

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

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HOUSE OF REPRESENTATIVES

House Bill No. 542

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

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Introduced by Representative Victor A. Yap

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**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

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Introduced by Representative Victor A. Yap

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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:*

1           **SECTION 1. Short Title.** – This Act shall be known as the “Health Facilities Regulation  
2 Act”.

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

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

7           (b) License refers to a formal authorization issued by the Department of Health (DOH) to  
8 an individual, partnership, corporation or association to operate a hospital and other health  
9 facilities. It is a prerequisite for accreditation of a hospital and other health facilities by any  
10 accrediting body that is recognized by the DOH; and

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

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

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

18           (a) To establish and prescribe rules, regulations, standards and specifications in all cases  
19 related to the issued certificate of license of health facilities and other related facilities and  
20 administer and enforce the same;

21           (b) To inspect and monitor all health facilities and other related facilities to ensure their  
22 continued compliance with the rules and regulations in accordance with this Act and to  
23 make recommendations to directors or administrators of health facilities for the correction  
24 of deficiencies found during the inspections;

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

1 (d) To approve construction designs and plans for health facilities, government or private,  
2 including renovation or expansion of the same in accordance with the provisions of this Act;

3 (e) To provide consultative and advisory services relative to the establishment and  
4 construction of health facilities and other related facilities;

5 (f) To determine, levy, assess and collect the appropriate permit fee, registration fee, license  
6 fee and surcharges pertinent to the operation of facilities and services except in cases where  
7 charges or rates are established by international bodies or associations of which the  
8 Philippines is a participating member or by bodies recognized by the Philippine government  
9 as the proper arbiter of such charges or rates;

10 (g) To coordinate and call the assistance of any department, office, agency or instrumentality  
11 of the national or local government and other entities concerned with any aspect involving  
12 health facilities for the effective implementation of this Act;

13 (h) To maintain a register of health facilities and other related facilities with licenses  
14 indicating the name of the facility, address or location, classification, name of the director or  
15 administrator, ownership, number of authorized beds and such other pertinent data as may  
16 be necessary;

17 (i) To promulgate and implement the rules and regulations governing the registration,  
18 licensure and operations of health facilities and other related facilities and to periodically  
19 review and amend the same, subject to the approval of the Secretary and in consultation with  
20 the sectors concerned: Provided, That such rules and regulations shall be in accordance with  
21 the provisions of this Act;

22 (j) To grant a certificate of license for the operation and maintenance of health facilities and  
23 services, and to suspend or revoke the same in accordance with the provisions of this Act;

24 (k) To submit yearly reports to the Secretary of Health, and the Chairpersons of the  
25 Committees on Health of both Houses of Congress; and

26 (l) Perform such other functions as may be prescribed by law.

27 **SEC. 5. Quasi-Judicial Powers.** – To carry out its tasks more effectively, the BHFS shall  
28 be vested with the following quasi-judicial powers:

29 (a) To investigate, hear and decide administrative cases initiated by the BHFS or filed by any  
30 person against a hospital or health service establishment violating any provision of this Act  
31 and its implementing rules and regulations and to impose appropriate administrative  
32 sanctions or penalties provided in this Act;

33 (b) To promulgate rules governing the conduct of administrative hearings: Provided, that in  
34 such proceedings, the BHFS shall not be bound by the technical rules of evidence of the  
35 Rules of Court: Provided, further, that the latter may be applied in a suppletory manner;

36 (c) To administer oaths and affirmations, and to issue subpoena duces tecum and ad  
37 testificandum, requiring the production of such books, contracts, correspondence, records,  
38 statement of accounts and other documents and the attendance and testimony of parties and  
39 witnesses, as may be material to the investigation being conducted by the BHFS;

40 (d) To exercise contempt powers and impose appropriate penalties;

41 (e) To cause the prosecution of all cases involving violations of this Act and its  
42 implementing rules and regulations; and

1 (f) To summarily order the closure of health facilities and other related facilities operating  
2 without a license.

3 **SEC. 6. Registration and License.** – All health facilities and other related facilities,  
4 government or private, shall be registered and duly licensed by the BHFS before such facilities are  
5 allowed to operate or be opened to the public.

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

9 An application for the construction design of a health facility or other related facility shall be  
10 submitted to the BHFS in a form prescribed by the latter and accompanied by a plan of the facility  
11 proposed to be constructed. The approved construction design and plan issued by the Bureau shall  
12 be a prerequisite for the issuance of a building permit by the official of the municipality or city  
13 where the facility is proposed to be constructed.

14 **SEC. 8. Application for Registration and Issuance of License.** – An application for  
15 registration of a health facility or other related facility and for the issuance of a license for its  
16 operation and maintenance, including that of a facility performing medical ancillary services, shall be  
17 filed with the BHFS or its deputized office using the form prescribed by it: Provided, That an  
18 applicant for a license to operate and maintain a hospital pharmacy or a medical radiation facility  
19 shall seek the approval of the Food and Drug Administration (FDA) and the Philippine Nuclear  
20 Research Institute (PNRI), respectively. The application for registration shall be filed and a license  
21 shall be issued upon due compliance of the applicant with the rules and regulations prescribed by  
22 the BHFS pursuant to the provisions of this Act.

23 **SEC. 9. Validity and Renewal of License.** – The initial license to operate and maintain a  
24 health facility or other related facility shall be valid for a period of two (2) years from date of  
25 issuance, and shall be renewed regularly, subject to the rules and regulations to be issued by the  
26 BHFS.

27 **SEC. 10. Inspection.** – The license to operate and maintain a health facility or other related  
28 facility shall be issued by the BHFS only after it has conducted a comprehensive on-site inspection  
29 and has certified that the applicant has satisfactorily complied with the requisites prescribed in this  
30 Act and its implementing rules and regulations (IRR).

31 **SEC. 11. Suspension and Revocation of License.** – The BHFS, after conducting an  
32 administrative hearing, with due notice to the licensee, may suspend or revoke the license to operate  
33 and maintain a health facility or other related facility of any person, partnership, corporation or  
34 association for any of the following grounds:

- 35 (a) Violation by the licensee of any provision of this Act or any other existing law;  
36 (b) Violation of rules and regulations prescribed in the implementation of this Act; and  
37 (c) Failure to make necessary corrections or adjustments required by the BHFS in the  
38 improvement or maintenance of facilities and services.

39 **SEC. 12. Appeal.** – The orders, rulings or decisions of the BHFS shall be appealable to the  
40 Secretary of Health.

41 **SEC. 13. Separate Licenses Required.** – Separate licenses shall be required for health  
42 facilities and other related facilities or branches thereof maintained in separate premises even though  
43 they are operated under the same management: Provided, however, That separate licenses shall not