



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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 4264



Introduced by Representative **GERALDINE B. ROMAN**

EXPLANATORY NOTE

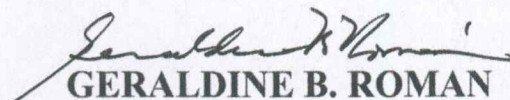
The World Health Organization earlier urged the Philippine government to make a real investment in health care to save lives. In response, and viewed as a milestone for the present administration, the Universal Health Care Act¹ was enacted earlier this year.

To complement the enactment, the State must ensure that hospitals are properly classified, so the general public is made aware of where to go to for specific illnesses and treatments. As such, a standardized mechanism of classifying hospitals must be adopted and properly implemented. A robust classification shall also ensure that hospitals adhere to the minimum guidelines necessary for the proper and efficient delivery of health services. Furthermore, a rationalized classification of hospitals will simplify licensing systems and processes and make the regulatory scheme more effective and efficient.

The Department of Health's current classification scheme is embodied in Administrative Order No. 2012-0012 (18 July 2012), as amended by Administrative

¹ See R.A. No. 11223, AN ACT INSTITUTING UNIVERSAL HEALTH CARE FOR ALL FILIPINOS, PRESCRIBING REFORMS IN THE HEALTH CARE SYSTEM, AND APPROPRIATING FUNDS THEREFOR.

Order No. 2012-0012-A (03 September 2015) and Administrative Order No. 2012-0012-B (16 January 2017). Notwithstanding these existing regulations, a State Policy should be laid down setting a baseline for hospitals services. This Act aims to do just that by rationalizing the current administrative classification system and providing fines and penalties for violation thereof. While the DOH, as an administrative agency, has rule-making authority, minimum guidelines are nonetheless necessary to regulate its authority to ensure standardized and responsive healthcare for all. Immediate passage of this bill is urgently sought.


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AN ACT
STANDARDIZING THE CLASSIFICATION OF HOSPITALS IN THE
PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4226,
OTHERWISE KNOWN AS THE HOSPITAL LICENSURE ACT

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

SECTION 1. *Short Title.* – This act shall be known as the “Hospitals Classification Act of 2019.”

Sec. 2. *Declaration of Policy.* – It is the policy of the State to protect and promote the right to health of all Filipinos and instill health consciousness among them. Towards this end, the State shall adopt:

- a) An integrated and comprehensive approach to health development that makes health services in hospitals fully responsive to the needs of the community;
- b) A health care model that provides access to a comprehensive and standard set of quality and cost-effective, promotive, preventive, curative, rehabilitative and palliative health services in hospitals at affordable cost; and
- c) A framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, monitoring, and evaluation of health services available in hospitals.

Sec. 3. *Definition of Terms.* – As used in this Act, the following terms shall be defined as follows:

- a) *Hospital* – a place devoted primarily for the maintenance and operation of health facilities for the diagnosis, treatment, and/or care of individuals suffering from illness,

disease, injury, or deformity, or in need of obstetrical or other surgical, medical, and nursing care. It shall also be construed as any institution, building, or place where there are installed beds, cribs, or bassinets for twenty-four hour use or longer by patients in the treatment of diseases or illnesses.

Private Hospitals are those owned, established and operated with private funds through donation, principal, investment or other means by any individual, corporation, association or organization. It may be a single proprietorship, partnership, corporation, cooperative, foundation, religious, non-government organization and others.

- b) *Licensing Agency* - shall be as defined under Sec. 5 of Republic Act No. 4226 and its implementing rules. It may also refer to other agencies or institutions empowered and capable to render the functions and services as defined in this Act and its implementing rules.
- c) *Medical Director* – shall mean the highest-ranking medical professional in a hospital, who manages and directs the over-all medical direction of a hospital.
- d) *Hospital Owner* – for Private Hospitals, shall mean the person who has control or has controlling interest in a hospital. For hospitals owned and/or operated by a corporation, association, or any other form of organization, it shall refer to the Chairman of the Board of Directors, or its equivalent, of the owner and/or operator, and for those owned and/or operated by a partnership, it shall refer to the general partner/s, or equivalent, of the owner and/or operator.

Sec. 4. Classification of Hospitals. — The Licensing Agency shall classify Hospitals according to functional capacity as Level 1, Level 2, and Level 3 Hospitals. Other classifications may be issued by the Licensing Agency.

Level 1 Hospitals must provide the following minimum services as well as the necessary manpower, personnel, and equipment:

- a) A staff of qualified medical, allied medical and administrative personnel headed by a physician duly licensed by the Professional Regulation Commission (PRC);
- b) Bed space for its authorized bed capacity in accordance with guidelines to be issued by the Licensing Agency;
- c) An operating room with standard equipment and provision for sterilization of equipment and supplies in accordance with guidelines to be issued by the Licensing Agency;
- d) A post-operative recovery room;

- e) Maternity facilities, consisting of ward(s), room(s), a delivery room, exclusively for maternity patients and newborns;
- f) Isolation facilities with proper procedures for the care and control of infectious and communicable diseases as well as for the prevention of cross infections;
- g) A separate dental section/clinic;
- h) Provision for blood station;
- i) A secondary clinical laboratory with the services of a consulting pathologist in accordance with guidelines to be issued by the Licensing Agency;
- j) An imaging facility with the services of a consulting radiologist in accordance with guidelines to be issued by the Licensing Agency; and
- k) A pharmacy in accordance with guidelines to be issued by the Licensing Agency.

Level 2 Hospitals must provide all minimum services as well as the necessary manpower, personnel, and equipment of a Level 1 Hospital, and must include the following:

- a) An organized staff of qualified and competent personnel with Medical Director and appropriate board certified clinical department heads;
- b) Departmentalized and equipped with the service capabilities needed to support board certified/eligible medical specialists and other licensed physicians rendering services in the specialties of Medicine, Pediatrics, Obstetrics and Gynecology, Surgery, their subspecialties and ancillary services;
- c) Provision for general Intensive Care Unit (ICU) for critically ill patients;
- d) Provision for high risk neonatal ICU (NICU);
- e) Provision for High Risk Pregnancy Unit (HRPU);
- f) Provision for respiratory therapy services;
- g) A tertiary clinical laboratory with guidelines to be issued by the Licensing Agency; and
- h) An imaging facility with mobile x-ray inside the institution and with capability for contrast examinations in accordance with guidelines to be issued by the Licensing Agency.

Level 3 Hospitals must provide all minimum services as well as the necessary manpower, personnel, and equipment of a Level 2 Hospital and must include the following:

- a) Teaching and/or training hospital with at least any two (2) accredited residency training program for physicians in any medical/surgical specialty and/or subspecialty;
- b) Provision for physical medicine and rehabilitation unit;

- c) Provision for ambulatory surgical clinic (ASC) – ASC in the Out-Patient Department or designate one of its major operating rooms in the OR complex solely for elective day surgeries;
- d) Provision for dialysis facility – hemodialysis or peritoneal dialysis or both;
- e) Provision for blood bank;
- f) A tertiary clinical laboratory with standard equipment/reagents/supplies necessary for the performance of histopathology examinations in accordance with guidelines to be issued by the Licensing Agency; and
- g) A imaging facility with interventional radiology in accordance with guidelines to be issued by the Licensing Agency.

Sec. 5. Power to Promulgate Rules. - Within one (1) year from the enactment, the Licensing Agency shall promulgate rules and regulations to implement this Act, within the parameters defined herein, and to track compliance with the standards set forth herein.

Sec. 6. Duty to Self-Classify. - Within one (1) year from the enactment of this Act, all Hospitals shall have the duty to self-classify utilizing for the purpose a verified form to be issued by the Licensing Agency. The form shall be verified by the Medical Director, and for privately owned/or controlled hospitals, jointly with the Hospital Owner. The Licensing Agency shall confirm the classification which shall be valid for a period of not more than three (3) years, or as determined by the Licensing Agency. For purposes of this Act, the Licensing Agency shall have the power to administer oaths.

Sec. 7. Duty to Maintain Classification. – A Hospital shall maintain its confirmed classification within the duration as determined by the Licensing Agency. Annual verified self-classification shall be submitted by all Hospitals to the Licensing Agency.

Sec. 8. Miscellaneous Obligations. – Regardless of classification, all Hospitals shall:

- a) provide basic hospital functions such as, but not limited to, acute medical and surgical services, anesthesia services, emergency and outpatient services, nursing service, dental service for Levels 2 and 3, be it by referral system or outsourcing, with common diagnostic and support units as pathology, radiology, and pharmacy;
- b) adhere and ensure strict compliance to infection control and surveillance practices;
- c) have non-medical support such as, but not limited to, administrative and finance section, medical records section, information management, dietary (for in-patients) services, facility management and maintenance, waste management and security services; and

- d) establish a referral network within the vicinity of their facilities to provide for services they are not capable of rendering.

Sec. 9. *Liabilities and Penalties.* — For violations of this Act, the offending hospital shall be liable to pay a fine of not less than One Million Pesos (Php 1,000,000.00) for each notice of violation issued by the Licensing Agency and the person(s) charged with overseeing compliance with this Act shall, upon conviction, suffer the penalty of imprisonment of not less than four (4) years and one (1) day but not more than six (6) years and one (1) day. The liabilities and penalties for government-owned and/or controlled hospitals but are managed and/or operated by private entities shall fall on such hospitals' private operators and/or managers. Any agreements to the contrary shall be void.

Violation of this Act shall also be a ground for the cancellation of the Hospital's license to operate.

Sec. 10. *Repealing Clause.* — All laws, presidential decrees or issuances, executive orders, letters of instruction, administrative orders, rules or regulation inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 11. *Separability Clause.* — If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

Sec. 12. *Effectivity.* — This Act shall take effect fifteen (15) days after the publication in the Official Gazette or in a newspaper of general circulation.

Approved,