

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 2543



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

Several reforms have been made in order to address the concerns that riddle the current health care system in the Philippines. One major success was the passage of the Universal Health Care (UHC) law which puts all Filipinos into the National Health Insurance Program and ensure primary care services to all. However, inefficiencies still abound, such as gaps in delivery of service, especially for the indigent, marginalized families and those unable to afford medical services.

Noble as the UHC law is in its intentions, out-of-pocket payments may still arise as the UHC relies on health benefit packages determined by the PhilHealth. According to the Philippine Statistics Authority, out-of-pocket payment accounts for 55% of health expenditures, despite the safety nets of PhilHealth.

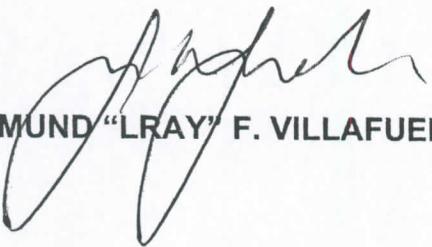
In 2018, a one-stop shop dubbed as "Malasakit Center" was launched by the government in the Vicente Sotto Memorial Medical Center (VSMMC) in Cebu City. Seen to effectively ease the process of availing government services for patients, more Masakit Centers were established. By the first half of 2019, there were about 34 Malasakit Centers all over the country.

The Malasakit Centers hopes to fill the gaps in service delivery of health care in the country. It is therefore the intention of this bill to institutionalize the Malasakit Center and that centers be established, maintained and operated in all Department of Health,

LGU, Department of National Defense and State Universities and Colleges hospitals in the country. The centers would house desk representatives from the DOH, Department of Social Welfare and Development, PhilHealth and Philippine Charity Sweepstakes Office to assist and process the concerns of indigent and poor patients.

Malasakit Centers are set to be a Health System Enabler to improve patient assistance and referral and provide much needed system support for patient navigation. This counterpart bill to Senator Bong Go's version in the Senate hopes to reduce, if not eliminate, out-of-pocket payments by indigent and poor patients, including non-medical expenses like transportation costs.

The approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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AN ACT
INSTITUTIONALIZING 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

*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 "Malasakit Centers Act of 2019."

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

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

- (a) *DOH Hospital* refers to a refers to a hospital under the management and administration of the Department of Health (DOH), including the four (4) corporate hospitals under the Secretary of Health, namely: Philippine Heart Center, Lung Center of the Philippines, National Kidney and Transplant Institute and the Philippine Children's Medical Center;

- (b) *DND Hospital* refers to a hospital managed by the Department of National Defense;
- (c) *Financial Assistance or Material Assistance* refers to actual cash or check which covers burial, transportation, and other allied assistance given by agencies as mandated by existing laws, rules and regulations to provide such assistance;
- (d) *Indigent Patient* refers to patient who has no visible means of income, or whose income is insufficient for the subsistence of his/her family, as identified by the Department of Social Welfare and Development (DSWD), LGU social worker or the medical social worker of the health facility;
- (e) *Local Government Unit (LGU) Hospital* refers to a hospital managed by the local government units, usually the provincial government;
- (f) *Malasakit Center* refers to a processing center for Philhealth and one-stop shop for Filipinos in need of medical assistance;
- (g) *Medical Assistance* refers to assistance for out-of-pocket expenditure in form of coupon, stub, guaranty letter, 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 Patient* 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 of2009;
 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;
 7. Victims of calamities or disasters such as but not limited to typhoons, earthquake, whose place of residence are officially under a state of emergency or calamity; and
- (j) *SUC Hospital* refers to hospitals managed by State Universities and Colleges.

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

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

1. The Philhealth representative shall be in charge of the over-all operation of the Malasakit Center. He/she shall assist and process the concerns of both direct and indirect contributors to Philhealth regarding the implementation of Republic Act No. 11223, including but not limited to coverage, billing, health benefits packages, financial concerns. The Philhealth representative shall also assist in patient navigation and referral to the health care provider network;
2. The DOH representative shall be in charge of providing medical assistance to indigent and poor patients; and
3. The DSWD representative shall be in charge of providing financial or direct assistance to indigent and poor patients.

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

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

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

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

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

- a. Laboratory, imaging and all other diagnostic procedures;
- b. Drugs and medicines included in the Philippine National Drug Formulary (exemptions to be cleared by Pharmaceutical Division);
- c. Supplies, orthopedic/assistive devices, prosthesis, blood and blood products;
- d. Dental services, except those that are for aesthetic purpose and not medically

indicated;

- e. All clinically indicated medical and surgical procedures, whether emergency or elective;
- f. Prescribed post-hospitalization rehabilitation services, aftercare program, appropriate mental and psychological support, including those done on an outpatient basis;
- g. In case of non-availability of clinically indicated drugs, medicines, tests, services or procedures in government health facilities, the concerned government health facility may enter into contract with DOH-accredited private health facility to provide the needed drug, test, service or procedure to the patient, charged against the DOH hospital;
- h. All hospital bills including professional fees, provided that the expenses for professional fees shall not exceed fifty percent (50%) of the approved assistance; and
- i. All other medical, health, documentary and related services billed by the hospital.

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

SECTION 7. Provision of Financial Assistance. – The DSWD shall provide financial assistance through the Malasakit Center to indigent and poor patients, individuals in emergency situations, under distress or are in need of supplemental financial support due to health or medical conditions, sickness or disease; funeral and burial concerns, which also includes the most direct and economical transportation expense to or from place of residence or specific destination.

The provision of financial assistance through Malasakit Centers shall be charged to the annual appropriation of the DSWD for assistance to individuals and families in difficult circumstances. The DSWD shall issue policies and guidelines on the release of such assistance for the proper implementation of the program.

SECTION 8. Establishment of Malasakit Centers. - The Philhealth and DOH shall, in the establishment of the Malasakit Centers, undertake consultations with all DOH, LGU, DND and SUC hospitals; Provided, That in the establishment of the Malasakit Centers, highest priority shall be given to those economically-depressed areas or provinces.

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

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

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

Receipts from donations, whether in cash or in kind, shall be accounted for in the books of the DOH in accordance with accounting and auditing rules and regulations. The receipts from cash donations and proceeds from sale of donated commodities shall be deposited with the National Treasury and recorded as a special account in the General Fund and shall be available to the DOH through a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292.

Donations with a term not exceeding one (1) year shall be treated as trust receipts.

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

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

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

SECTION 12. *Separability Clause.* - Any portion or provision of this Act that is declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions can still subsist and be given effect in their entirety.

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

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

Approved,