

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2309



Introduced by Honorable Wes Gatchalian

AN ACT

**CREATING MALASAKIT CENTERS TO COMPLEMENT THE
IMPLEMENTATION OF REPUBLIC ACT NO. 11223 OTHERWISE KNOWN
AS THE "UNIVERSAL HEALTH CARE ACT" BY REQUIRING PHILHEALTH
TO ESTABLISH, OPERATE AND MAINTAIN MALASAKIT CENTERS IN ALL
DOH, LGU, SUC and DND HOSPITALS IN THE COUNTRY, PROVIDING
FUNDS THEREFOR, AND FOR OTHER PURPOSES.**

EXPLANATORY NOTE

As the 3rd president of the United States, Thomas Jefferson once said, "the execution of laws is more important than of making them." It is the hope of the author, that by the passage of this bill, the executive department of the government, thru its implementing agencies, be better equipped with the necessary nay, imperative legal foundation in the implementation of Republic Act No. 11223, or otherwise known as the "Universal Health Care Act."

The Philippines being an archipelagic state, creates a duality of challenges both as to the government and to the people it was created to serve. Primarily in the area of bringing basic health services and rendering financial assistance to those who are in distress. Access to the different departments is a challenge to the people who seek financial assistance to cover their medical expenses.

Recognizing this difficulty, in 2018, a one-stop shop dubbed as "Malasakit Center" was launched by Senator Bong Go at the Vicente Sotto Memorial Medical Center (VSMMC) in Cebu City. By the first half of 2019, there were about 34 Malasakit Centers established all over the country. These Malasakit Centers

houses desk representatives from the Department of Health (DOH), Department of Social Welfare and Development (DSWD), Philippine Health Insurance Corporation (Philhealth) and Philippine Charity Sweepstakes Office (PCSO).

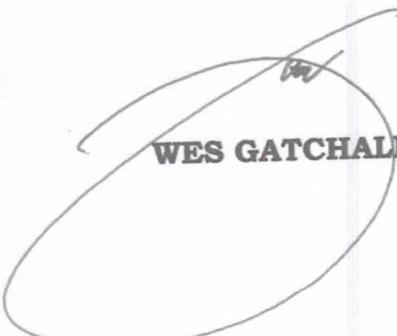
With the enactment of Republic Act No. 11223 or the "Universal Health Care Act", every Filipino citizen is automatically included in the National Health Insurance Program. The challenge now lies in how we can close the gap between indigent, marginalized families and those who can afford to avail of basic and specialty medical services in both the outpatient clinics and the hospital in-patient setting.

This proposed measure intends to reduce, if not eliminate, out-of-pocket expenditures of indigent and poor patients including non-medical expenses like transportation costs. Malasakit centers will also be a Health System enabler to improve assessment for patient assistance and referral to provide much needed support for patient navigation.

This bill seeks to establish, maintain and operate Malasakit Centers in all DOH, LGU, DND and SUC hospitals in the country which will use house desk representatives from the Philhealth, DOH and DSWD.

This way we can deliver basic services to communities in the most efficient, responsive and sustainable manner.

In view of the laudable objective aforementioned, approval of this bill is earnestly sought.



WES GATCHALIAN

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5 **CREATING MALASAKIT CENTERS TO COMPLEMENT THE**
6 **IMPLEMENTATION OF REPUBLIC ACT NO. 11223 OTHERWISE**
7 **KNOWN AS THE “UNIVERSAL HEALTH CARE ACT” BY**
8 **REQUIRING PHILHEALTH TO ESTABLISH, OPERATE AND**
9 **MAINTAIN MALASAKIT CENTERS IN ALL DOH, LGU, SUC and**
10 **DND HOSPITALS IN THE COUNTRY, PROVIDING FUNDS**
11 **THEREFOR, AND FOR OTHER PURPOSES.**

12
13 *Be it enacted by the Senate and House of Representatives of the*
14 *Philippines in Congress assembled:*

15
16 **SECTION 1. Short Title.** – This act shall be known as the
17 “Malasakit Centers Act of 2019.”

18
19 **SECTION 2. Declaration of Policies.** – It is declared policy of
20 the State to improve the delivery of health care services to the
21 people, and to ensure financial assistance for hospital and
22 medical expenses are available and accessible to the people.

1 **SECTION 3. *Definition of Terms.*** – For purposes of this Act,
2 the following terms shall mean:

- 3
- 4 (a) *DOH Hospital* refers to a hospital under the
5 management and administration of the Department of
6 Health (DOH), including the four (4) corporate hospitals
7 under the Secretary of Health, namely: Philippine Heart
8 Center, Lung Center of the Philippines, National Kidney
9 and Transplant Institute and the Philippine Children's
10 Medical Center;
- 11 (b) *DND Hospital* refers to a hospital managed by the
12 Department of National Defense;
- 13 (c) *Financial Assistance or Material Assistance* refers to actual
14 cash or check which covers burial, transportation, and
15 other allied assistance given by agencies as mandated by
16 existing laws, rules and regulations to provide such
17 assistance;
- 18 (d) *Indigent Patients* refers to patient who has no visible
19 means of income, or whose income is insufficient for the
20 subsistence of his/her family, as identified by the
21 Department of Social Welfare and Development (DSWD),
22 LGU social worker or the medical social worker of the
23 health facility;
- 24 (e) *Local Government Unit (LGU) Hospital* refers to a hospital
25 managed by the local government units, usually the
26 provincial government;
- 27 (f) *Malasakit Center* refers to a processing center for
28 Philhealth and one-stop shop for Filipinos in need of
29 medical assistance;
- 30 (g) *Medical Assistance* refers to assistance for out-of-pocket
31 expenditure in form of coupon, stub, guaranty letter,
32 promissory note or voucher that has monetary value,

given directly to individual recipients or beneficiaries to address their immediate needs;

(h) *Out-of-Pocket expenditure* refers to medical and surgical services not currently paid for or sufficiently reimbursed by PhilHealth under Republic Act No. 11223 or the Universal Health Care Act, or other financing sources;

(i) *Poor Patients* refers to those not classified as indigent but are otherwise considered poor or with financial difficulty to access adequate medical care and/or pay hospital bills because of certain unavoidable circumstance, such as but not limited to:

1. Senior citizens, persons with disability (PWD), orphans, abused women and children as defined by RA 9262 or the Anti-Violence Against Women and Their Children Act of 2004 and RA 7610 or the Special Protection of Children Against Abuse, Exploitation and Discrimination Act;
2. Patients with catastrophic illness or any illness as a primary condition that is life or limb-threatening and requires prolonged hospitalization, extremely expensive therapies or other special but essential care that would deplete one's financial resources, unless covered by special health funding policies;
3. Unemployed or without gainful employment;
4. Suspected or confirmed victims of torture as defined by Republic Act No. 9745 or the Anti-Torture Act of 2009;
5. Soldiers and police rendered disabled to be gainfully employed and their dependents and dependents of soldiers and police killed in action;
6. Rebel returnees, prisoners of war and their dependents;

1 7. Victims of calamities or disasters such as but not
2 limited to typhoons, earthquake, whose place of
3 residence are officially under a state of emergency
4 or calamity; and

5
6 (j) *SUC Hospital* refers to hospitals managed by State
7 Universities or Colleges.

8
9 **SECTION 4. *Malasakit Centers.*** - To complement the
10 implementation of Republic Act No. 11223, otherwise known as
11 the Universal Health Care Act, there shall be established a
12 Malasakit Center in each DOH, LGU, DND and SUC hospital in
13 the country which shall serve as (a) processing center for all
14 Philhealth concerns regarding coverage, billing, health benefits
15 packages, patient navigation and referral to the health care
16 provider network, and (b) one-stop shop medical assistance to
17 cover out-of-pocket medical expenses of indigent and poor
18 patients.

19
20 The Philhealth shall administer and manage the Malasakit
21 Centers in close coordination with the DOH and DSWD. Each
22 Malasakit Center shall consist of duly designated
23 representatives from the Philhealth, DOH and DSWD with the
24 following delegation of functions:

25
26 1. The Philhealth representative shall be in charge of the
27 over-all operation of the Malasakit Center. He/she shall
28 assist and process the concerns of both direct and
29 indirect contributors to Philhealth regarding the
30 implementation of Republic Act No. 11223, including but
31 not limited to coverage, billing, health benefits packages,
32 financial concerns. The Philhealth representative shall

- 1 also assist in patient navigation and referral to the health
2 care provider network;
- 3 2. The DOH representative shall be in charge of providing
4 medical assistance to indigent and poor patients; and
- 5 3. The DSWD representative shall be in charge of providing
6 financial or direct assistance to indigent patients.

7

8 **SECTION 5. Provision of Medical Assistance.** - The DOH
9 shall provide medical assistance to indigent and poor patients
10 through the Malasakit Center which shall be charged from the
11 annual appropriation of the DOH for assistance to indigent
12 patients. The DOH may also augment medical assistance using
13 the following sources:

- 14
- 15 a) Other appropriations earmarked by national government
16 agencies and local government units purposely for
17 medical assistance to indigent and poor patients:
18 Provided, That appropriations earmarked for a specific
19 hospital shall only be used for that specific hospital; and
- 20 b) Donations and grants-in-aid: Provided, That donations
21 and grants donated for a specific hospital shall only be
22 used for that specific hospital: Provided further, That the
23 donations and grants shall only be used for the purpose
24 specified by the donor.

25

26 The DOH shall issue guidelines for the proper
27 implementation of the medical assistance to indigent and poor
28 patients which shall include order of charging from the
29 aforementioned sources of financing, availment procedures,
30 transfer and release of funds, recording and reporting,
31 monitoring and evaluation, partnerships with private hospitals,
32 among others.

1 The DOH shall make a quarterly report to the Office of the
2 President and Congress regarding the expenditures or
3 disbursement of the medical assistance to indigent and poor
4 patients.

5

6 **SECTION 6. *Medical Assistance.*** - the Medical Assistance
7 shall cover for medical and surgical services not currently paid
8 for or sufficiently reimbursed by PhilHealth in accordance with
9 Republic Act No. 11223 or other financing sources, and shall be
10 used for the following drugs, medicines, goods and other
11 services prescribed by the physician of the health facility such
12 as but not limited to:

- 13
- 14 a. Laboratory, imaging and all other diagnostic
15 procedures;
- 16 b. Drugs and medicines Included in the Philippine
17 National Drug Formulary (exemptions to be cleared by
18 Pharmaceutical Division);
- 19 c. Supplies, orthopedic/assistive devices, prosthesis,
20 blood and blood products;
- 21 d. Dental services, except those that are for aesthetic
22 purpose and not medically indicated;
- 23 e. All clinically indicated medical and surgical procedures,
24 whether emergency or elective;
- 25 f. Prescribed post-hospitalization rehabilitation services,
26 aftercare program, appropriate mental and psychological
27 support, including those done on an outpatient basis;
- 28 g. In case of non-availability of clinically indicated drugs,
29 medicines, tests, services or procedures in government
30 health facilities, the concerned government health facility
31 may enter into contract with DOH-accredited private
32 health facility to provide the needed drug, test, service or

1 procedure to the patient, charged against the DOH
2 hospital;

3 h. All hospital bills including professional fees, provided
4 that the expenses for professional fees shall not exceed
5 fifty percent (50%) of the approved assistance; and
6 i. All other medical, health, documentary and related
7 services billed by the hospital.

8

9 *Provided*, That medical assistance to patients shall
10 be based on need as recommended by the medical social
11 worker attending physician, approved by the Chief of
12 Hospital/Medical Center Chief of the institution involved
13 and DOH authorized officials, subject to availability of
14 funds.

15

16 **SECTION 7. *Provision of Financial Assistance.*** - The DSWD
17 shall provide financial assistance through the Malasakit Center
18 to indigent and poor patients, individuals in emergency
19 situations, under distress or are in need of supplemental
20 financial support due to health or medical conditions, sickness
21 or disease; funeral and burial concerns, which also includes the
22 most direct and economical transportation expense to or from
23 place of residence or specific destination. The provision of
24 financial assistance through Malasakit Centers shall be charged
25 to the annual appropriation of the DSWD for assistance to
26 individuals and families in difficult circumstances. The DSWD
27 shall issue policies and guidelines on the release of such
28 assistance for the proper implementation of the program.

29

30 **SECTION 8. *Establishment of Malasakit Centers.*** - The
31 Philhealth and DOH shall, in the establishment of the Malasakit
32 Centers, undertake consultations with all DOH, LGU, DND and
33 SUC hospitals; *Provided*, That in the establishment of the

1 Malasakit Centers, highest priority shall be given to those
2 economically-depressed areas or provinces.

3
4 Within three (3) years from the effectivity of this Act, the
5 Philhealth and DOH shall establish Malasakit Centers down to
6 the Primary and Secondary Care level to help facilitate the
7 adoption of appropriate health seeking behaviors, assist primary
8 care providers in encouraging medical consultation at the
9 health centers, monitor patient compliance, and ensure proper
10 patient referral and availment of benefits.

11
12 Private hospitals are hereby encouraged to establish Malasakit
13 Centers. The Philhealth and DOH may enter into a
14 Memorandum of Agreement with private hospitals for the
15 establishment of Malasakit Centers which shall cater indigent
16 and poor patients of the private hospital.

17
18 **SECTION 9. Donations from Non-Governmental**
19 **Organizations and the Private Sector.** - The DOH may solicit
20 and receive donations from the private sector for medical
21 assistance to indigent and poor patients. Such donations shall
22 be exempt from income or donor's tax and all other taxes, fees
23 and charges imposed by the government: Provided, That
24 donations from the private sector for a particular hospital shall
25 only be used for the benefit of the patients of the particular
26 hospital: Provided further, That the donations and grants shall
27 only be used for the purpose specified by the donor. As such,
28 the donor may send his or her representatives to the Malasakit
29 Center for the provision of the medical assistance donated by
30 the donor in the particular hospital.

31
32 Receipts from donations, whether in cash or in kind, shall
33 be accounted for in the books of the DOH in accordance with

1 accounting and auditing rules and regulations. The receipts
2 from cash donations and proceeds from sale of donated
3 commodities shall be deposited with the National Treasury and
4 recorded as a special account in the General Fund and shall be
5 available to the DOH through a special budget pursuant to
6 Section 35, Chapter 5, Book VI of Executive Order No. 292.
7 Donations with a term riot exceeding one (1) year shall be
8 treated as trust receipts.

9

10 The DOH shall submit the quarterly reports of all
11 donations received, whether in cash or in kind, and
12 expenditures or disbursements thereon with electronic
13 signature to the DBM, through the Unified Reporting System,
14 and to the Speaker of the House of Representatives, the
15 President of the Senate of the Philippines, the House Committee
16 on Appropriations, the Senate Committee on Finance and the
17 Commission on Audit, by posting such reports on the DOH
18 website for a period of three (3) years. The head of the DOH
19 shall send written notice to the said offices when said reports
20 have been posted on its website which shall be considered the
21 date of submission.

22

23 **SECTION 10. *Appropriations.*** - The amount necessary to
24 establish Malasakit Centers shall be included in the General
25 Appropriations Act. Additionally, there shall be an annual
26 appropriation for the assistance to indigent patients under the
27 DOH specifically for medical assistance to indigent and poor
28 patients as provided for in Section 5 of this Act, and an annual
29 appropriation for assistance to individuals and families in
30 difficult circumstances under the DSWD budget for financial
31 assistance to indigent and poor patients as provided for in
32 Section 7 of this Act.

1 **SECTION 11. Implementing Rules and Regulations.** - Within
2 ninety (90) days from the approval of this Act, Philhealth, DOH,
3 DSWD, in coordination with Department of Interior and Local
4 Government shall jointly issue the implementing rules and
5 regulations of this Act.

6

7 **SECTION 12. Separability Clause.** - Any portion or provision
8 of this ACL that is declared unconstitutional shall riot have the
9 effect of nullifying other portions or provisions hereof as long as
10 such remaining portions can still subsist and be given effect in
11 their entirety.

12

13 **SECTION 13. Repealing Clause.** - All laws, ordinances, rules,
14 regulations, other issuances or parts thereof, which are
15 inconsistent with this ACL, are hereby repealed 3 or modified
16 accordingly.

17

18 **SECTION 14. Effectivity.** - This Act shall take effect fifteen (15)
19 days after its publication in the *Official Gazette* or in a
20 newspaper of general circulation.

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23

24 *Approved,*

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