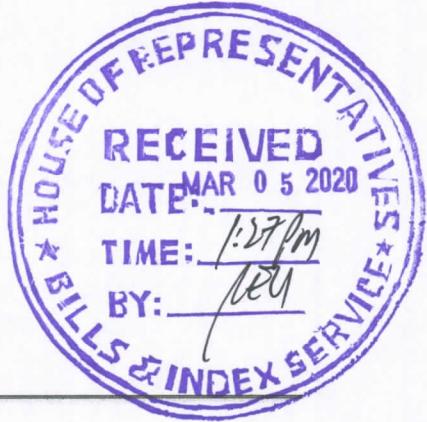




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session



271
COMMITTEE REPORT NO.

Submitted by the Committee on Health and the Committee on Appropriations
on MAR 05 2020

Re : House Bill No. 6497

Recommending its approval in substitution of House Bills Numbered 170, 296, 4011, 4264 and 5021

Sponsor : Reps. Angelina "Helen" D.L. Tan, M.D., Victor A. Yap, Henry R. Villarica, Geraldine B. Roman, Michael Odylon L. Romero, and Isidro T. Ungab

Mr. Speaker:

The Committee on Health and the Committee on Appropriations to which were referred House Bill No. 170 introduced by Rep. Angelina "Helen" D.L. Tan, M.D., entitled:

"AN ACT MODERNIZING THE REGULATION OF HEALTH FACILITIES AND SERVICES, AND APPROPRIATING FUNDS THEREFOR, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT"

House Bill No. 296 introduced by Rep. Victor A. Yap, entitled:

"AN ACT STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES, AND APPROPRIATING FUNDS THEREFOR, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT"

House Bill No. 4011 introduced by Rep. Henry R. Villarica, entitled:

"AN ACT STRENGTHENING THE REGULATION OF HEALTH FACILITIES AND SERVICES REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT" AND APPROPRIATING FUNDS THEREFOR"

House Bill No. 4264 introduced by Rep. Geraldine B. Roman, entitled:

"AN ACT STANDARDIZING THE CLASSIFICATION OF HOSPITALS IN THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4226 OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT"

House Bill No. 5021 introduced by Rep. Michael Odylon L. Romero, entitled:

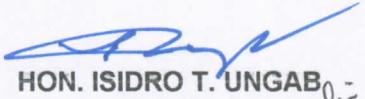
"AN ACT AMENDING REPUBLIC ACT 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT", PROVIDING FOR STIFFER PENALTIES AND SANCTIONS, AND FOR OTHER PURPOSES"

have considered the same and recommend that the attached House Bill No. 6497 entitled

"AN ACT MODERNIZING THE REGULATION OF HEALTH FACILITIES AND SERVICES,
AND APPROPRIATING FUNDS THEREFOR, REPEALING FOR THE PURPOSE REPUBLIC
ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT"

be approved in substitution of House Bills Numbered 170, 296, 4011, 4264, and 5021 and with Reps. Angelina "Helen" D.L. Tan, M.D., Victor A. Yap, Henry R. Villarica, Geraldine B. Roman, Michael Odylon L. Romero, Estrellita B. Suansing, Florida "Rida" P. Robes, "Kuya" Jose Antonio R. Sy-Alvarado, Sandra Y. Eriguel, M.D., Dahlia A. Loyola, Rosanna "Ria" V. Vergara, Isidro T. Ungab, Jose Enrique "Joet" S. Garcia III, Romeo S. Momo, Sr., Alfel M. Bascug, Gabriel H. Bordado, Jr., Ferdinand R. Gaite, Mark O. Go, Maricel G. Natividad-Nagaño, Roman T. Romulo, and Kristine Alexie B. Tutor as authors thereof.

Respectfully submitted:



HON. ISIDRO T. UNGAB
Chairperson
Committee on Appropriations



HON. ANGELINA "Helen" D.L. TAN, M.D.
Chairperson
Committee on Health

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6497

(In substitution of House Bills Numbered 170, 296, 4011, 4264 and 5021)

Introduced by Representatives Angelina "Helen" D.L. Tan, M.D., Victor A. Yap, Henry R. Villarica, Geraldine B. Roman, Michael Odylon L. Romero, Estrellita B. Suansing, Florida "Rida" P. Robes, "Kuya" Jose Antonio R. Sy-Alvarado, Sandra Y. Eriguel, M.D., Dahlia A. Loyola, Rosanna "Ria" V. Vergara, Isidro T. Ungab, Jose Enrique "Joet" S. Garcia III, Romeo S. Momo, Sr., Alfel M. Bascug, Gabriel H. Bordado, Jr., Ferdinand R. Gaite, Mark O. Go, Maricel G. Natividad-Nagaño, Roman T. Romulo, and Kristine Alexie B. Tutor

AN ACT

**MODERNIZING THE REGULATION OF HEALTH FACILITIES AND SERVICES,
AND APPROPRIATING FUNDS THEREFOR, REPEALING FOR THE PURPOSE
REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL
LICENSURE ACT"**

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 "Health Facilities
2 and Services Regulation Act".
3

4 **SEC. 2. Declaration of Policy.** – Article II, Sec. 15 of the Constitution states
5 that "The State shall protect and promote the right to health by the people and instill
6 consciousness among them". Furthermore, Article XIII, Sec 11 provides that "The
7 State shall endeavor to make essential goods, health and other services available to
8 all Filipino at affordable cost".
9

10 **SEC. 3. Definition of Terms.** – As used in this Act:
11

12 a) Health Facilities - refer to facilities or institutions, whether stationary or
13 mobile, land based or otherwise, and other health related establishments which
14 provide for any of the following services: diagnostic, therapeutic, rehabilitative, and
15 other health care services except medical radiation facilities and hospital-based or
16 stand-alone pharmacies;
17

18 b) Health Services - refer to services that may be preventive, diagnostic,
19 therapeutic, rehabilitative, palliative, and other similar ones that are provided by non-

1 health related establishments or entities including third party ambulance services
2 and other emerging services;

5 c) License - refers to a formal authorization issued by the Department of
6 Health (DOH) to an individual, partnership, corporation or association to operate
7 health facilities and provide health services. It is a prerequisite to the accreditation of
8 a hospital and recognition of competence to provide services by any accrediting
9 body that is recognized by the DOH;

10 d) Licensee - refers to the person, partnership, corporation, cooperative or
11 association granted a license to operate and maintain a health facility and provide
12 health services according to an approved standard set by the Bureau of Health
13 Facilities and Services (BHFS);

14 e) Permit to Construct (PTC) - refers to a permit issued by the DOH through
15 the BHFS to an applicant who shall establish and operate a hospital, upon
16 compliance with required documents prior to the actual construction of the said
17 facility.

18 A PTC is also required for hospitals and services that will entail a transfer of
19 hospital site, substantial alteration, expansion, or physical renovation, and increase
20 in the number of beds or for additional services (add-ons) beyond their service
21 capability. It shall likewise be a documentary requirement of the application for a
22 License to Operate (LTO) a hospital; and

23 f) Registration - refers to the act or process of entering information about a
24 health facility into the records of the public health system.

25 **SEC. 4. Bureau of Health Facilities and Services (BHFS).** – The Health
26 Facilities and Services Regulatory Bureau (HFSRB) is hereby renamed as the
27 BHFS. The BHFS shall be under the Office of the Secretary and shall have the
28 following functions, powers and duties:

29 a) To promulgate, establish and prescribe rules, regulations, standards,
30 requirements and specifications in the construction and operation of health facilities
31 and impose penalties for violations thereof;

32 b) To inspect all health facilities and services for compliance with the
33 prescribed rules and regulations prior to the issuance of regulatory authorizations in
34 accordance with the provisions of this Act and to give feedback to directors or
35 administrators of health facilities and services for the correction of deficiencies found
36 during the inspections;

37 c) To monitor and conduct surveillance of health facilities and services to
38 ensure their continued compliance with the rules and regulations in accordance with
39 this Act;

40 d) To study and adopt a system of classifying health facilities and services in
41 the Philippines;

1 e) To review and approve construction designs and plans for all health
2 facilities including renovation or expansion of the same in accordance with the
3 provisions of this Act;

4

5 f) To determine, levy, assess and collect the appropriate permit fee,
6 registration fee, license fee and surcharges pertinent to the operation of facilities and
7 provision of health services except in cases where charges or rates are established
8 by international bodies or associations of which the Philippines is a participating
9 member or by bodies recognized by the Philippine government as the proper arbiter
10 of such charges or rates;

11

12 g) To coordinate and call the assistance of any department, office, agency or
13 instrumentality of the national or local government and other entities concerned with
14 any aspect involving health facilities for the effective implementation of this Act;

15

16 h) To maintain a registry of health facilities and services and other related
17 facilities with licenses indicating the name of the facility, address or location,
18 classification, name of the director or administrator, ownership, number of authorized
19 beds and such other pertinent data as may be necessary;

20

21 i) To promulgate and implement the rules and regulations governing the
22 registration, licensure and operations of health facilities and services and to
23 periodically review and amend the same, subject to the approval of the Secretary of
24 Health and in consultation with the sectors concerned: *Provided, That* such rules and
25 regulations shall be in accordance with the provisions of this Act;

26

27 j) To grant regulatory authorizations such as permits and licenses for the
28 construction, operation and maintenance of health facilities and services, and to
29 suspend or revoke the same in accordance with the provisions of this Act;

30

31 k) To hire and train competent individuals and provide qualifications of
32 personnel to be designated as regulatory officers;

33

34 l) To submit yearly reports to the Secretary of Health, and the Chairpersons of
35 the Committee on Health of the House of Representatives and the Committee on
36 Health and Demography of the Senate of the Philippines; and

37

38 m) To perform other duties as may be necessary to carry out the functions
39 prescribed under this Act.

40

41 **SEC. 5. Quasi-Judicial Powers.** – To carry out its tasks more effectively, the
42 BHFS shall be vested with the following quasi-judicial powers:

43

44 a) To investigate, hear and decide administrative cases initiated by the BHFS
45 or filed by any person against a health facility or health service establishment
46 violating any provision of this Act and its implementing rules and regulations and to
47 impose appropriate administrative sanctions or penalties provided in this Act;

48

49 b) To promulgate rules governing the conduct of administrative investigations
50 and hearings: *Provided, That* in such proceedings, the BHFS shall not be bound by

1 the technical rules of evidence of the Rules of Court: *Provided*, further, That the latter
2 may be applied in a suppletory manner;

3
4 c) To administer oaths and affirmations, and to issue *subpoena duces tecum*
5 and ad *testificandum*, requiring the production of such books, contracts,
6 correspondence, records, statement of accounts and other documents and the
7 attendance and testimony of parties and witnesses, as may be material to the
8 investigation being conducted by the BHFS;

9
10 d) To exercise contempt powers and impose appropriate penalties;

11
12 e) To cause the prosecution of all cases involving violations of this Act and its
13 implementing rules and regulations;

14
15 f) To summarily order the closure of health facilities and services operating
16 without a license; and

17
18 g) To impose appropriate sanctions against health facilities found to have
19 committed gross violations of the standards or rules and regulations such as non-
20 compliance with the approved hospital construction design; any fraudulent,
21 unscrupulous activities, false claims or misrepresentations; operating with unlicensed
22 or unqualified health personnel; and the commission or omission of any act which
23 may result to serious injury, permanent disability or loss of life of a patient or staff, or
24 would compromise public safety.

25
26 **SEC. 6. *Mandatory Conciliation-Mediation.*** – The BHFS shall exert all
27 efforts toward the amicable settlement of an administrative case within its jurisdiction
28 on or before the first hearing set for the purpose. Toward this end, it shall have the
29 power to ask the assistance of relevant government officials and qualified private
30 individuals to act as a compulsory mediator on cases referred to it.

31
32 **SEC. 7. *Organization.*** – The Director of BHFS shall organize its operations in
33 such divisions and units as will ensure efficiency and effectiveness, subject to the
34 approval of the Secretary of Health and Secretary of Department of Budget and
35 Management.

36
37 **SEC. 8. *Minimum Qualifications for Appointment as Chief Executive
Officer, Chief Operating Officer, or Administrative Officer.*** – The Chief Executive
38 Officer, Chief Operating Officer, or Administrative Officer of a hospital or health
39 facility who shall be responsible for the overall management and administration of
40 the hospital or health facility; formulation of policies, plans, programs and strategies
41 to ensure implementation of health standards; and the day-to-day supervision of the
42 functional units shall possess the following minimum qualifications: a) formal
43 baccalaureate degree, preferably with a master's degree in hospital administration or
44 related course; and b) at least five (5) years experience in a supervisory or
45 managerial position.

46
47
48 **SEC. 9. *Classification of Hospitals and Services.*** - The existing
49 classification of hospitals and services including the system, rules and regulations
50 governing their classification shall be subject to automatic review by the BHFS, in
51 consultation with relevant stakeholders, within three (3) years from the effectivity of

1 this Act and thereafter as it may deem necessary. It shall take into consideration the
2 findings and recommendations made by Congress, if any, and the actual situation in
3 dealing with the existing classification of hospitals and services for the purpose of
4 protecting and promoting the health of the public by ensuring a minimum quality of
5 service rendered by hospitals and other regulated health facilities and to assure the
6 safety of patients and personnel.

7
8 Classification of health facilities and services shall only be made upon the
9 approval of the Secretary of Health after mandatory consultation with representatives
10 from government and private hospital associations and patient organizations.

11
12 **SEC. 10. Construction Design.** – The BHFS shall review and approve the
13 construction design and plans of health facilities to be constructed or which shall
14 undergo renovation or expansion.

15
16 An application for the construction design of a health facility shall be
17 submitted to the BHFS in a form prescribed by the latter and accompanied by a plan
18 of the facility proposed to be constructed. The approved construction design and
19 plan issued by the Bureau shall be a prerequisite for the issuance of a building
20 permit by the official of the municipality or city where the facility is proposed to be
21 constructed.

22
23 **SEC. 11. Application, Inspection, and Issuance of License to Operate.** –
24 All health facilities shall be duly licensed by the BHFS in accordance with Republic
25 Act No. 11032 or the "Ease of Doing Business Act" before such facilities are allowed
26 to operate or be opened to the public.

27
28 An application of a health facility for the issuance of a license to operate,
29 including its medical ancillary services, shall be filed with the BHFS or its regional
30 office using the prescribed forms.

31
32 The license to operate shall be issued upon due compliance of the applicant
33 with the rules and regulations prescribed by the BHFS pursuant to the provisions of
34 this Act: *Provided*, That the BHFS has conducted a comprehensive on-site
35 inspection and has certified that the applicant has satisfactorily complied with the
36 requisites prescribed in this Act and its implementing rules and regulations (IRR):
37 *Provided further*, That an applicant shall get the approval of the Food and Drug
38 Administration (FDA) for its pharmacy and radiology facilities, and the Philippine
39 Nuclear Research Institute (PNRI) for medical radiation facility.

40
41 The FDA, PNRI, Department of Environment and Natural Resources (DENR)
42 and other agencies involved in the regulation of health facilities shall employ a one-
43 stop shop strategy in the processing of applications through systems that are
44 accessible to the public.

45
46 Upon issuance of the license to operate, a health facility shall be deemed
47 included in the BHFS' registry, and in the National Health Facility Registry upon the
48 approval of the DOH.

1
2 All licensed health facilities shall be automatically allowed to participate in the
3 National Health Insurance Program.
4

5 **SEC. 12. Monitoring and Surveillance of Health Facilities.** – The BHFS
6 shall monitor health facilities to ensure continued compliance with the rules and
7 regulations in the licensure and operation of health facilities and shall perform
8 surveillance activities whenever necessary. Health facilities shall ensure that key
9 staff, records, premises and facilities are made available to the BHFS' authorized
10 regulatory officers during the monitoring activity.
11

12 **SEC. 13. Validity and Renewal of License.** - The initial license to operate
13 issued to a health facility shall be valid for a period of three (3) years from its date of
14 issuance, and shall be renewed regularly, subject to the rules and regulations to be
15 issued by the BHFS.
16

17 **SEC. 14. Suspension and Revocation of License.** - The BHFS, after
18 conducting an administrative hearing, may suspend or revoke the license to operate
19 and maintain a health facility of any person, partnership, corporation or association
20 upon due process for any of the following grounds:
21

22 (a) Violation by the licensee of any provision of this Act, its rules and
23 regulations or any other existing law; and
24

25 (b) Failure to make necessary corrections or adjustments required by the
26 Bureau in the improvement or maintenance of facilities and services.
27

28 **SEC. 15. Appeal.** – The orders, rulings or decisions of the BHFS shall be
29 appealable to the Secretary of Health.
30

31 **SEC. 16. Separate Licenses Required.** - Separate licenses shall be required
32 for health facilities and services or branches thereof maintained in separate premises
33 even though they are operated under the same management: *Provided*, however,
34 That separate licenses shall not be required for separate buildings in the same
35 compound: *Provided*, further, That the approval of the designs and plans for
36 construction or renovation of buildings within the same compound shall also be
37 secured from the Bureau to determine compliance with standards and requirements
38 herein authorized.
39

40 **SEC. 17. Non-Transferability of License.** – A license to operate shall not be
41 transferable. The BHFS shall be notified of any change in ownership, change of
42 name of the health facility. Transfer of the location or site of the facility shall require
43 an application for a new license.
44

45 **SEC. 18. Penalties.** - Any person, partnership, association, or corporation
46 that establishes, operates, conducts, manages or maintains a health facility and
47 renders health and ancillary services within the meaning of this Act without first
48 obtaining a license, or violates any provision of this Act or its implementing rules and
49 regulations shall be liable to a fine of not less than Fifty thousand pesos
50 (P50,000.00) but not to exceed One hundred thousand pesos (P100,000.00) for the
51 first offense, not less than One hundred thousand pesos (P100,000.00) but not to

1 exceed Five hundred thousand pesos (P500,000.00) for the second offense, and not
2 less than Five hundred thousand pesos (P500,000.00) but not to exceed One million
3 pesos (P1,000,000.00) for the third and subsequent offenses. After the third offense,
4 the license of the health facility shall be revoked. Each day that the health facility and
5 services operates after the first violation shall be considered a subsequent offense.
6

7 In addition to the penalties specified in the preceding paragraph, the BHFS
8 may summarily order the closure of any health facility or other related facility found
9 operating without a license or revoke the license to operate of any health facility after
10 due process. Facilities may only re-apply for a new license to operate one (1) year
11 after revocation of its license.
12

13 **SEC. 19. *Appropriations.*** – The initial amount necessary to implement the
14 provisions of this Act shall be charged against the current year's appropriation of the
15 DOH. Thereafter, such sum as may be necessary for the continued implementation
16 of this Act shall be included in the annual General Appropriations Act.
17

18 **SEC. 20. *Mandatory Review.*** – Congress shall undertake a mandatory
19 review of this Act at least once every five (5) years and as often as it may deem
20 necessary with the primary objective of overseeing the implementation of this Act
21 and reviewing the accomplishments and the utilization of income of the BHFS.
22

23 **SEC. 21. *Implementing Rules and Regulations.*** - The Secretary of Health,
24 upon the recommendation of the BHFS, FDA, PNRI, and other concerned agencies
25 and after consultation with recognized health facilities, associations, patients'
26 organizations and other civil society organizations, shall issue the rules and
27 regulations implementing the provisions of this Act within ninety (90) days from its
28 effectivity.
29

30 **SEC. 22. *Separability Clause.*** - If any part or provision of this Act shall be
31 held unconstitutional or invalid, other provisions hereof which are not affected shall
32 continue to be in full force and effect.
33

34 **SEC. 23. *Repealing Clause.*** – Republic Act No. 4226, otherwise known as
35 the "Hospital Licensure Act," is hereby repealed. Presidential decrees, executive
36 orders, rules and regulations and other issuances or parts thereof which are
37 inconsistent with the provisions of this Act are hereby repealed, amended or
38 modified accordingly.
39

40 **SEC. 24. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
41 publication in the *Official Gazette* or in a newspaper of general circulation.
42

43 *Approved,*

FACT SHEET

House Bill No. 6497

(As approved by the Committee on December 17, 2019 in substitution to House Bills Numbered 170, 296, 4011, 4264 and 5021)

AN ACT

MODERNIZING THE REGULATION OF HEALTH FACILITIES AND SERVICES, AND APPROPRIATING FUNDS THEREFOR, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 4226, OTHERWISE KNOWN AS THE "HOSPITAL LICENSURE ACT"

Introduced by: REPS. ANGELINA "HELEN" D.L. TAN, M.D., VICTOR A. YAP, HENRY R. VILLARICA, GERALDINE B. ROMAN, MICHAEL ODYLON L. ROMERO, AND ISIDRO T. UNGAB

Committee Referral: COMMITTEE ON HEALTH (Primary)

Committee Chairperson: REP. ANGELINA "HELEN" D.L. TAN, M.D.

Committee Referral: COMMITTEE ON APPROPRIATIONS (Secondary)

Committee Chairperson: REP. ISIDRO T. UNGAB

OBJECTIVE:

- To strengthen the regulation of health facilities in the Philippines.

KEY PROVISIONS:

- Mandates the Bureau of Health Facilities and Services (BHFS) of the Department of Health to be the regulatory agency for health facilities and services in the country which include hospitals and clinics as prescribed by existing law, and other types of health facilities such as diagnostic, rehabilitative, palliative and therapeutic establishments
- Defines the powers and functions of the BHFS as follows:
 - a) Establish and prescribe rules, regulations, standards and specifications in all cases related to the issuance of permits to construct or license to operate health facilities and other related facilities, and to administer and enforce the same;
 - b) Inspect and monitor all health facilities and other related facilities;

- c) Approve plans and issue permits or authority to construct, renovate or expand health facilities and other related facilities;
 - d) Determine, levy, assess and collect the appropriate permit fee, registration fee, license fee and surcharge pertinent to the operation of such facilities; and
 - e) Grant a certificate of license for the operation and maintenance of health facilities and services and suspend or revoke the same in accordance with the provisions of this Act, among others.
- Vests the BHFS with quasi-judicial powers to investigate, hear and decide administrative cases against health service facilities and establishments found violating any provision of this Act and its implementing rules and regulations, impose appropriate administrative sanctions or penalties and to summarily order the closure of any health facility operating without a license
 - Specifies that the application for registration of and issuance of the license of health facility, including medical ancillary services, except pharmacy and medical radiation facilities, shall be filed with the BHFS or its deputized office
 - Requires the BHFS to work closely with the Food and Drug Administration for the licensing of hospital-based and stand-alone pharmacies, and with the Philippine Nuclear Research Institute for the licensing of medical radiation facilities using radioactive substances
 - Empowers the BHFS to suspend or revoke the license to operate of those erring health facilities
 - Provides for a graduated penalty that ranges from a fine of not less than Fifty thousand pesos (P50,000.00) but not more than One hundred thousand pesos (P100,000.00) for the first offense, not less than One hundred thousand pesos (P100,000.00) but not to exceed Five hundred thousand pesos (P500,000.00) for the second offense, and not less than Five hundred thousand pesos (P500,000.00) but not more than One million pesos (P1,000,000.00) for the third and succeeding offenses

RELATED LAW:

- R.A. No. 4226 - “*An Act Requiring the Licensure of All Hospitals in the Philippines and Authorizing the Bureau of Medical Services to Serve as the Licensing Agency*”