

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3527

HOUSE OF REPRESENTATIVES	
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Introduced by: Hon. Angelina "Helen" D.L. Tan, M.D.

AN ACT AUTHORIZING GOVERNMENT HOSPITALS TO UTILIZE ALL ITS INCOME FOR HOSPITAL OPERATIONS PARTICULARLY MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE) AND CAPITAL OUTLAY

EXPLANATORY NOTE

Government hospitals, while receiving subsidy from the National Government, cannot utilize their income for the maintenance and other operating expenses (MOOE) and capital outlay of the hospital. Said income is required by law to be remitted to the national treasury.

Unfortunately, this practice has a debilitating effect on the hospital's capability for expansion and improvement of its services. To address this problem, this measure seeks to give more meaning to the autonomy of government hospitals in the area of physical and operational development by granting them the authority to utilize their income for their MOOE and capital outlay expenditures.

Although the Department of Health (DOH) hospitals are authorized under the special provision No. 6 of the General Appropriations Act (GAA) to retain their income since 2003, the DOH has again proposed the inclusion of said provision in the 2005 GAA.

Hence, this proposal seeks to grant DOH hospitals and all other government hospitals permanent authority to retain their income without need of proposing its inclusion in the GAA on an annual basis.

It is hoped that in making our government hospitals more financially independent, effective and efficient delivery of quality health services to the people will be consistently ensured.

Approval of this bill, therefore, is earnestly sought.


ANGELINA "HELEN" D.L. TAN, M.D.
4th District, Quezon

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

SECTION 1. Government hospitals are hereby authorized to utilize their income from pharmacy, fees from in-house services and facilities, including but not limited to laboratory, radiology, operating room and nursery facilities and income derived from non-patient related services such as parking fees, interview fees and tour fees, for the maintenance and other operating expenditures including capital outlay, especially for the acquisition of hospital machineries and equipment.

SEC. 2. Expenditures under this Act shall be subject to existing auditing rules and regulations. In addition, the retained hospitals shall submit quarterly report of income and expenditures to the Department of Health (DOH), while devolved hospitals shall submit the same to the office of the Provincial Governor or the City/Municipal Mayor.

SEC. 3. The DOH, in coordination with the agencies concerned shall formulate the necessary rules and regulations for the effective implementation of this Act within sixty (60) days from its approval.

SEC. 4. - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 5. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby modified or amended accordingly.

SEC. 6. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,