

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3848



Introduced by Representative **TYRONE D AGABAS**

EXPLANATORY NOTE


This bill seeks to prohibit the privatization and corporatization of public hospitals, public health facilities and public health services in the country. This bill has already been approved by the House of Representatives on its 3rd and final reading in the 17th Congress. It is now being filed to secure the government's commitment "to protect and promote the right to health of the people and to instill health consciousness among them (Section 15, Article II of the 1987 Philippine Constitution).

Public health care in the Philippines is paramount. It is a constitutionally guaranteed right. Privatization of public hospitals, facilities and other health services is a violation of this right. Privatization of public health services is an offense to the people. It is an affront to ordinary wage earners who cannot afford the high cost of hospitalization, and an outrage to those who have none. It is a challenge to the government's initiative in delivering quality social services to the people especially the poor and the marginalized.

Privatization in healthcare is defined by the World Health Organization as a "process in which non-governmental actors become increasingly involved in the financing and/or provision of health care services."ⁱ It is simply the divestment or sale by the government of its assets in favor of the private sector. Privatization of public health services will definitely do more damage than good to our people. It is an avenue leading to a spiral rise of morbidity and mortality in the countryside where public health care service will just become a commodity with a high price tag attached to it.

In view thereof, the passage of this bill is urgently sought.

ⁱ J Muschell, Technical Briefing Note on Privatization in Health, 1995.



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AN ACT PROHIBITING THE PRIVATIZATION AND CORPORATIZATION OF
PUBLIC HOSPITALS , PUBLIC HEALTH FACILITIES AND PUBLIC HEALTH
SERVICES, AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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

1 *SECTION 1. Short Title.* – This Act shall be known as the “Anti-
2 Privatization of Public Hospitals, Health Facilities and Health Services
3 Act”.

4 *Sec. 2. Declaration Of Policy* – It is the policy of the State to ensure the
5 protection and promotion of the right to health of the people and to instill
6 health consciousness among them. Further, the State shall endeavor to
7 make essential goods, health and other services available to all people at
8 affordable cost.

9 *SEC. 3. Definition of Terms.* - As used in this Act:

10 (a) Indigent/Service/Poor patients refer to those who have no
11 source of income, or whose family income are below the mandated
12 minimum daily wage and/or below the minimum monthly cost of
13 living as set by appropriate government agencies.

14 (b) *Privatization* refers to the process in which non-government
15 actors become increasingly involved in the financing and the

provision of health care services which include: outright sale; public-private partnership; corporatization; contracting out of equipment; joint venture; franchising; management control and corporatization; leasing; and user charges;

(c) *Public hospitals* refer to all Department of Health (DOH) retained and national hospitals, provincial and regional hospitals under the local government, including specialty hospitals with separate legislative charters like the Philippines Heart Center, the National Kidney and Transplant Institute, the Lung Center of the Philippines and the Philippines Children's Medical Center;

(d) *Public health facilities* refer to health centers, lying-in clinics, and barangay health stations under the national or local government; and

(e) *Public health services* refer to all diagnostic, laboratory, medical, surgical, and health-related services provided by public hospitals and public health facilities to indigent, service or poor patients.

SEC. 4. Prohibition of Privatization of Public Hospitals, Public Health Facilities, and Public Health Services. – No public hospital, public health facility and public health services shall be privatized. Likewise, under no circumstance shall the Secretary of Health or any person, whether natural or juridical, initiate, cause, and approve the privatization of any public hospital, public health facility or public health services.

This prohibition against privatization shall cover specialty hospitals with separate legislative charters like the Philippine Heart Center, the National Kidney and Transplant Institute, the Lung Center of the Philippines and the Philippines Children's Medical Center.

SEC. 5. Bed Allotment for Indigent/Service/Poor Patients in Public Hospitals. – At least ninety percent (90%) of the total bed capacity of all public hospitals shall be allotted for indigent/service/poor patients,

pursuant to Republic Act No. 1939, otherwise known as “ An Act Prescribing the Appropriate Share of the National, Provincial, City and Municipal Governments in the Financial Contributions for the Operation and Maintenance of Free Beds in Government Hospitals and/or the Establishment of Additional Wards or Hospitals in the Philippines”.

SEC. 6. Liability and Accountability. – Any person, whether natural or juridical, who initiates, causes, and approves the privatization of any public hospital, public health facility or public health services shall be considered in violation of this Act.

. 7. Penalties. – Any person who violates any provision of this Act shall be penalized accordingly:

(a) *First Offense* – A fine of not less than One hundred thousand pesos (PhP100,000.00) but not more than Two hundred thousand (PhP200,000.00) and suspension of one (1) to two (2) years from public office;

(b) *Second Offense* – A fine of not less than Two hundred thousand pesos (PhP200,000.00) but not more than Five hundred thousand pesos (PhP500,000.00) and temporary disqualification from holding any public office for not less than three (3) years but not more than six (6) years; and

(c) *Third Offense* - A fine of not less than Five hundred thousand pesos (PhP500,000.00) but not more than Eight hundred thousand pesos (PhP800,000.00) and removal from public office and perpetual disqualification from holding any public position or office.

SEC. 8. Implementing Rules and Regulations. – The Secretary of the Department of Health shall promulgate the rules and regulations necessary to implement the provisions of this Act within ninety (90) days from its effectivity.

73 *SEC. 9. Separability Clause.* – If any provision of this Act is declared
74 invalid or unconstitutional, the other provision hereof which are not
75 affected thereby shall continue to be in full force and effect.

76 *SEC. 10. Repealing Clause.* - All laws, order, decrees, rules and
77 regulations and other issuances or parts thereof which are inconsistent
78 with the provisions of this Act are hereby repealed or modified accordingly.

79 *SEC. 11. Effectivity.* – This Act shall take effect fifteen (15) days after its
80 publication in the Official Gazette or in any newspaper of general
81 circulation.

82 Approved,