

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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 1646



Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

EXPLANATORY NOTE

The State must ensure that health facilities are standardized to realize the delivery of basic health services to those wanting in health care.

Presently, however, new types of health care facilities have emerged and developed such as diagnostic, therapeutic and rehabilitative centers. A number of such types of facilities no longer qualify under the regulatory mandate of the Department of Health (DOH).

This proposed bill seeks to strengthen the regulation of health facilities and services by authorizing the Bureau of Health Facilities and Services (BHFS) of the DOH to establish and prescribe rules, regulations, standards, etc.; inspect and monitor for continued compliance; implement a classification system; approve building plans and construction design; provide advise; collect fees; and conduct administrative hearings and impose penalties.

Support for the enactment of this measure is earnestly requested.

A handwritten signature in cursive script, appearing to read 'Linabelle R. Villarica'.

REP. LINABELLE RUTH R. VILLARICA

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

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

SECTION 1. *Short Title.* – This Act shall be known as the “Health Facilities Regulation Act”.

SEC. 2. *Definition of Terms.* – As used in this Act, the following terms shall be defined as follows:

- a.) *Health facilities* are institutions and other health-related establishments which provide diagnostics, therapeutic, rehabilitative, and/or other health care services except medical radiation facilities and hospital pharmacies;
- b.) *License* is a formal authorization issued by the Department of Health (DOH) to an individual, partnership, corporation or association to operate a hospital and other health facilities. It is a prerequisite for accreditation of a hospital and other health facilities by any accrediting body that is recognized by the DOH; and
- c.) *Licensee* is a person, partnership, corporation or association granted a license to operate and maintain a healthy facility according to an approved standard set by the Bureau.

SEC. 3. *Regulating Agency.* – The Health Facilities and Services Regulatory Bureau (HFSRB) shall act as the regulatory agency pertaining to the licensing and operation of health services.

SEC. 4. *Powers and Functions.* – The HFSRB shall have the following powers and functions:

- a.) Establish and prescribe rules, regulations, standards and specifications in all cases related to the issued certificate of license of health facilities and other related facilities, administer and enforce the same;
- b.) Inspect and monitor all health facilities and other related facilities to ensure their continued compliance with the rules and regulations in accordance with this Act and to make recommendations to directors or administrators of health facilities for the correction of deficiencies found during the inspections;
- c.) Study and adopt a system of classifying health facilities and other related facilities in;
- d.) Approve construction designs and plans for health facilities, government or private including renovation or expansion of the same in accordance with the provisions of this Act;
- e.) Provide consultative and advisory services relative to the establishment and construction of health facilities and other related facilities;
- f.) Levy, assess and collect the appropriate permit fee, registration fee, license fee and surcharges pertinent to the operation of facilities and services except in cases where charges or rates are established by international organizations recognized by the Philippine government as the proper arbiter of such charges or rates;
- g.) Coordinate and call the assistance of any department, office agency or instrumentality of the national government and other entities concerned with any aspect involving health facilities for the effective implementation of this Act;
- h.) Maintain a register of health facilities and other related facilities with licenses indicating the name of the facility, address, classification, name of the director or administrator, ownership, number of authorized beds and such other pertinent data as may be necessary;
- i.) Promulgate and implement rules and regulations governing the registration, licensure and operations of health facilities and other related facilities and to periodically review and amend the same, subject to the approval of the Secretary and in

consultation with the sectors concerned: *Provided*, That such rules and regulations shall be in accordance with the provisions of this Act;

- j.) Grant a certificate of license for the operation and maintenance of health facilities and services, and to suspend or revoke the same in accordance with the provisions of this Act;
- k.) Submit yearly reports to the Secretary of Health and the Chairpersons of the Committees on Health of both Houses of Congress; and
- l.) Perform such other functions as may be prescribed by law.

SEC. 5. *Quasi-Judicial Powers*. - The HFSRB shall be vested with the following quasi-judicial powers:

- a.) Investigate, hear and decide administrative cases initiated by the HFSRB or filed by any person against a hospital or health service establishment violating any provision of this Act and its implementing rules and regulations and to impose appropriate administrative sanctions or penalties provided in this Act: *Provided*, That the health facility concerned shall be accorded due process by allowing it to be present at all hearings and to present its side;
- b.) Promulgate rules governing the conduct of administrative hearings: *Provided*, That in such proceedings, the HFSRB shall not be bound by the technical rules of evidence of the Rules of Court: *Provided, further*, That the latter may be applied in a suppletory manner;
- c.) Administer oaths and affiliations, and to issue subpoena *duces tecum* and *ad testificandum*, requiring the production of such books, contracts, correspondence, records, statement of accounts and other documents and the attendance and testimony of parties and witnesses, as may be material to the investigation being conducted by the HFSRB;
- d.) Exercise contempt powers and impose appropriate penalties which shall not include physical detention nor suspension of the right to operate as health facility;
- e.) Cause the prosecution of all cases involving violations of this Act and its implementing rules and regulations; and
- f.) Summarily order the closure of health facilities and other related facilities operating without a license.

SEC. 6. *Registration and License.* – All health facilities and other related facilities, government or private, shall be registered and duly licensed by the HFSRB before such facilities are allowed to be operated or be opened to the public.

SEC. 7. *Construction Design.* - The HFSRB shall review and approve the planning and construction of government or private health facilities and other related facilities to be constructed and/or will undergo renovation or expansion.

An application for the construction design of a health facility or other related facility shall be submitted to the HFSRB in a form prescribed by the latter and accompanied by a plan of the facility proposed to be constructed. The approved construction design and plan issued by the HFSRB shall be a prerequisite for the issuance of a building permit by the official of the municipality or city where the facility is proposed to be constructed.

SEC. 8. *Application for Registration and Issuance of License.* – An application for registration of a health facility or other related health facility and for the issuance of a license for its operation and maintenance, including that of a facility performing medical ancillary services, shall be filed with the HFSRB or its deputized office using the form prescribed by it: *Provided*, That an applicant for license to operate and maintain a hospital pharmacy or a medical radiation facility shall seek the approval of the Food and Drug Administration (FDA): *Provided, further*, That the FDA shall deputize the HFSRB to issue license to operate medical radiation facilities and pharmacies located inside the hospitals, pursuant to the Harmonization and Streamlining of Licensure System for Hospitals. The application for registration shall be filed and a license shall be issued upon due compliance of the applicant with rules and regulations prescribed by the HFSRB as provided for in this Act.

SEC. 9. *Validity and Renewal of License.* – The initial license to operate and maintain a health facility or other related facility shall be valid for a period of three (3) years from date of issuance, and shall be renewed regularly, subject to the rules and regulations to be issued by the HFSRB.

SEC. 10. *Inspection.* – The license to operate and maintain a health facility or other related facility shall be issued by the HFSRB only after it has conducted a comprehensive on-site inspection and has certified that the applicant has satisfactorily complied with the requisites prescribed in this Act and its implementing rules and regulations (IRR).

SEC. 11. *Suspension and Revocation of License.* – After conducting an administrative hearing with due notice to the licensee, the HFSRB may suspend or revoke the license to operate and maintain a health facility or other related facility of any person, partnership, corporation or association based on any of the following grounds:

- a.) Violation by the licensee of any provision of this Act or any other existing law governing or related to health facility operations;
- b.) Violation of rules and regulations prescribed in the implementation of this Act; and
- c.) Failure to make necessary corrections or adjustments required by the HFSRB in the improvement or maintenance of facilities and services.

SEC. 12 *Appeal*. – The orders, rulings or decisions of the HFSRB shall be appealable to the Secretary of Health.

SEC. 13. *Separate Licenses Required*. – Separate licenses shall be required for health facilities and other related facilities or branches thereof maintained in separate premises even though they are operated under the same management: *Provided, however*, That separate licenses shall not be required for separate buildings in the same compound: *Provided, further*, That the approval of the designs and plans for construction or renovation of buildings within the same compound shall also be secured from the HFSRB to determine compliance with standards and requirements.

SEC. 14. *Non-transferability of License*. – A license for the operation of a health facility or other related facility shall not be transferable. Transfer of location of the facility shall require an application for new license.

SEC. 15. *Penalties*. – Any person, partnership, association or corporation who establishes, operates, conducts, manages or maintains a health facility or other related facility within the meaning of this Act without first obtaining a license, or violates any provision of this Act or its IRR shall be liable to a fine of not less than fifty thousand pesos (Php 50,000.00) but not to exceed one hundred thousand pesos (Php 100,000.00) for the first offense, not less than one hundred thousand pesos (Php 100,000.00) but not to exceed five hundred thousand pesos (Php 500,000.00) for the second offense, and not less than five hundred thousand pesos (Php 500,000.00) but not to exceed one million pesos (Php 1,000,000.00) for the third offense and subsequent offenses. Each day that the health facility or other related facility operates after the first violation shall be considered a subsequent offense.

In addition to the penalties specified in the preceding paragraph, the Bureau may summarily order the closure of any health facility or other related facility found operating without a license.

SEC.16. *Appropriations*. – The current appropriations of the DOH under the General Appropriations Act shall be used to carry out the initial implementation of this Act.

Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations Act.

SEC. 17. *Implementing Rules and Regulations.* – The Secretary of Health, upon the recommendation of the HFSRB, shall issue the necessary rules and regulations for its effective implementation within sixty (60) days from the effectivity of this Act.

SEC. 18. *Separability Clause.* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

SEC. 19. *Repealing Clause.* – Republic Act No. 4226, otherwise known as the *Hospital Licensure Act* is hereby repealed. Presidential decrees, executive orders, rules and regulations and other issuances or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,