

SEVENTEENTH CONGRESS  
OF THE REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

HOUSE OF REPRESENTATIVES

House Bill No. 542

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by Representative Victor A. Yap

#### EXPLANATORY NOTE

This bill seeks to expand and strengthen the regulation of health facilities in the Philippines through the Bureau of Health Facilities and Services of the Department of Health in order to ensure the safety and quality of the health care facilities.

Dramatic changes and improvement in the field of health care during the past decades have led to the emergence and development of new types of health care facilities. Presently, we can see new types of health facilities like diagnostic, therapeutic, and rehabilitative centers unlike before when there were only hospitals and clinics. As a result, a number of such types of facilities do not anymore qualify under the regulatory mandate of the Department of Health. There is therefore a need to update the regulation of this industry.

Aside from regulating the safety and quality of health facilities, the bill also addresses another important issue in our health care system, the increasing cost of health services in the country. Health care must be not only be accessible to the people, it must also be affordable to everyone especially to the lowest income group. Thus, government must put price control to health care services when there is excessive cost and warranted by the situation.

In view of the foregoing reasons, immediate passage of this measure is earnestly requested.

  
**VICTOR A. YAP**  
Representative, 2<sup>nd</sup> District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 542

Introduced by Representative Victor A. Yap

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 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 “Health Facilities Regulation Act”.

**SEC. 2. Definitions.** – As used in this Act:

(a) Health facilities refer to institutions and other health-related establishments which provide diagnostic, therapeutic, rehabilitative, and/or other health care services except medical radiation facilities and hospital pharmacies;

(b) License refers to 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 refers to the person, partnership, corporation or association granted a license to operate and maintain a health facility according to an approved standard set by the Bureau.

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

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

(a) To 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 and administer and enforce the same;

(b) To 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) To study and adopt a system of classifying health facilities and other related facilities in the Philippines;

- (d) To 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) To provide consultative and advisory services relative to the establishment and construction of health facilities and other related facilities;
- (f) To determine, 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 bodies or associations of which the Philippines is a participating member or by bodies recognized by the Philippine government as the proper arbiter of such charges or rates;
- (g) To coordinate and call the assistance of any department, office, agency or instrumentality of the national or local government and other entities concerned with any aspect involving health facilities for the effective implementation of this Act;
- (h) To maintain a register of health facilities and other related facilities with licenses indicating the name of the facility, address or location, classification, name of the director or administrator, ownership, number of authorized beds and such other pertinent data as may be necessary;
- (i) To promulgate and implement the 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) To 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) To 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.** – To carry out its tasks more effectively, the BHFS shall be vested with the following quasi-judicial powers:

- (a) To investigate, hear and decide administrative cases initiated by the BHFS 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;
- (b) To promulgate rules governing the conduct of administrative hearings: Provided, that in such proceedings, the BHFS 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) To administer oaths and affirmations, 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 BHFS;
- (d) To exercise contempt powers and impose appropriate penalties;
- (e) To cause the prosecution of all cases involving violations of this Act and its implementing rules and regulations; and

(f) To 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 BHFS before such facilities are allowed to operate or be opened to the public.

**SEC. 7. Construction Design.** – The BHFS shall review and approve the construction design and plans of government or private health facilities and other related facilities to be constructed or which shall undergo renovation or expansion.

An application for the construction design of a health facility or other related facility shall be submitted to the BHFS 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 Bureau 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 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 BHFS or its deputized office using the form prescribed by it: Provided, That an applicant for a license to operate and maintain a hospital pharmacy or a medical radiation facility shall seek the approval of the Food and Drug Administration (FDA) and the Philippine Nuclear Research Institute (PNRI), respectively. The application for registration shall be filed and a license shall be issued upon due compliance of the applicant with the rules and regulations prescribed by the BHFS pursuant to the provisions of 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 two (2) years from date of issuance, and shall be renewed regularly, subject to the rules and regulations to be issued by the BHFS.

**SEC. 10. Inspection.** – The license to operate and maintain a health facility or other related facility shall be issued by the BHFS 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.** – The BHFS, after conducting an administrative hearing, with due notice to the licensee, may suspend or revoke the license to operate and maintain a health facility or other related facility of any person, partnership, corporation or association for any of the following grounds:

- (a) Violation by the licensee of any provision of this Act or any other existing law;
- (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 BHFS in the improvement or maintenance of facilities and services.

**SEC. 12. Appeal.** – The orders, rulings or decisions of the BHFS 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

1 be required for separate buildings in the same compound: Provided, further, That the approval of  
2 the designs and plans for construction or renovation of buildings within the same compound shall  
3 also be secured from the BHFS to determine compliance with standards and requirements herein  
4 authorized.

5 **SEC. 14. Nontransferability of License.** – A license for the operation of a health facility or  
6 other related facility shall not be transferable. The BHFS shall be notified of any change in  
7 ownership, change of name of the health facility or other related facility. Transfer of location of the  
8 facility shall require an application for a new license.

9 **SEC. 15. Regulation of the Price of Health Care Services.** – The President of the  
10 Philippines, upon recommendation of the Secretary of Health, shall have the power to impose the  
11 maximum price over diagnostic, therapeutic, rehabilitative and other health care services rendered in  
12 the facilities. The period of price regulation shall not exceed one hundred twenty (120) days.

13 **SEC. 16. Penalties.** – Any person, partnership, association or corporation who establishes,  
14 operates, conducts, manages or maintains a health facility or other related facility within the meaning  
15 of this Act without first obtaining a license, or violates any provision of this Act or its IRR shall be  
16 liable to a fine of not less than Fifty thousand pesos (P50,000.00) but not to exceed One hundred  
17 thousand pesos (P100,000.00) for the first offense, not less than One hundred thousand pesos  
18 (P100,000.00) but not to exceed Five hundred thousand pesos (P500,000.00) for the second offense,  
19 and not less than Five hundred thousand pesos (P500,000.00) but not to exceed One million pesos  
20 (P1,000,000.00) for the third and subsequent offenses. Each day that the health facility or other  
21 related facility operates after the first violation shall be considered a subsequent offense.

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

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

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

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

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

36 Approved,