

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3948



Introduced by Representative Sol Aragon

EXPLANATORY NOTE

In the 1987 Philippine Constitution, the protection and promotion of the health of every Filipino is mentioned several times. In Article II, Section 15, it states that "The State shall protect and promote the right to health of the people and instill health consciousness among them." In Article XIII, Section 11, it also states "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. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers."

According to the latest data from the Philippine Statistics Authority, the out-of-pocket expenses of Filipinos for medical care reached almost PHP 300 Billion or more than 56% of the total medical expenditures for the whole country. The PhilHealth spending was also alarmingly lower than the target. PhilHealth was expected to shoulder almost 20% of the total medical expenditure, but they were only able to spend on 11% of it. According to World Bank data, the rest of the world spends an average of 45.5% for out-of-pocket expenditures for medical care.

The information above provides insights on the efficiency and effectiveness of our national health care system. Certainly, the PhilHealth operations can be improved and the out-of-pocket expenditures by the Filipino people can also be reduced. Currently, 92% of the total population are covered by PhilHealth but only 12% of total eligible members were able to utilize the coverage afforded by PhilHealth. It underlines the need for a more efficient and more proactive system in order for the Philippines to keep up with the global standards.

With the passage of Republic Act No. 11223 or the Universal Health Care (UHC) Law, many of the concerns of our countrymen are being addressed. Every Filipino, paying or not, are enrolled in PhilHealth. The benefits under the UHC Law rely on the health benefit packages as determined by the PhilHealth. As such, out-of-pocket expenditures may still arise if the benefit packages are not enough to cover the medical needs of indigent and poor patients.

This proposed measure intends to reduce, if not eliminate, out-of-pocket expenditures of indigent and poor patients, including non-medical expenses like transportation costs, by establishing Malasakit Centers. These Malasakit Centers will also be a Health System Enabler to improve assessment for patient assistance and referral to provide much needed system support for patient investigation.

The immediate approval of this bill is therefore earnestly sought.


SOL ARAGONES
3RD District, Laguna

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1 **AN ACT**
2 **INSTITUTIONALIZING MALASAKIT CENTERS TO COMPLEMENT THE**
3 **IMPLEMENTATION OF REPUBLIC ACT NO. 11223 OTHERWISE KNOWN AS**
4 **THE “UNIVERSAL HEALTH CARE ACT” BY REQUIRING PHILHEALTH TO**
5 **ESTABLISH, OPERATE, AND MAINTAIN MALASAKIT CENTERS IN ALL DOH,**
6 **LGUS, SUCS, AND DND HOSPITALS IN THE COUNTRY, PROVIDING FUNDS**
7 **THEREFOR, AND FOR OTHER PURPOSES**

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

10 **SECTION 1. *Short Title.*** – This Act shall be known as the “Malasakit Centers Act of
11 2019.”

12 **SECTION 2. *Declaration of Policies.*** – It is the declared policy of the State to improve
13 the delivery of health care services to the people, and to ensure financial assistance for hospital
14 and medical expenses are available and accessible to the people.

15 **SECTION 3. *Definition of Terms.*** – For purposes of this Act, the following terms shall
16 mean:

17 a) DOH Hospital refers to a refers to a hospital under the management and
18 administration of the Department of Health (DOH), including the four (4) corporate hospitals
19 under the Secretary of Health, namely: Philippine Heart Center, Lung Center of the Philippines,
20 National Kidney and Transplant Institute and the Philippine Children's Medical Center and all
21 Regional Hospitals;

22 b) DND Hospital refers to a hospital managed by the Department of National
23 Defense;

c) Financial Assistance of Material Assistance refers to actual cash or check which covers burial, transportation, and other allied assistance given by agencies as mandated by existing laws, rules and regulations to provide such assistance;

d) Indigent Patient refers to patient who has no visible means of income, or whose income is insufficient for the subsistence of his/her family, as identified by the Department of Social Welfare and Development (DSWD), LGU social worker or the medical social worker of the health facility;

e) Local Government Unit (LGU) Hospital refers to a hospital managed by the local government units, usually the provincial --government;

f) Malasakit Center refers to a processing center for Philhealth and one-stop shop for Filipinos in need of medical assistance;

g) Medical Assistance refers to assistance for out-of-pocket expenditure in form of coupon, stub, guarantee letter, promissory note or voucher that has monetary value, given directly to individual recipients or beneficiaries to address their immediate needs;

h) Out-of-pocket expenditure refers to professional fees, medicines and supplies, diagnostic services medical and surgical services not currently paid for or sufficiently reimbursed by Philhealth under Republic Act No. 11223 or the Universal Health Care Act, or other financing sources; and

i) Poor Patient refers to those not classified as indigent but are otherwise considered poor or with financial difficulty to access adequate medical care and/or pay hospital bills because of certain unavoidable circumstance, such as but not limited to:

1) Senior citizens, persons with disability (PWD), orphans, abused women and children as defined in RA 9262 or the Anti-Violence Against Women and Their Children Act of 2004 and RA 7610 or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act;

2) Patients with catastrophic illness or any illness as a primary condition that is life or limb-threatening and requires prolonged hospitalization, extremely expensive therapies or other special but essential care that would deplete one's financial resources, unless covered by special health funding policies;

3) Unemployed or without gainful employment;

4) Suspected or confirmed victims of torture as defined by Republic Act No. 9745 of the Anti-Torture Act of 2009;

5) Soldiers and police rendered disabled to be gainfully employed and their dependents and dependents of soldiers and police killed in action;

1 6) Rebel returnees, prisoners of war and their dependents; and

2 7) Victims of calamities or disasters such as but not limited to typhoons,
3 earthquake, whose place of residence are officially under a state of emergency or
4 calamity; and SUC Hospital refers to hospitals managed by State Universities and
5 Colleges.

6 **SECTION 4. *Malasakit Centers.*** – To complement the implementation of Republic
7 Act No. 11223, otherwise known as the Universal Health Care Act, there shall be established
8 a Malasakit Center in each DOH, LGU, DND and SUC hospital in the country which shall
9 serve as (a) processing center for all Philhealth concerns regarding coverage, and in relation
10 thereto no-balance-billing compliance and referral to the health provider network, and (b) one-
11 stop shop medical assistance to cover out-of-pocket medical expenses of indigent and poor
12 patients.

13 The Philhealth shall administer and manage the Malasakit Centers in close coordination
14 with the DSWD. Each Malasakit Center shall consist of duly designated representatives from
15 the Philhealth, DOH, DSWD and PCSO with the following delegation of functions:

16 1) The Philhealth representative shall be in charge of the over-all operation of the
17 Malasakit Center. He/she shall assist and process the concerns of both direct and indirect
18 contributors to Philhealth regarding the implementation of Republic Act No. 11223, including
19 but not limited to coverage, billing, health benefits packages, financial concerns and no-
20 balance-billing compliance as well as referral to the hospital provider network. The Philhealth
21 representative shall also assist in patient navigation and referral to the health care provider
22 network;

23 2) The DOH representative shall be in charge of providing medical assistance to
24 indigent and poor patients;

25 3) The DSWD representative shall be in charge of providing financial or direct
26 assistance to indigent and poor patients; and

27 4) PCSO shall also be in charge of providing medical and other assistance.

28 **SECTION 5. *Provision of Medical Assistance.*** – The DOH shall provide medical
29 assistance to indigent and poor patients through the Malasakit Center which shall be charge
30 from the annual appropriation of the DOH assistance to indigent patients. The DOH may also
31 augment medical assistance using the following sources:

1 a) Other appropriations earmarked by national government agencies and local
2 government units purposely for medical assistance to indigent and poor patients: Provided,
3 That appropriations earmarked for a specific hospital shall only be used for that specific
4 hospital; and

5 b) Donations and grants-in-aid: Provided, That donations and grants donated for a
6 specific hospital shall only be used for that specific hospital: Provided further, That the
7 donations and grants shall only be used for the purpose specified by the donor.

8 The DOH shall issue guidelines for the proper implementation of the medical assistance
9 to indigent and poor patients which shall include order of charging from the aforementioned
10 sources of financing, availment procedures, transfer and release of funds, recording and
11 reporting, monitoring and evaluation, partnerships with private hospitals, among other.

12 The DOH shall make a quarterly report to the Office of the President and Congress
13 regarding the expenditures or disbursements of the medical assistance to indigent and poor
14 patients.

15 **SECTION 6. *Medical Assistance.*** – The Medical Assistance shall cover for medical
16 and surgical services not currently paid for or sufficiently reimbursed by Philhealth in
17 accordance with Republic Act No. 11223 or other financing sources, and shall be used for the
18 following drugs, medicines, goods and other services prescribed by the physician of the health
19 facility such as but not limited to:

20 a) Laboratory, imaging and all other diagnostic procedures;

21 b) Drugs and medicines included in the Philippine National Drug Formulary
22 (exemptions to be cleared by Pharmaceutical Division);

23 c) Supplies, orthopedic/assistive devices, prosthesis, blood and blood products;
24 Dental services, except those that are for aesthetic purpose and not medically indicated;

25 d) All clinically indicated medical and surgical procedures, whether emergency or
26 elective;

27 e) Prescribed post-hospitalization rehabilitation services, aftercare program,
28 appropriate mental and physical support, including those done on an outpatient basis;

29 f) In case of non-availability of clinically indicated drugs, medicines, tests,
30 services or procedures in government health facilities, the concerned government health facility
31 may enter into contract with DOH-accredited private health facility to provide the needed drug,
32 test, service or procedure to the patient, charged against the DOH hospital;

1 g) All hospital bills including professional fees, provided that the expenses for
2 professional fees shall not exceed fifty percent (50%) of the approved assistance; and

3 h) All other medical, health, documentary and related services billed by the
4 hospital.

5 Provided, That medical assistance to patients shall be based on need as recommended
6 by the hospital social worker and attending physician, approved by the Chief of
7 Hospital/Medical Center Chief of the institution involved, Philhealth and DOH authorized
8 officials, subject to availability of funds.

9 **SECTION 7. *Provision of Financial Assistance.*** – The DSWD shall provide financial
10 assistance through the Malasakit Center to indigent and poor patients, individuals in emergency
11 situations, under distress or are in need of supplemental financial support due to health or
12 medical conditions, sickness or disease; funeral and burial concerns, which also includes the
13 most direct and economical transportation expense to or from place of residence or specific
14 destination. Food and Housing related expenses.

15 The provision of financial assistance through Malasakit centers shall be charged to the
16 annual appropriation of the DSWD for assistance to individuals and families in difficult
17 circumstances. The DSWD shall issue policies and guidelines on the release of such assistance
18 for the proper implementation of the program.

19 **SECTION 8. *Establishment of Malasakit Centers.*** – The Philhealth and DOH shall, in
20 the establishment of the Malasakit Centers, undertake consultations with all DOH, LGU, DND
21 and SUC hospitals; Provided, that in the establishment of the Malasakit Centers, highest
22 priority shall be given to those economically-depressed areas or provinces.

23 Within three (3) years from the effectivity of this Act, the Philhealth and DOH shall
24 establish Malasakit Centers down to the Primary and Secondary Care level to help facilitate
25 the adoption of appropriate health seeking behaviors, assist primary care providers in
26 encouraging medical consultation at the health centers, monitor patient compliance, and ensure
27 patient referral and availment of benefits.

28 Private hospitals are hereby encouraged to establish Malasakit Centers. The Philhealth
29 and DOH may enter into a Memorandum of Agreement with private hospitals for the
30 establishment of Malasakit Centers which shall cater indigent and poor patients of the private
31 hospital.

1 **SECTION 9.** *Donations from Non-Governmental Organizations and the Private*
2 *Sector.* – The DOH may solicit and receive donations from the private sector for medical
3 assistance to indigent and poor patients. Such donations shall be exempt from income or donor's
4 tax and all other taxes, fees and charges imposed by the government: Provided, That donations
5 from the private sector for a particular hospital shall only be used for the benefit of the patients
6 of the particular hospital: Provided further, That the donations and grants shall only be used for
7 the purpose specified by the donor. As such, the donor may send his or her representatives to
8 the Malasakit Center for the provision of the medical assistance donated by the donor in the
9 particular hospital.

10 Receipts from donations, whether in cash or in kind, shall be accounted for in the books
11 of the DOH in accordance with accounting and auditing rules and regulations. The receipts
12 from cash donations and proceeds from sale of donated commodities shall be deposited with
13 the National Treasury and recorded as a special account in the General Fund and shall be
14 available to the DOH through a special budget pursuant to Section 35, Chapter 5, Book VI of
15 Executive Order No. 292. Donations with a term not exceeding one (1) year shall be treated as
16 trust receipts.

17 The DOH shall submit the quarterly reports of all donations received, whether in cash
18 or in kind, and expenditures or disbursements thereon with electronic signature to the DBM,
19 through the Unified Reporting System, and to the Speaker of the House of Representatives, the
20 President of the Senate of the Philippines, the House Committee on Appropriations, the Senate
21 Committee on Finance and the Commission on Audit, by posting such reports on the DOH
22 website for a period of three (3) years. The head of the DOH shall send written notice to the
23 said offices when said reports have been posted on its website which shall be considered the
24 date of submission.

25 **SECTION 10.** *Appropriations.* – The amount necessary to establish Malasakit Centers
26 shall be included in the General Appropriations Act. Additionally, there shall be an annual
27 appropriation for the assistance to indigent patients under the DOH specifically for medical
28 assistance to indigent and poor patients as provided for in Section 5 of this Act, and an annual
29 appropriation for assistance to individuals and families in difficult circumstances under the
30 DSWD budget for financial assistance to indigent and poor patients as provided for in Section
31 of this Act.

1 **SECTION 11. *Implementing Rules and Regulations.*** – Within ninety (90) days from
2 the approval of this Act, Philhealth, DOH, DSWD, in coordination with Department of Interior
3 and Local Government shall jointly issue the implementing rules and regulations of this Act.

4 **SECTION 12. *Separability Clause.*** – Any portion or provision of this Act that is
5 declared unconstitutional shall not have the effect of nullifying other portions or provisions
6 hereof as long as such remaining portions can still subsist and be given effect in their entirety.

7 **SECTION 13. *Repealing Clause.*** – All laws, ordinances, rules, regulations, other
8 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified
9 accordingly.

10 **SECTION 14. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
11 publication in the Official Gazette or in a newspaper of general circulation.

12 *Approved.*