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SENATE

Senate Bill No. 2029

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Introduced by SENATOR EDGARDO J. ANGARA

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### EXPLANATORY NOTE

The State recognizes health as a basic human right. Article 11, Section 15 of the 1987 Constitution provides that:

*The State shall protect and promote the right to health of the people and instill health consciousness among them.*

Although this right is guaranteed by the 1987 Constitution, access to health care system in the Philippines especially by the poor is still hampered by financial, physical, social and cultural barriers.

To help achieve the country's vision of universal primary health care services, it is not enough to be contented with the present capacity of the country's health care system. It is important to build the country's capability for research and development because these can fuel the necessary innovation that will lead to a responsive and efficient health care system.

To achieve this, the country must provide for a favorable research environment wherein government agencies, non-government organizations, public and private hospitals, academic institutions and private agencies can optimize their research activities. However, a closer scrutiny at the present system would reveal that current researches are uncoordinated, fragmented and duplicated which precludes the optimal use of time, effort and resources.

The proposed Philippine National Health Research System bill will address these current problems by institutionalizing the Philippine National Health Research System (PNHRS) and create the Philippine National Health Research Fund (PNHRF).

PNHRS if recognized and institutionalized by statutory mandate shall serve the following functions:

- Produce new knowledge through research;
- Develop a national and global network of researchers, research organizations, and other members of the health search community;
- Secure sustainable financing for health research and development;
- Build capacities for health research and development activities and encourage individuals to pursue research as a career;
- Inculcate internationally and culturally accepted ethical standards and principles especially in researches involving human subjects and participants;
- Deepen the involvement of stakeholders;

- Ensure public access to the information and other outputs generated by the health research systems; and
- Encourage the utilization of research results in the form of products, technologies, programs and services.

Our country's ability to ensure optimum health for every Filipino hinges on the degree of priority we grant to health research and development (R & D) activities. This bill, therefore, seeks to oblige a number of government institutions to allocate a particular portion of their gross annual revenue or charge additional fees for health research and development activities.

Approval of this bill is earnestly sought.

  
**EDGARDO J. ANGARA**  
Senator

10 JUL 26 P3:05

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AN ACT  
INSTITUTIONALIZING THE PHILIPPINE NATIONAL HEALTH RESEARCH  
SYSTEM, ESTABLISHING THE PHILIPPINE NATIONAL HEALTH  
RESEARCH FUND PROVIDING FOR ITS ADMINISTRATION AND FOR  
OTHER PURPOSES

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

1 SECTION 1. *Short Title.* This Act shall be known as the “*Philippine National Health*  
2 *Research System Act of 2010.*”

3  
4 SECTION 2. *Declaration of Policy.* It is hereby declared the policy of the State to:

5  
6 (A) protect and promote the right of health to the people and instill health  
7 consciousness among them; and

8  
9 (B) improve the quality of life of every Filipino through health research and  
10 development initiatives.

11  
12 SECTION 3. *Definition of Terms.* For purposes of this Act, the term:

13  
14 (A) “Health” is defined as a state of optimal physical, mental and social well-  
15 being and ability to function at the individual level.

16  
17 (B) “Research and development (R & D) for health” - generation of knowledge to  
18 identify and deal with health problems, health system and policies as well as  
19 those that impact on health.

20  
21 (C) “Philippine National Health Research System (PNHRS)” is a framework  
22 anchored on the principles of Essential National Health Research on  
23 inclusiveness, participation, quality, equity, efficiency and effectiveness,

1 which connect to, and converge with, the wider health, economic, political,  
2 educational and science and technology (S & T) systems of the country.

3  
4 (D) “National Unified Health Research Agenda” contains the research priorities  
5 determined by the country’s stakeholders which serve the health needs of the  
6 population especially the marginalized, disadvantaged and those with special  
7 needs. This agenda is a platform to advocate for local, national, and  
8 international support.

9  
10 (E) “Core agencies” refer to the main national health and health related agencies  
11 namely: the Department of Health (DOH), the Department of Science and  
12 Technology-Philippine Council for Health Research and Development  
13 (DOST-PCHR), University of the Philippines Manila - National Institutes  
14 of Health ((UPM-NIH), and the Commission on Higher Education (CHED).

15  
16 (F) “Philippine National Health Research Fund (PNHRF)” refers to a special  
17 fund which by legislative action, segregates specified revenues for health  
18 research purposes.

19  
20 (G) “Health research stakeholders” include the national and the local private and  
21 public health agencies, policy makers, the academe, medical societies,  
22 people’s organizations, and others which may have the roles of health  
23 researchers, program administrators and beneficiaries.

24  
25 (H) “Management of Fund” - involves the generation, allocation and utilization,  
26 of the PNHRF, including government and non-government sources, and both  
27 domestic and international sources.

28  
29  
30 Article 2

31 The Philippine National Health Research System

32  
33 SECTION 4. *Creation of the Philippine National Health Research System.* The  
34 Philippine National Health Research System (PNHRS) is hereby constituted to improve  
35 the health status, productivity, and the quality of life of Filipinos by:

36  
37 (1) Ensuring that health research is linked to the health system needs;  
38

1 (2) Ensuring that investments in health research yield the most benefit;

2  
3 (3) Promoting good governance in research towards high performing and ethical  
4 health research organizations;

5  
6 (4) Engaging in national and international partnerships and networks for health  
7 research development.  
8

9 SECTION 5. *Composition of the PNHRS.* The PNHRS shall be composed of the  
10 Governing Council (GC), Steering Committee, the Technical Working Committees  
11 (TWC), the Secretariat, and the whole health research community. The interrelationships  
12 among these various components shall be described in the IRR of this Act.  
13

14 SECTION 6. *Creation of the PNHRS Governing Council.* The PNHRS GC, whose  
15 functions are enumerated in Section 7 shall be composed of the following:  
16

17 (1) The Secretary of the Department of Science and Technology (DOST)

18  
19 (2) The Secretary of the Department of Health (DOH) or his/her designated  
20 permanent representative;

21  
22 (3) The Chair of the Commission on Higher Education (CHED);  
23

24 (4) The Chancellor of the University of the Philippines Manila (UPM);  
25

26 (5) The National Nutrition Council Director;  
27

28 (6) The PCHRD Director;  
29

30 (7) President of the Philippine Health Insurance Corporation (PHIC);  
31

32 (8) The Director General of the National Economic Development Agency  
33 (NEDA)  
34

35 (9) The Professionals Regulation Commission (PRC) Chairperson  
36

37 (10) Representative from the Philippine health industry;  
38

1 (11) Representative from a non-government organization (NGO);

2  
3 (12) Representative from Academe;

4  
5 (13) Representative from League of Governors; and

6  
7 (14) Representative from the Regional Health Research System.

8  
9  
10 Representatives 1-9 shall serve as Ex-Officio Members while those mentioned in  
11 numbers 10 to 14 shall be nominated by the core agencies, and appointed by the President  
12 of the Philippines for a term of three (3) years; provided however, that for those first  
13 appointed representatives from Philippine health industry, NGO network and academe  
14 shall serve for three (3) years and those first appointed representatives from the League of  
15 Governors and the Regional Health Research Development Committees shall serve for  
16 two (2) years. The qualifications of the representatives mentioned in subparagraphs 10-14  
17 shall be provided for in the Implementing Rules and Regulations of this Act.

18  
19 Majority of the members of the GC shall constitute a quorum in all meetings.

20  
21 SECTION 7. *Functions of the PNHRG Governing Council.* The PNHRG GC shall:

22  
23 (1) set policies and directions for the PNHRG;

24  
25 (2) periodically review and approve the long-term plans and programs of the  
26 PNHRG;

27  
28 (3) evaluate and approve the National Unified Health Research Agenda  
29 developed and integrated by the Core Agencies, and identify areas that will  
30 serve as the foci of the National Health Research Agenda;

31  
32 (4) establish the criteria for stakeholders that can apply for grants for the approval  
33 of projects and programs;

34  
35 (5) approve investments of the PNHRF created under Section 11 of this Act;

36  
37 (6) review, grants and/or donations to any government agency relative to health  
38 research from domestic and international funding agencies;

1  
2 (7) review and approve research projects and programs;

3  
4 (8) create committees as the need arises.

5  
6 SECTION 8. *Creation/Functions of the Steering Committee.* The GC shall create the  
7 Steering Committee composed of the six (6) PNHRS Technical Working Committee  
8 Chairs. The functions of the Steering Committee are:

9  
10 (1) recommend policies to the Governing Council:

11  
12 (2) perform oversight function on the implementation of PNHRS activities;

13  
14 (3) coordinate activities of the six (6) PNHRS committees, and

15  
16 (4) monitor and report the progress of the committees' programs to the Governing  
17 Council.

18  
19 Section 9. *Creation PNHRS Committees.* The GC shall create the following Committees  
20 composed of representatives from the Core Agencies and various stakeholders:

21  
22 (1) Research Management - provide technical and policy advice in setting health  
23 research agenda, formulating policies and addressing matters related to  
24 priority setting, proposal review and funding/fund management, and project  
25 monitoring and evaluation;

26  
27 (2) Ethics - ensure adherence to universal ethical principles and values on the  
28 dignity of health research participants;

29  
30 (3) Capacity Building - provide technical and policy advice in the development  
31 and continuous supply of quality human and institutional resources for health  
32 research;

33  
34 (4) Structure, Organization, Monitoring and Evaluation - provide technical and  
35 policy advice to ensure the stewardship and leadership of the PNHRS  
36 espoused health research that connects to health needs and outcomes, policy  
37 and action;

1 (5) Research Utilization - provide technical and policy advice to develop and  
2 sustain knowledge management systems, communication and advocacy  
3 strategies to connect research to health needs and outcomes, policy and action;  
4

5 (6) Resource Mobilization - provide technical and policy advice/support to secure  
6 sustainable financing, and ensure equity, effective and efficient use of  
7 resources for health research and development.  
8

9 The Committees shall develop, implement, and monitor their respective strategic plans.  
10

11 Section 10. *The Executive Director and Secretariat.* The PCHRD Executive Director  
12 shall be the PNHRF Executive Director, responsible for, among others, the coordination  
13 and oversight functions of the System assisted by the PCHRD secretariat.  
14

### 15 Article 3

#### 16 The Philippine National Health Research Fund

17 SECTION 11. *Creation and Nature of the Philippine National Health Research Fund.* A  
18 Special Research Fund hereinafter called the Philippine National Health Research Fund  
19 (PNHRF) is hereby created under the management of the GC through the Secretariat.  
20  
21  
22

23 The PNHRF shall not be used for purposes other than those provided in Section 12 of this  
24 Act. Moreover, no portion of the funds of the PNHRF or income thereof shall accrue to  
25 the General Fund of the national government and its political subdivisions,  
26 instrumentalities and other agencies including government-owned and controlled  
27 corporations except as may be allowed under this Act.  
28

29 SECTION 12. *Uses of the PNHRF.* The main objective of this fund is to provide  
30 sustained financial support for knowledge management and its translation into efficient  
31 and effective health- policies and service delivery; a strengthened health care system; and  
32 improved health for all Filipinos. It shall ensure that the Government invests in health  
33 research as part of its commitment to secure the well-being of its citizens. Specifically, it  
34 shall be utilized for any or all of, but not limited to, the following:  
35

36 (1) support quality ethical research and the application of ethical principles to  
37 health research and development activities;  
38



- 1 (2) create a robust health research environment in the Philippines that will attract,  
2 develop and keep excellent researchers and provide them with the opportunity  
3 to contribute to the improvement of people's health in the country and the  
4 world;  
5
- 6 (3) fulfill an integrated health research agenda across disciplines, sectors and  
7 regions that reflect the emerging health needs of Filipinos and the evolution of  
8 the health system, and support's health policy decision-making;  
9
- 10 (4) ensure the promotion research undertakings that meet the highest international  
11 scientific standards of excellence and ethics and that pertain to all aspects of  
12 health, including bio-medical research, clinical research and research on  
13 health systems, health services, the health of populations, societal and cultural  
14 dimensions of health and environmental influences on health;  
15
- 16 (5) address emerging health opportunities, threats and challenges (e.g. avian flu,  
17 SARS) and accelerate the discovery of cures and treatments and  
18 improvements to health care, prevention and wellness strategies;  
19
- 20 (6) promote the dissemination of research-based knowledge, technologies, and  
21 innovations and the application of health research to improve the health of  
22 Filipinos and, provide support for the participation of Filipino health scientists  
23 in international collaboration and partnerships in health research.  
24

25 SECTION 13. *Sources of PNHRF and Method of Collection.*  
26

- 27 (1) The PNHRF shall be sourced out from the following agencies, but not limited  
28 to:  
29
  - 30 a. One percent (1%) of the gross annual revenue collected by the PHIC  
31 from premium payments until the PNHRF reaches the sum of 10  
32 Billion pesos;  
33
  - 34 b. Five percent (5%) of the annual revenue collected by the National  
35 Statistics Office (NSO) from birth certificate issuances;  
36
  - 37 c. Fifteen percent (15%) of the total fees collected by the Professional  
38 Regulation Commission (PRC) from the issuance and renewal of

1 licenses of health professionals such as but not limited to physicians,  
2 nurses, dentists, pharmacists, medical technologists, midwives,  
3 dieticians, and veterinarians;

4  
5 d. Any other appropriations from the General Appropriations Act; and

6  
7 e. Donations and grants from domestic and international sources duly  
8 accepted/approved by the GC which do not constitute a breach of the  
9 Philippine laws and recognized international treaties.

10  
11 (2) All agencies mentioned in the preceding paragraph are hereby directed to  
12 automatically remit semi-annually the amount prescribed by this Act to the  
13 specified account established by the GC on or before the 31st day of January  
14 and July of each year. This does not preclude the agencies from making  
15 advance contributions provided they fall within the specifications of this act.

16  
17 (3) The rates indicated in Paragraph 1 hereof shall be reviewed and updated every  
18 five (5) years.

19  
20  
21 SECTION 14. Management and Allocation of Fund

22  
23 (1) The GC through the secretariat shall manage the funds in accordance with  
24 generally accepted auditing standards;

25  
26 (2) The GC shall allocate two percent (2%) from the fund for research operational  
27 expenses.

28  
29 (3) The GC is authorized to invest the PNHRF that was not allocated/obligated  
30 during the current year in any of the following:

31  
32 a. Interest-bearing bonds, securities, and other evidence of indebtedness  
33 of the Republic of the Philippines and other evidences to which full  
34 faith and credit and unconditional guarantee of the Republic of the  
35 Philippines are pledged.

36  
37 b. In interest-bearing deposits and loans to or securities in any domestic  
38 bank doing business in the Philippines: Provided, that in the case of

1 such deposits, this shall not exceed at any time the unimpaired capital  
2 and surplus or total private deposits of the depository bank, whichever  
3 is smaller. Provided, further, that said bank shall first have been  
4 designated as depository for this purpose by the Monetary Board of the  
5 Bangko Sentral ng Pilipinas (BSP); and  
6

- 7 c. In preferred stocks of any solvent corporation or institution created or  
8 existing under the laws of the Philippines: Provided, that the issuing,  
9 assuming, or guaranteeing entity or its predecessor has paid regular  
10 dividends upon its preferred or guaranteed stocks for a period of at  
11 least three (3) years immediately preceding the date of investment in  
12 such preferred or guaranteed stocks. Provided further, that if the stocks  
13 are guaranteed the amount of stocks so guaranteed is not the excess of  
14 fifty percent (50%) of the amount of the preferred common stocks as  
15 the case may be of the issuing corporation. Provided furthermore, that  
16 if the corporation or institution has not paid dividends upon its  
17 preferred stocks, the corporation or institution has sufficient retained  
18 earnings to declare dividends for at least two years on such preferred  
19 stocks and in common stocks options.  
20

21 The Board can also invest in common stocks of any solvent  
22 corporation or institution created or existing, under Philippine laws, in  
23 the stock exchange with proven track record of profitability and  
24 payment of dividends over the last three (3) years or in the common  
25 stocks of a newly organized corporation about to be listed in the  
26 Philippine stock exchange. Provided, finally, that such duly organized  
27 corporation shall have been rated "A, double "A's" or triple "A's" by  
28 authorized accredited domestic rating agencies or in mutual funds  
29 including allied investments.  
30

- 31 (4) The GC shall allocate not less than sixty percent (60%) but not more than  
32 seventy five percent (75%) to *priority research programs* and agenda as  
33 defined by the National Unified Health Research Agenda and to UPM-NIH, as  
34 lead implementing agency for health research, not less than twenty five  
35 percent (25%) but not more than forty percent (40%) of the funds.  
36

- 37 (5) The GC, through the Secretariat shall submit periodic reports to agencies  
38 mentioned in Section 6 on the use of the PNHRF.

1  
2 SECTION 15. Creation of the Investment Advisory Group.

3  
4 (1) An Investment Advisory Group is hereby established to make  
5 recommendations to the GC on matters of investments from the PNHRF.  
6 The group shall recommend the method of investment that will yield the  
7 highest return for the PNHRF.

8  
9 (2) The advisory group shall be composed of the Representatives of the Core  
10 Agencies to be appointed by their respective heads and any three of the  
11 following, for a term of three (3) years:

12  
13 a. An economist or market analyst with extensive knowledge of the  
14 financial and stock markets;

15  
16 b. A representative from the Bangko Sentral ng Pilipinas (BSP);

17  
18 c. A member from the Philippine Bar;

19  
20 d. A representative from the research community.

21  
22 Provided that the representative from the BSP shall always be a member of the Advisory  
23 Group.

24  
25  
26 Article 4  
27 Final Provisions

28  
29 SECTION 16. Monitoring, Evaluation, Accountabilities, and Annual Report. Regular  
30 monitoring and evaluation mechanism shall be done by the GC through the secretariat to  
31 determine the accountabilities of the System to the Contributing Agencies. The  
32 specifics/details of monitoring, evaluation, accountabilities and annual reporting shall be  
33 provided for in the Implementing Rules and Regulations of this Act.

34  
35 SECTION 17. *Implementing Rules and Regulation.* The Core Agencies shall promulgate  
36 the implementing rules and regulations of this Act within a year after the effectivity  
37 hereof.

1 SECTION 18. *Separability Clause.* If any provision or part hereof, is held invalid or  
2 unconstitutional, the remainder of the law or the provision not otherwise affected shall  
3 remain valid and subsisting.

4

5 SECTION 19. *Repealing Clause.* Any law, presidential decree or issuance, executive  
6 order, letter of instruction, administrative order, rule or regulation contrary to or  
7 inconsistent with, the provisions of this Act is hereby repealed, modified or amended  
8 accordingly.

9

10 SECTION 20. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its  
11 publication in at least two (2) newspapers of general circulation.

12

13 *Approved,*