall endeavor to provide free medical care to paupers; and that the
19 State shall establish and maintain an effective food and drug regulatory system
20 and undertake appropriate health manpower development and research,
21 responsive to the country's health needs and problems.

22 In the pursuit of the Health Sector Reform Program undertaken by the
23 National Government in coordination with other health partners, this Bill shall be
24 anchored on those principles:

25 a) Public health is a measure of the equitable distribution of the wealth
26 and sustainable economic growth;

- 1 b) The citizens are entitled to a hospital care delivery system that is
2 affordable, accessible and acceptable;
- 3 c) Service provisions to less privileged and indigent patients shall be
4 prioritized hence requiring necessary policy directions and financial
5 support, closer cooperation with Local Government Units (LGUs) and
6 other partners;
- 7 d) Fiscal and management autonomy of the EVRMC will lead to better
8 quality and more efficient delivery of health services; and
- 9 e) The corporate form of organization will give hospital administrators
10 the necessary flexibility for the effective stewardship of hospital areas,
11 funds management and personnel supervision.

12 **SEC. 3. Name and Domicile.**– The Eastern Visayas Regional Medical Center,
13 with principal office at Mandurriao, Iloilo City, hereinafter referred to as
14 EVRMC, is hereby converted into a pilot Government Owned and Controlled
15 Hospital Corporation and the Calbayog City District Hospital with principal
16 Office at Calbayog City, Samar as subsidiary.

17 **SEC. 4. Duration and Conditions of Existence.**– This bill shall serve to convert
18 the EVRMC into a government owned and controlled corporation and the
19 Calbayog City District Hospital as subsidiary for a period of five (5) years to
20 commence at the beginning of the fiscal year 2009 up to the end of fiscal year
21 2014 and shall be extended for another term of five (5) years upon the discretion
22 of the DOH subject to the termination clause provided hereunder or until such
23 that a Republic Act legislating the same has been passed.

24 During this transition, it will be monitored closely based on
25 predetermined performance indices by the National Center for Health Facility
26 Development of the DOH in order to determine the applicability of corporate re-
27 structuring. If these said performance targets are not met or if backsliding is

1 noted within 5 years and / or if no significant improvement occurs after ten (10)
2 years, upon the recommendation of the Secretary of Health, this corporatization
3 act shall be revoked and the EVRMC and the Calbayog City District Hospital
4 shall revert as a budgetary line agency under the DOH and the local government
5 of Calbayog, respectively. In which case, the DOH shall issue the implementing
6 rules and regulation to carry out this reversion.

7 **SEC. 5. General Objectives.** - This Bill aims to:

- 8 a) provide the Filipino people with a more affordable quality and
9 timely hospital care through a more efficient health service
10 delivery system; and
11 b) As the main corporation, institute reforms in the organization,
12 administration and financial management of the EVRMC as a
13 means of reducing the cost and improving the quality of public
14 health care;

15 **SEC. 6. Purposes.**- The EVRMC and the Calbayog City District Hospital
16 shall have the following purposes:

- 17 a) To provide and maintain affordable, quality and timely hospital
18 care through a more efficient health service delivery system with
19 priority for the needs of the underprivileged sick, elderly,
20 disabled, women, and children and resources permitting, to
21 provide free medical care to indigent citizens;
22 b) To promote the development of hospital facilities of EVRMC,
23 advancement in medical technology, and establishment of health
24 care providers for the underprivileged;
25 c) To foster hospital and medical service operation conditions
26 conducive to the efficient delivery of health care to the public;

- 1 d) To promote, encourage and engage in scientific research on the
2 prevention of disease and the care and/or treatment of patients
3 and related activities, including sponsorship and conduct of
4 relevant congress, conventions, seminars and conferences;
- 5 e) To encourage and/or undertake the training of physicians,
6 nurses, medical technicians, health officers, social workers and
7 other health professionals on the practical and scientific conduct
8 and implementation of health and medical service, and related
9 activities; and
- 10 f) To extend services pursuant to the goals, objectives and rules of
11 the national health insurance program.

12 **SEC. 7. Powers and Functions.**- The EVRMC and the Calbayog City
13 District Hospital shall have the following powers and functions:

- 14 a) To enter into contracts with any person or entity, domestic or
15 foreign, and with government for the undertaking of the varied
16 aspects of hospitals and health care operation, including the
17 acquisition, any way of purchase, lease or rent or other deferred
18 payment arrangements of equipment and/or raw materials and
19 supplies, as well as for services connected therewith such terms
20 and conditions as it may deem proper and reasonable;
- 21 b) To borrow money from local and foreign sources as may be
22 necessary for its operations;
- 23 c) To invest its funds as it may deem proper and necessary in any
24 activity related to hospital or medical care operations, including
25 any bonds or securities issued and guaranteed by the
26 Government of the Philippines.

- 1 d) To authorize such expenditures by the Corporation as are in the
2 interest of the effective administration and operation of the
3 Corporation.
- 4 e) To hold lands and acquire rights over lands of the areas
5 permitted to corporations, associations and persons by statute;
- 6 f) To engage in export and import business of medicines, medical
7 equipment, hospital supplies and medical technology, as well as
8 in related activities;
- 9 g) To acquire assets, real or personal, or interests therein, and
10 encumber or otherwise dispose the same as it may deem proper
11 and necessary in the conduct of its business;
- 12 h) Subject to existing laws and regulations, if it deems necessary,
13 to establish and maintain such communication system, whether
14 by radio, telegraph or any other manner;
- 15 i) To establish and maintain offices, branches, agencies,
16 subsidiaries, correspondents or other units anywhere as may be
17 needed by the Corporation and reorganize or abolish the same
18 as it may deem proper;
- 19 j) To exercise the right of eminent domain as may be necessary for
20 the purpose for which the Corporation is created;
- 21 k) Subject to payment of the proper amount, to enter private lands
22 for the purpose of conducting medical experiment, research and
23 studies in connection with hospital and medical care operations;
- 24 l) To acquire easement over public and private lands necessary for
25 the purpose of carrying out any work essential to its hospital
26 and medical care operations, subject to payment of reasonable
27 consideration;

- 1 m) To establish and maintain administrative, management,
2 professional and technical educational systems for the sustained
3 development of the necessary manpower to manage and
4 operate its affairs and business;
- 5 n) To adopt a code of by-laws to complement this Bill;
- 6 o) To promulgate such rules and regulations as may be necessary
7 to carry out the purposes of this Bill;
- 8 p) To adopt and use a corporate seal which shall be judiciary
9 noticed
- 10 q) To sue and be sued;
- 11 r) To accept any gifts, contributions, endowments, grants,
12 bequests and devices of any kind of real personal property
13 which are necessary and proper for the attainment of the
14 purposes of the Corporation;
- 15 s) To exercise the general powers mentioned in the Corporation
16 Law, insofar as they are not inconsistent or incompatible with
17 this Bill;
- 18 t) To perform such acts and exercise such other functions as may
19 be necessary for the attainment of the purposes and objectives
20 herein specified and
- 21 u) To perform such other mandates as may be provided by law.

22 **SEC. 8. Board of Trustees: Composition, Term of Office.**— The affairs and
23 business of EVRMC and the Calbayog City District Hospital shall be directed
24 and its properties managed and preserved and its corporate powers exercised,
25 unless otherwise provided in this Charter, by a Board of Trustees which shall be
26 composed of ten (10) members, as follows:

27 Voting members:

- 1 a. The Secretary of Health as Chairman of the board;
- 2 b. The Philippines Health Insurance Corporation President or his
- 3 duly authorized representative;
- 4 c. The National Economic Development Authority Executive
- 5 Director or his duly authorized representative;
- 6 d. The Department of Budget and Management's Secretary or his
- 7 duly authorized representative.
- 8 e. Chairpersons of the Committees on Health of both Houses of
- 9 Congress;
- 10 f. The duly elected president of the EVRMC employees or
- 11 association, representing hospital personnel;
- 12 g. A representative from the local, medical and allied professional
- 13 organization;
- 14 h. A representative from the people's organization/socio-
- 15 civic/non-government organization;
- 16 i. A representative from the business sector;

17 And a non-voting member:

- 18 j. The EVRMC Director (Medical Center Chief), as Chief Executive
- 19 Officer.

20 The members of the Board enumerated in paragraphs (g), (h) to (i) shall be
21 appointive while those in paragraphs (a), (b), (c), (d), (e), (f), and (j) the current
22 EVRMC Director (Medical Center Chief) shall serve as ex-officio members.
23 Appointments shall be made by the Secretary of Health for the first or initial
24 appointees, and then by the Board of Trustees for subsequent appointees.

25 The aforesaid appointive members of the Board of Trustees shall serve for
26 a term of three (3) years who may be reappointed for a maximum of two terms;
27 while the ex-officio member mentioned in paragraph (a), (b), (c), (d), (e), (f), and

1 (j) hereof shall serve as members of the Board of Trustees for the duration of their
2 incumbency as such.

3 No person shall be appointed member of the Board of Trustees unless he
4 /she is a citizen and a resident of the Philippines, of good moral character and
5 has attained proficiency, expertise and recognized competence in one or more of
6 the following: hospital finance and administration, medical care, public health,
7 government rules and regulations, legal business management, and marketing.
8 They should have at least five (5) years experience in their respective fields of
9 expertise.

10 The Board of Trustees shall be governed by a set of by-laws, which shall
11 contain, among others, their responsibilities, accountabilities, and cause of
12 termination.

13 **SEC. 9. Corporate Officers.**- The Board of Trustees shall appoint a Secretary
14 of the Board and such other officers as may be deemed necessary. Selection of the
15 Corporate Officers must be based on the fundamental and specific duties and
16 responsibilities prescribed by existing laws.

17 **SEC. 10. Chief Executive Officer.**- The present Director of EVRMC shall
18 assume the position of Chief Executive Officer (CEO) of the Corporation. As
19 CEO, he/she shall be in-charge of the usual and regular course of business of the
20 Corporation and shall be accountable to the Board of Trustees of the Corporation
21 who can remove or replace him/her only for cause (e.g., fraud, incompetence,
22 dishonesty and the like.) and after due process. In case of vacancy after the
23 assumption of office by the present Director of EVRMC, the next CEO shall be
24 appointed by the Board of Trustees of EVRMC.

25 **SEC. 11. Corporate Structure.**- EVRMC should follow the standard
26 corporate structure to be formulated by the DOH Central Office in coordination
27 with different agencies.

1 **SEC. 12. Executive Committee and Other Committees.**- The Board of trustees
2 may, by resolution passed by a majority of all its members, create an Executive
3 Committee of not more than five (5) members who shall be appointed by the
4 Board. At least three (3) members of the Executive Committee shall be members
5 of the Board. The Executive Committee shall have and exercise all such powers
6 as may be delegated to it by the Board. The Executive Committee shall keep
7 regular minutes of its proceedings and report the same to the Board whenever
8 required. The Board shall have the power to change the members of the
9 Executive Committee at any time, to fill vacancies therein and to discharge or
10 dissolve such committee either with or without cause.

11 The majority of all the members of the Board of Trustees may by
12 resolution create other committees with such powers and functions as may be
13 delegated to them by the Board. All such committees shall keep a record of their
14 proceedings and report the same to the Board, whenever required. The Board
15 shall have the power to appoint and remove the members of such committees
16 and may at any time with or without cause dissolve any of such committees.

17 **SEC. 13. Board of Trustees' Meetings and Quorum.**- The Board of Trustees
18 shall hold regular meetings at least once a month. Special meetings may be
19 convened at the call of the Chairman or by majority of the members of the Board.
20 The Chairman or his/her designated representative shall preside over the
21 meetings of the Board. In the absence of the Chairman and his/her
22 representative, a temporary presiding officer shall be designated by the majority
23 of the quorum. Six (6) members of the Board of Trustees shall constitute a
24 quorum to transact business, and the vote of a majority of those present there
25 being a quorum shall constitute a valid and binding act of the EVRMC. However,
26 the affirmative vote of at least six (6) members of the Board is required on the
27 following matters:

- 1 (a) Adoption or changes of policy;
- 2 (b) Investments of EVRMC funds;
- 3 (c) Contracting of loans, except as may be provided for in the
- 4 implementing rules and regulations where a vote of a majority
- 5 of those present there being a quorum shall suffice as to
- 6 specified certain amounts of loan borrowed;
- 7 (d) Appointment, discipline and termination of the EVRMC
- 8 Hospital Chief Executive Officer/Director, but the appointment,
- 9 discipline and termination of other officers and employees shall
- 10 be by a majority of those present there being a quorum;
- 11 (e) Authority to use Corporate assets as collateral for loans and
- 12 borrowings.

13 **SEC. 14. Compensation of Non-government members of the Board of Trustees.-**

14 The appointive non-government members of the Board shall be entitled to

15 *honorarium* for each meeting actually attended at such amount as may be fixed by

16 the Board in accordance with existing laws, rules and regulations.

17 However, all Members of the Board of Trustees, by resolution of a

18 majority of the members in good standing of the Corporation, claim expenses of

19 attendance at regular or special meetings of the Board. Actual and necessary

20 traveling expenses of the members of the Board while engaged in the service of

21 the Corporation and in pursuit of its defined objectives and purposes may be

22 allowed by special resolution of the Board.

23 **SEC. 15. Property of the EVRMC and Calbayog City District Hospital.-** The

24 property of the EVRMC and Calbayog City District Hospital shall consist of such

25 real, personal, mixed, and other types of property now owned by them or

26 reserved for or may hereafter be given donated, acquired, transferred or

27 conveyed to them by the Philippine Government, its branches and

1 instrumentalities, or any foreign government, as well as by trust, foundations,
2 corporations, or persons, alien or domestic, in order to carry out their purposes
3 and objectives as set forth herein.

4 **SEC. 16. Assistance from Government Offices, etc.**- The EVRMC may call
5 upon any department, bureau, office, agency or instrumentality of the
6 Government, including government-owned or controlled corporations, for such
7 assistance, as it may need in the pursuit of its purposes and objectives.

8 All individuals, entities and institutions are hereby enjoined to render full
9 assistance and cooperation to the EVRMC in the accomplishment of its objectives
10 and activities.

11 **SEC. 17. Loans.**- The Corporation is hereby authorized to contract loans,
12 credits, and other indebtedness in any convertible foreign currency, from time to
13 time, from foreign governments, or any international financial institutions or
14 fund sources, or any other entities, on such terms and conditions it shall deem
15 appropriate for the accomplishment of its purposes and to enter into and execute
16 agreements specifying such terms and conditions.

17 The property and assets of the corporation may be used as collateral for its
18 loans and borrowings.

19 **SEC. 18. Exemption From Taxes and Duties.**- The Corporation shall be
20 exempt from the payment of taxes on all contributions thereto and all accruals on
21 its income and investment earnings.

22 Any donation, contribution, bequest, subsidy or financial aid which may
23 be made to the Corporation shall constitute allowable deduction from the income
24 of the donor for income tax purposes and shall be exempt from donor's tax
25 subject to such conditions as provided in the National Internal Revenue Code.

26 The Corporation shall be exempt from all other taxes, whether direct or
27 indirect, on its income, properties, and operations.

1 **SEC. 19. Continuous and Subsequent Government Appropriations.**- Amounts
2 as may be necessary to further improve hospital facilities and support the
3 continued operation and maintenance of the EVRMC and to continuously
4 subsidize their indigent patients based on the Department of Health Medical
5 Social Worker classification shall be appropriated in the annual General
6 Appropriations Act.

7 **SEC. 20. Auditor.**- The Commission on Audit shall appoint a
8 representative who shall be the auditor of the EVRMC and such personnel as
9 may be necessary to assist said representative in the performance of his/her
10 duty.

11 **SEC. 21. Civil Service Law Coverage for Employees.**- The hiring, appointment,
12 promotion, discipline and other terms and conditions of the service of all
13 employees of EVRMC and the Calbayog City District Hospital shall be consistent
14 with the provisions of the Civil Service Law, rules and regulation, except as
15 otherwise provided for in this Bill.

16 **SEC. 22. Salaries, benefits and other compensation.** At least for the first three
17 (3) years of existence of the EVRMC as a corporation, the compensation of its
18 officers and employees shall be in accordance with RA 6758 otherwise known as
19 the Salary Standardization Law. After said period and provided that EVRMC
20 shall have then attained financial viability or capability, all positions therein shall
21 be governed by compensation, position classification system and qualification
22 standards approved by the Board of Trustees based on comprehensive job
23 analysis and audit of actual duties and responsibilities.

24 **SEC. 23. Early Retirement and Separation Benefits.**- Officials and employees
25 of the EVRMC and the Calbayog City District Hospital voluntarily opt for
26 separation or retirement shall be entitled to the benefits provided for under
27 existing laws.

1 **SEC. 24. Non-Registration with the Securities and Exchange Commission.** The
2 EVRMC as a government owned and controlled hospital Corporation and the
3 Calbayog City District Hospital as subsidiary shall be governed by its charter
4 and is prohibited from being registered in the Securities and Exchange
5 Commission (SEC) as a private corporation.

6 **SEC. 25. Implementing Rules and Regulations.**- Within fifteen (15) days from
7 completion of membership, the Board shall convene to formulate the rules and
8 regulations necessary for the implementation of this House Bill, which shall be
9 issued within (6) months. The implementing rules and regulations shall adopt
10 appropriate provisions of issuances of government agencies on corporate
11 organizational structures as well as corporate governance.

12 **SEC. 26. Events of Early Termination.**- Termination shall ensue at any time
13 under any of the following circumstances: (a) In the event a law has been passed
14 and approved by Congress authorizing the conversion of EVRMC into a
15 corporation and the Calbayog City District Hospital as subsidiary; or (b) in the
16 event that the corporation shall fail to perform or to meet the pre-arranged
17 indicators or to a degree such that in the reasonable opinion of the Secretary of
18 the DOH such failure amounts to an ineffective management of the hospital and
19 it jeopardizes the delivery of hospital and medical services.

20 **SEC. 27. Supplementary Application of Corporation Code.**- The provisions of the
21 Corporation Code shall have supplementary application in matters not provided for
22 in this Bill and insofar as they are not inconsistent therewith.

23 **SEC. 28. Reports.**- The Corporation shall, within three(3) months after the
24 end of every fiscal year, submit such periodic or other reports as may be required
25 of it from time to time to the DOH.

26 **SEC. 29. Transfer of Personnel, Assets, Records and Equipment.**- All personnel,
27 assets, funds, records, equipment and liabilities of the EVRMC and the Calbayog

1 City District Hospital are hereby transferred to and shall henceforth appertain to
2 EVRMC as a Corporation and the Calbayog City District Hospital as subsidiary.

3 **SEC. 30. Effect of Dissolution of the Center.**- If, for any reason, the EVRMC is
4 dissolved, its property and personnel remaining at the time of such dissolution
5 shall revert to the Department of Health and the Calbayog City District Hospital
6 shall revert to the Local Government of Calbayog City for disposition in
7 accordance with law.

8 **SEC. 31. Effectivity.**- This act shall take effect upon its approval.

9 Approved,