

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 682

Introduced by **REPRESENTATIVE MICAELA S. VIOLAGO**

EXPLANATORY NOTE

Article XIII, Section 11 of the 1987 Constitution 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."

Further, the State is also mandated to undertake appropriate manpower development and health research, responsive to the country's health needs and problems.

This proposed bill which establishes the National Diabetes Center and Foundation (NDCF) is in accordance with these State policies, as it seeks to provide quality, efficacious and accessible medical care in the field of diabetes which affects 9.7 percent of our country's adult population alone.

The abovesaid statistic will double up if we add the 12.5% of Filipinos at risk of diabetes with impaired glucose tolerance. Hence, when combined, we have 1 out of every five Filipino adults or approximately 11 million that has either pre-diabetes or diabetes. This gains more significance when we consider the steady rise of Pinoys afflicted with this disease by 2030 which is estimated to be more than 7 million—undoubtedly a serious health problem for the nation.

Closely associated with diabetes are also long-term complications like blindness, heart and blood vessel disease, kidney failure, nerve damage and stroke. It also affects many pregnant women.


Also, consider that diabetes was the 9th leading cause of death from 1999 to 2002, and that the number of deaths due to diabetes grew the fastest among all diseases between 1999 and 2005. In 2009, diabetes was already recorded by the

DOH as sixth leading cause of deaths in the country. Globally, the Philippines ranks 10th among countries with the highest diabetes incidence.

With the establishment of the NDCF, we will also be assured of more relevant health research and information that would be most crucial to the continuing education of our diabetics, their families and the would-be diabetics especially in the health care management of the disease to improve not just the survival rate but also increased rates of recovery and return to normal life and the attendant decrease in cost of diabetes care.

Verily, we must all recognize NOW that there is an urgent need to provide, support and maintain this specialized and integrated medical services institution for people suffering from diabetes, and the needed medical and scientific research and education of our people on this disease, as well as its closely-related diseases, to positively contribute to its effective control, prevention and cure. Corollarily, there also exists a concomitant imperative to train medical experts and specialists and other medical and technical personnel in this field.

Considering the foregoing reasons and stressing again that diabetes incidence in the country will get worse in the next years to come, the approval of this landmark legislation is hereby earnestly sought.


MICAELA S. VIOLAGO

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Introduced by Representative MICAELA S. VIOLAGO

AN ACT
CREATING THE NATIONAL DIABETES CENTER AND FOUNDATION
AND FOR OTHER PURPOSES

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

Section 1. State Policy. - It is the policy of the State to secure the well-being of the people by providing them specialized health services and to also undertake appropriate the necessary medical manpower development and health care research responsive to the country's health needs and problems. Towards this end, it is the primary concern of government to assist and provide material and financial support in the establishment and maintenance of specialty hospitals for the prevention and treatment of leading diseases in the country and to train medical and technical personnel for such specialized medical service and research.

Section 2. Creation of the National Diabetes Center and Foundation. - There is hereby created a body corporate to be known as the National Diabetes Center and Foundation (NDCF) which shall serve as the lead tertiary-level care center in the treatment of diabetes. The NDCF shall have its principal office in Metro Manila, and may have such branch offices, hospitals, clinics or subsidiaries in other areas in the Philippines as it may deem proper and necessary. It shall be under the Department of Health (DOH).

Sec. 3. Purpose and Objectives. - The NDCF shall have the following purposes and objectives:

(a) To construct, establish, equip, maintain, administer and operate such integrated medical institution and facilities which shall specialize in the prevention, diagnosis, treatment and care of diabetes and allied diseases;

(b) To promote, encourage and engage in medical and scientific research on the prevention and treatment of diabetes and allied diseases, as well as related activities, including sponsorship and conduct of relevant conferences, fora, conventions, seminars, workshops and training programs;

(c) To stimulate and conduct researches and investigations on the biological, demographic, social, economic, eugenic, physiological aspects of diabetes and their control; and gather, compile, and publish the findings of such researches for public dissemination;

(d) To encourage, undertake and assist in the education and training of physicians, nurses, health officers, medical technologists, social workers and medical and technical personnel on the practical and scientific implementation of health care services to diabetic patients;

(e) To assist universities, hospitals and research institutions in their studies on diabetes and allied diseases and other related fields, to encourage and grant scholarships for advanced training and specialization in medical care and management in diabetes and related fields and to support and finance educational programs of value to public health; and

(f) To encourage the formation of other organizations on the national, provincial, city and/or local levels, and to coordinate the various efforts and activities of such organization for the purpose of achieving a more effective approach to the common problem relative to the purposes and objectives enumerated herein.

Sec. 4. Powers and Functions. - For the attainment and/or furtherance of the above-enumerated purposes and objectives, the NDCF as a body corporate acting through its Board of Trustees, shall have the following powers and functions in addition to those provided for in the other sections of this Decree:

(a) To acquire, own, hold, use, lease, grant, mortgage, pledge, sell, assign, convey, transfer, exchange, dispose or otherwise deal with, real and/or personal properties of every kind and nature, including shares of stock, bonds, debentures, notes, securities and other evidences of indebtedness or obligations of other corporations, whether domestic or foreign, and whether government or private;

(b) To solicit and receive donations, endowments and funds in the form of contributions, whether in cash or in kind, from both the public and private sectors;

(c) To award, enter into, make, execute, perform and carry out domestic or foreign contracts of whatever kind and nature;

(d) To open accounts in banks and other financial institutions, and to disburse such funds or invest the same as the Board may direct to accomplish or advance the purposes or interest of the NDCF, and to obtain loans, borrow funds and/or arrange financing or credit assistance of whatever kind and nature from all sources, whether domestic or foreign and whether government or private;

(e) To levy, assess and collect such fees, charges and assessments as may be necessary or proper to support, finance and maintain its operations;

(f) To invite diabetes specialists and similar experts in the various medical fields to train the personnel or trainees or residents of the NDCF Center, and to also support the trainings, seminars, conferences and

conventions of its medical personnel in research and medical institutes or universities, be it local or international as the Board may deem necessary to accomplish the purposes and objectives of the NDCF;

(g) To adopt and use a corporate seal;

(h) To sue and be sued in its corporate name;

(i) To adopt its by-laws, rules and regulations not inconsistent with law and the provisions hereof to govern the administration and operation of the affairs of the Philippine Heart Center; and

(j) To exercise such other powers and functions as may be necessary, related or incidental or to carry out the purposes and objectives of this Act.

Sec. 5. The Board of Trustees; Composition; Term. and Compensation. -

The NDCF shall be governed, and its activities and properties shall be directed, controlled and managed, by a Board of Trustees, hereinafter referred to as the Board, which shall be composed of a Chairman and four (4) members, all of whom shall be appointed by the President of the Philippines. The President of the NDCF shall be appointed from among the members of the Board.

Except the President of the NDCF, the members of the Board shall serve for a term of three (3) years, with a right to hold-over until their respective successors shall have been duly appointed and qualified. The President of the Philippines may, however, remove any member of the Board for cause. Whenever a vacancy shall occur in the Board, the person appointed to fill the vacancy shall hold office for the unexpired term of the member replaced.

The President and each member of the Board shall receive compensation in accordance with current standards and as may be determined by the Department of Health (DOH).

Sec. 6. Power and Functions of the Board. - The Board shall have the following powers and functions:

(a) To formulate policies, guidelines and programs to effectively implement and carry out the purposes and objectives of this Decree;

(b) To prescribe, review and revise the amount of the fees, charges, and assessments levied and collected for the support and maintenance of the operations of the NDCF;

(c) To control the management, operation and administration of NDCF;

(d) To promulgate such rules and regulations as may be necessary or proper for the effective exercise of power and functions as well as the discharge of the duties, responsibilities of the NDCF, its officers and employees;

(e) To authorize such expenditures of the NDCF as may be necessary or proper for the effective management, operation and administration of the NDCF;

(f) Upon the recommendation of the President of the NDCF, to determine and organize its organizational and administrative structure or

pattern, and to establish and fix, review, revise and adjust the appropriate compensation scheme its officers and employees, with reasonable allowances, bonuses and other incentives as may be recommended by the President;

(g) To adopt the annual and supplemental budget of receipts and expenditures of the NDCF;

(h) To appoint, remove, suspend or otherwise discipline the Executive Vice-President and other officers of the NDCF occupying executive and senior management positions;

Sec. 7. Officers. - The Board shall determine the officers of the NDCF who shall be appointed by the President of the NDCF, subject to confirmation by the Board. The NDCF shall have an Executive Vice-President and as many Directors as may be required for its effective operation.

Sec. 8. The President, His Term and Remuneration. -The President of the NDCF shall be appointed by, and shall serve at the pleasure of, the President of the Philippines. The salary of the President of the NDCF shall be fixed by the Board, subject to the approval of the President of the Philippines.

Sec. 9. Powers and Duties of the President. - The President of the NDCF shall also be concurrent Chief Executive Officer. He/She shall exercise the following powers and duties:

(a) To execute the policies, guidelines and programs approved by the Board, and to be responsible for the efficient discharge of management and operational functions;

(b) To submit for the consideration and approval of the Board proposed measures, policies, guidelines and programs as he/she may deem necessary or proper for the effective implementation of the purposes and objectives of this Decree;

(c) To direct and supervise the management, operation and administration of the NDCF, and, for this purpose, he/she may delegate some of his/her administrative responsibilities and duties to other officers of the NDCF;

(d) To execute, on behalf of the NDCF, all contracts and agreements which he/she may enter into, and to execute, accomplish and deliver any and all documents relative to such contracts and agreements;

(e) To represent the NDCF in all dealing with other offices, agencies and instrumentalities of the Government, and all other persons or entities, whether domestic or foreign and whether government or private;

(f) To appoint, promote, transfer, remove, suspend or otherwise discipline the officers and employees of the NDCF, except those appointed by the Board;

(g) To exercise such other powers and perform such duties as may be vested or reposed upon him/her by the Board.

Section 10. Assistance from the Government. - The NDCF may call upon any department, bureau, office, agency or instrumentality of the Government,

including government-owned or controlled corporations, for such assistance as it may need in the pursuit of the purposes and objectives of this Act.

Section 11. *Donations to the Foundation.* - The NDCF is hereby authorized to solicit and receive donations, grants, contributions, gifts or endowments from all sources whether foreign or domestic, and whether government or private, without the need of securing a permit, approval or registration from any government agency.

Section 12. *Exemption from Fees, Duties and Taxes.* - The NDCF is hereby declared exempt from all income and all other internal revenue taxes, tariff and customs duties and all other kinds of taxes, fees, charges and assessments levied by the Government and its political subdivisions agencies and instrumentalities. Notwithstanding any provision of law to the contrary, all donations, grants, contributions, gifts or endowments which may be made by entities or persons to the NDCF shall be exempt from income and gift taxes, and the same shall be further deductible in full for purposes of computing the maximum amount deductible under the National Internal Revenue Code, as amended.

Section 13. *Appointment, Promotion; Terms and Conditions of Employment.* - The NDCF and its officers and employees shall not be covered by the Civil Service Law, rules and regulations, and by the Office of the Compensation and Position Classification. The officers and employees of the NDCF shall be appointed or promoted pursuant to such management policies and/or appropriate merit and fitness system as may be adopted by the Board.

Section 14. *Government Contribution.* - The amount of Ten Billion Pesos (P10,000,000,000.00) is hereby appropriated from the Philippine Amusement and Gaming Corporation (PAGCOR) to defray the initial operational expenses of the NDCF. Thereafter, the necessary amount to support the continued operation and maintenance of the NDCF shall be included in the General Appropriations Act.

Section 15. *Annual Report.* - The NDCF shall render to the President of the Philippines an annual report on its operations and accomplishments.

Section 16. *Applicability of the Corporation Law.* - The provisions of the general corporation law, insofar as they are not inconsistent with the provisions of this Act and with the purposes and objectives for which the NDCF is formed, shall apply to the NDCF.

Section 17. *Separability Clause.* - The provisions of this Decree are hereby declared to be separable, and if any provision or section of this Decree or application thereof to any person or circumstance should for any reason be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or sections of this Decree.

Section 18. *Effectivity.* - This Act shall take effect immediately.

Approved,