



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

Eighteenth Congress
First Regular Session

House Bill No. **2540**

Introduced by Representative Paul Ruiz Daza

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.

EXPLANATORY NOTE

Article II, Section 15 of the 1987 Constitution states that "[t]he State shall protect and promote the right to health of the people and instill health consciousness among them."

Furthermore, Article XIII, Section 11 of the same Constitution provides that "[t]he State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers."

Accordingly, the 17th Congress enacted Republic Act No. 11223 otherwise known as the "Universal Health Care Act" that mandates for the automatic inclusion of every Filipino in the National Health Insurance Program. R.A. 11223 also includes other provisions that seek to fulfill the law's general objectives, namely, to "(a) [p]rogressively realize universal health care in the country through a systematic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and (b) [e]nsure that all Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk."¹

¹ R.A. 11223, Sec. 3.

Nevertheless, even in anticipation that R.A. 11223 will usher in a dramatic improvement in the access to quality and affordable health care by all Filipinos, the challenge remains as to how the government should close the gap between indigent, marginalized families and those who can afford availing of basic and specialty medical services in both the outpatient clinics and the hospital in-patient setting.

The benefits under R.A. 11223 rely on health benefits package as determined by the Philhealth. As such, out-of-pocket expenditures may still arise if the benefit packages are not enough to cover the medical needs of indigent and poor patients. In 2017, despite the safety nets of Philhealth, out-of-pocket payment accounted for 55% of health expenditures, according to the Philippine Statistics Authority.

From 2018, “one-stop shop” booths dubbed as Malasakit Centers were launched by the government in public hospitals, with the first one established at the Vicente Sotto Memorial Medical Center (VSMMC) in Cebu City. These hospital booths house 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). These centers enable people in need of medical care to transact with said government agencies without having to leave the public hospital, saving not only precious time but also transportation and other out-of-pocket expenses.

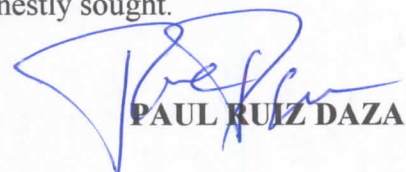
As of year 2019, there are about 32 Malasakit Centers all over the country mostly situated in public tertiary care hospitals.

This bill seeks to establish, maintain and operate Malasakit Centers in all DOH, local government unit (LGU), Department of National Defense (DND) and State University and College (SUC) hospitals with the aim Full Compliance with Philhealth’s No Balance Billing Policy and reduce, if not eliminate, out-of-pocket expenditures of indigent and poor patients including non-medical expenses like transportation costs.

In particular, this bill mandates: the Philhealth representative to be in charge of assisting and processing the concerns of both direct and indirect contributors to Philhealth regarding the implementation of Republic Act No. 11223 or the “Universal Health Care Act” which may include concerns on coverage, billing, health-benefits packages, and No Balance Billing compliance among others; the DOH representative to be in charge of providing medical assistance to indigent patients; and finally, the DSWD representative to be in charge of providing financial or direct assistance to indigent and poor patients.

Complementing RA 11223, this proposed measure intends bring about a more efficient, responsive and sustainable delivery of medical and health care services to people in need, especially the indigent ones, which will truly be a big step towards realizing universal health care for all Filipinos.

In view of the foregoing, approval of this bill is earnestly sought.



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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.”

SEC. 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.

SEC. 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 and all Regional Hospitals;

(b) *DND Hospital* refers to a hospital managed by the Department of National Defense;

(c) *Financial Assistance of 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, guarantee 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 professional fees, medicines and supplies, diagnostic services 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 in 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 of 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;

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.

SEC. 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, and in relation thereto no-balance-billing compliance and referral to the health 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, DSWD and PCSO 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 and no-balance-billing compliance as well as referral to the hospital provider network. 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.

4. PCSO shall also be in charge of providing medical and other assistance.

SEC. 5. *Provision of Medical Assistance.* – The DOH shall provide medical assistance to indigent and poor patients through the Malasakit Center which shall be charge from the annual appropriation of the DOH 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 other.

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

SEC. 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, orthopaedic/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 physical 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 hospital social worker and attending physician, approved by the Chief of Hospital/Medical Center Chief of the institution involved, Philhealth and DOH authorized officials, subject to availability of funds.

SEC. 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. Food and Housing related expenses.

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.

SEC. 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 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.

SEC. 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.

SEC. 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 of this Act.

SEC. 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.

SEC. 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.

SEC. 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.

SEC. 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,