

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

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 3969



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Introduced by Rep. BERNADETTE HERRERA-DY

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**EXPLANATORY NOTE**

The constitution under Article 11, Section 15 of the 1987 Constitution thereof provides that the State shall protect and promote the right to health of the people and instill health consciousness among them.

As a partner in promoting people's health, the government must provide assistance to private hospitals to ensure their viability and high quality service.

Seventy percent (70%) of the country's hospitals are privately owned. Distributed to the different areas of the country, these institutions provide the much needed medical services and facilities that government hospitals cannot alone provide thereby filling a void in the people's health needs.

This legislation proposes a Private Hospital Development Plan, which will be drawn in coordination with the Department of Health, other appropriate government agencies, and non-government organizations. This plan shall monitor the needs of private hospitals in terms of facility, equipment, and human resources. It shall also grant tax incentives to accredited private hospitals.

This bill likewise proposes the creation of a Special Private Hospital Fund that will be sourced from real property taxes paid by private hospitals. The money collected shall be used to finance the improvement of private hospital facilities and to assist community-based projects in various localities. This fund shall be managed and disbursed by the local health board in each municipality or chartered city where the private hospital is located.

Through this bill, we hope to build a bridge of cooperation between the government and private hospitals. It shall provide the needed link between the public's ever growing health care needs and the advanced medical services that can be provided by private hospitals.

The immediate passage of this bill is therefore requested.



**BERNADETTE HERRERA-DY**

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AN ACT ESTABLISHING A PRIVATE-HOSPITAL DEVELOPMENT PLAN  
AND PROVIDING ASSISTANCE TO PRIVATE HOSPITALS BY GRANTING  
OF INCENTIVES

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

**SECTION 1. Title.** - This Act shall be known as the "Private Hospital  
Assistance Act of 2016,"

**SECTION 2. Declaration of Policy** - It is the policy of the State to provide  
assistance to private hospitals to ensure their viability and enable them to continue  
giving quality service to the people. Towards this end, a private hospital development  
plan shall be promulgated and the private hospital fund established.

**I. PRIVATE HOSPITAL DEVELOPMENT PLAN**

**SECTION 3. The Private Hospital Development Plan.** - The Department of  
Health in consultation with the other appropriate government agencies, the Philippine  
Hospital Association, and non-government organizations, shall draw up a Private  
Hospital Development Plan that shall:

1. Assess the prevailing situation in certain localities and identify its needs in  
terms of facility, equipment and human resources; provide incentives for,  
and establish agreements and linkages with private hospitals and clinics, to  
answer these needs;
2. Identify unserved or underserved areas in terms of secondary and tertiary  
care where private hospitals can be established and, in collaboration with  
other government agencies, provide proper incentives for the same;

3. Promulgate rules and regulations regarding the number, composition and other matters relating to the creation of the Private Hospital Board as provided for in Section 5 of this Act;
4. Establish guidelines for better coordination and cooperation between government and private hospital system in the country so as to provide better quality medical services to more people needing medical attention.

## II. CREATION OF THE PRIVATE HOSPITAL FUND AND BOARD

**SECTION 4. Private Hospital Fund.** - All proceeds from the payment of real property taxes of private hospitals shall accrue to a special Private Hospital Fund which shall be used for the following purposes:

- a) Improvement of hospital facilities to accommodate more service ward patients; and
- b) Financial assistance to community-based health projects in the locality,

**SECTION 5. The Private hospital Fund Board.** - The private hospital fund shall be managed and disbursed by a local Board which shall be constituted in each municipality or chartered city with private hospitals, and shall be composed of:

- a) The Mayor of the municipality or chartered city as Chairperson;
- b) A director from every private hospital in the municipality or city;
- c) The municipal or city health officer;
- d) Two (2) representatives of the private sector or non-governmental organizations.

The members of this Board shall be chosen in accordance with implementing rules and regulations to be issued by the Secretary of Health. The Private Hospital Board shall adopt its own rules and regulations, which shall enable it to finance the activities, provided for in Section 4 of this Act.

**SECTION 6. Audit of the Private Hospital Fund.** - The disbursement of the Private Hospital Fund shall be subject to audit by the Commission on Audit.

**SECTION 7. Repealing Clause.** - Any provision of law, rules and regulations inconsistent with this Act is hereby repealed or modified accordingly.

**SECTION 8. Effectivity**

- This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in two (2) national newspapers of general circulation.

*Approved,*