

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL No. 3454**



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Introduced by  
**BAYAN MUNA Party-List Representatives CARLOS ISAGANI T. ZARATE,  
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT**

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**AN ACT**  
**CLASSIFYING THE SALE AND IMPORTATION OF DRUGS AND MEDICINES**  
**PRESCRIBED FOR MENTAL DISORDERS THEREOF AS VALUE-ADDED TAX**  
**EXEMPT TRANSACTIONS, AMENDING FOR THE PURPOSE SECTION 109 (1)**  
**OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE TAX REFORM ACT**  
**OF 1997, AS AMENDED BY REPUBLIC ACT NO. 9337, AND FOR OTHER**  
**PURPOSES**

**EXPLANATORY NOTE**

This Bill seeks to lessen the burden of the people suffering from mental disorder by making medicines for mental disorder more affordable through exempting the sales and importation thereof from value-added tax (VAT).

Article XIII, Section 11 of the 1987 Constitution mandates that 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."

The World Health Organization (WHO) defines health a state of complete physical, mental and social well-being. An individual's mental well-being is often unnoticed and neglected as it is not physically visible. The mere absence of disease or infirmity does not necessarily mean the person is healthy. One of these "invisible disorders" which are often unrecognized and neglected are mental health disorders.

In 2001, 40% of the countries have no mental health policy, over 30% have no mental health programme and around 25% of countries have no mental health legislation. Moreover, about

25% of countries do not have the three most commonly prescribed drugs used to treat schizophrenia, depression and epilepsy at the primary health care level. There is only one psychiatrist per 100 000 people in over half the countries in the world, and 40% of countries have less than one hospital bed reserved for mental disorders per 10,000 people.<sup>1</sup>

In the Philippines, the Department of Health (DOH) reported that in 2004, there are 4.5 million recorded cases of depression. The department also noted that the number is likely to be much higher. In 2012, DOH Assistant Secretary Paulyn Jean Rosell-Ubial said that only one-third of depressed people in the country seek professional help.<sup>2</sup>

According to Philippine Health Information System on Mental Health (PHIS-MH), comprising information from 2,562 patients who consulted 14 participating public and private hospitals from May 8, 2014, to May 6, 2015, reported that schizophrenia is the top brain disorder affecting mentally ill patients who seek consultation and treatment. Other common mental health disorders are major depressive disorder, panic attacks(anxiety), post-traumatic stress disorder (PTSD) – anxiety, bipolar disorder, drug addiction and sleep disorders, such as insomnia.<sup>3</sup>

The official statement of the DOH on January 17, 2019 expressing condolences to the family and friends of a suicide victim, it recognizes the seriousness of depression as a health condition. It cited the data from a study conducted by Global Burden of Disease in 2015 that there are 3.3 million Filipinos who are suffering from depressive disorders, with suicide rates of 2.5 males and 1.7 females per 100,000 people.

Whereas, it is only on June 20, 2018, wherein a law for mental health was legislated. President Rodrigo Duterte signed the Republic Act 11036 or “Mental Health Act” which affirms the basic right of all Filipinos to mental health and the fundamental right of people who require mental health services.

According to the Drug Price Reference Index (DPRI), medicines and drugs for mental disorders can go as high as P1,750.

MEDICINE/DRUG	DPRI
Alprazolam 250 mcg Tablet	4.45
Alprazolam 500 mcg Tablet	7.9
Aripiprazole 10 mg Orally Disintegrating Tablet	209.68
Carbamazepine 200 mg Tablet	1.73
Chlorpromazine 100 mg Tablet	1.5
Chlorpromazine 200 mg Tablet	2.12
Clozapine 100 mg Tablet	8

<sup>1</sup> World Health Organization, Mental disorder affect one in four people, 2001, [https://www.who.int/whr/2001/media\\_centre/press\\_release/en/](https://www.who.int/whr/2001/media_centre/press_release/en/)

<sup>2</sup> S. F. Panela, PHL one of the least happy countries in Asia, global study shows, 2012, <https://www.gmanetwork.com/news/scitech/science/277743/phl-one-of-the-least-happy-countries-in-asia-global-study-shows/story/>

<sup>3</sup> R. J. F. Octaviano, mental disorders, 2016, <https://www.sunstar.com.ph/article/48586>

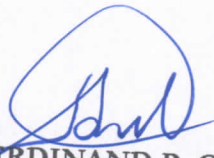


Diazepam 5 mg Tablet	6.89
Diazepam 5 mg/mL, 2 mL Ampule	61.51
Donepezil Hydrochloride 5 mg Tablet	16.88
Escitalopram (as Oxalate) 10 mg Tablet	4.42
Fluoxetine 20mg capsule	5.35
Flupentixol 20 mg/mL, 1 mL Ampule	364.5
Fluphenazine (as Decanoate) 25 mg/mL, 10 mL Vial	472.04
Haloperidol 5 mg Tablet	3.45
Haloperidol 5 mg/mL, 1 mL Ampule	665
Lithium Carbonate 450 mg MR Tablet	4.4
Olanzapine 10 mg Tablet	9.98
Olanzapine 10 mg Tablet	9.98
Quetiapine (as Fumarate) 100 mg Tablet	84.94
Quetiapine (as Fumarate) 200 mg Tablet	29.21
Quetiapine (as Fumarate) 25 mg Tablet	20.42
Quetiapine (as Fumarate) 300 mg Tablet	54
Risperidone 1 mg Tablet	12
Risperidone 2 mg Orodispersible tab	45.9
Risperidone 2 mg Tablet	5
Risperidone 4 mg Tablet	10.5
Sertraline 50 mg Tablet	6.8
Valproate Disodium/Valproic Acid 250 mg Tablet	23.87
Valproic Acid + Sodium Valproate 500 mg MR Tablet	40
Valproic Acid 250 mg/5 mL, 120 mL Syrup	441.23
Valproic Acid 500 mg/5 mL, 5 mL Vial	1751.87
Zolpidem 10 mg Tablet	64
Acetazolamide 250 mg Tablet	20
Gabapentin 300 mg Capsule	8.13
Gabapentin 100 mg Capsule	7
Lamotrigine 50 mg Tablet	19
Lamotrigine 100 mg Tablet	25
Phenobarbital 30 mg Tablet	3.93
Phenobarbital 60 mg Tablet	4.76
Phenobarbital 120 mg/mL (130 mg/mL), 1 mL Ampule	475.52
Phenobarbital 90 mg Tablet	9.75
Phenytoin 50 mg/mL, 2 mL Ampule	95.11
Phenytoin 100 mg Capsule	10.14
Phenytoin 30 mg/5 mL, 120 mL Suspension	142.98
Phenytoin 50 mg/mL, 5 mL Ampule	670.67
Topiramate 50 mg Tablet	11.05
Verapamil 80 mg Tablet	30.25
Verapamil 2.5mg/ml, 2mL Ampule	137.59
Verapamil 240 mg MR Tablet	20.09

Article VI, Section 28 (1) of the 1987 Constitution mandates that the rule of taxation shall be uniform and equitable, and the Congress shall evolve a progressive system of taxation. Imposition of VAT, on the other hand, is not a progressive form of taxation because the amount of VAT everyone pays, whether you are rich or poor, is the same. As a temporary measure, this bill seeks to exempt the drugs and medicines prescribed for mental disorders from VAT. This will not only make the medication more affordable for the poor, but it will also improve the health and well-being of the Filipinos. Thus, immediate approval of this bill is earnestly sought.

*Approved,*

  
Rep. CARLOS ISAGANI T. ZARATE  
*Bayan Muna Party-List*

  
Rep. FERDINAND R. GAITE  
*Bayan Muna Party-List*

  
Rep. EUFEMIA C. CULLAMAT  
*Bayan Muna Party-List*

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**PURPOSES**

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

**SECTION 1.** Section 109 (1), Chapter 1, Title IV, Value-Added Tax of Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997, as amended by Republic Act No. 9337, is hereby further amended to read as follows:

“SEC. 109. Exempt Transactions. – (1) Subject to the provisions of subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

“(A) xxx

“(B) xxx

After paragraph (G), insert the following paragraphs (H).

“(H) SALE OR IMPORTATION OF DRUGS AND MEDICINES PRESCRIBED FOR MENTAL DISORDERS;

And re-letter the succeeding paragraphs as from (I) to (W).

**SECTION 2. Implementing Rules and Regulations.** – The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate not later than 15 days upon the effectivity of this Act, the necessary Rules and Regulations for the effective implementation of this Act.



**SECTION 3. Repealing Clause.** – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of this Act are hereby repealed, amended or modified accordingly.

**SECTION 4. Separability Clause.** – If any provision of this Act is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

**SECTION 5. Effectivity Clause.** - This Act shall take effect immediately after its complete publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

*Approved,*