

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 3859



Introduced by HONORABLE SCOTT DAVIES S. LANETE, M.D.

EXPLANATORY NOTE

During the advent of the 1987 Constitution, the State saw decentralization as a solution to the inability of the government to implement an efficient system of providing basic services to the people. It devolved the delivery of basic services to the local government units who were deemed most effective in assessing the needs of the people and more efficient in delivering services. Decentralization brought the government closer to the people.

However, decentralization has not been fully and effectively implemented. In the field of health, local government units have been given the control and supervision over government hospitals. But despite this, most of the hospitals that specifically cater to certain ailments and patients are still found in Metro Manila, the capital of the Philippines. Among the specialized hospitals are the Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children's Medical Center, and the Philippine Heart Center.

At present, there are no hospitals with these specializations situated in Visayas and Mindanao. Most of the hospitals found in these areas, although efficient in terms of curing ordinary illnesses, are not equipped with the proper medical staff and equipment necessary for treating patients with special needs. In effect, people with said illnesses still need to travel to Metro Manila for treatment. Sadly, because of the distance and additional costs of travelling, most Filipinos do not make it to these specialized hospitals in time for treatment.

This bill aims to bring the government even closer to the people. It seeks to establish in Visayas and Mindanao satellite hospitals which are under the control and supervision of specialized hospitals like the Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children's Medical Center, and the Philippine Heart Center. With these satellite hospitals readily accessible in Visayas and Mindanao, our brothers and sisters living in far-flung areas need not travel to Metro Manila for treatment. Consequently, their lives will become more convenient.

Hence, the passage of this law is urgently sought.

SCOTT DAVIES S. LANETE, M.D.
Representative
Third District, Province of Masbate

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Introduced by HONORABLE SCOTT DAVIES S. LANETE, M.D.

AN ACT TO ESTABLISH SATELLITE SPECIALIZED HOSPITALS IN VISAYAS AND MINDANO, ESTABLISHING A MECHANISM THEREFOR, PROVIDING FUNDS THEREFOR 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 "Satellite Hospitals Act."

Sec. 2. *Declaration of Policy.* It is the policy of the State to protect and promote the right to health of the people.

Sec. 3. *Establishment of Satellite Hospitals* – There shall be established Visayas Specialized Satellite Hospital in Cebu City and Mindanao Specialized Satellite Hospital in Davao City.

These hospitals shall be composed of different departments, each one under the control and supervision of the Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children's Medical Center, and the Philippine Heart Center.

These satellite hospitals shall be a non-profit public institution and their purpose being primarily to give free in-patient and outpatient medical care to as many residents of Visayas and Mindanao as possible. Their objectives shall be:

- (a) To provide people in Visayas and Mindanao specialized medical care at no cost to them where warranted;
- (b) To give these people easy access to hospital facilities and hospital care, especially the poor and indigent among them;
- (c) To provide them with better facilities for domiciliary health and medical services.

Sec. 4. *Hospital Board* – To carry out the purpose and objectives enumerated in Section two and three of this Act, there is hereby created the governing board of the Visayas Specialized Satellite Hospital and Mindanao Specialized Satellite Hospital, respectively, which shall hereafter be known as the Hospital Board.

The hospital board shall be composed of ten members with the Secretary of the Department of Health as ex-officio chairman, four members, each one of whom coming the Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children's Medical

Center, and the Philippine Heart Center and five members coming from the private sector.

The members of the Hospital Board shall be appointed by the President of the Philippines and shall receive no salary. They shall, however, receive a per diem of not exceeding Two Thousand pesos for every meeting of the Board actually attended: provided, however, that the total amount of per diem for all the meetings of the Board in a single month shall not exceed Ten Thousand.

Members of the Hospital Board who are not officers of the Government shall serve for a term of four years renewable for another term only.

The Board Secretary shall be appointed by the Chairman from the ranking members of the hospital staff.

Sec. 5. Powers and Duties of the Hospital Board. — Subject to existing laws, the Hospital Board, as the governing and policy-making body of the hospital, shall have such powers as are necessary to carry out the purpose and objectives enumerated in this Act, including the exercise of corporate powers. It shall perform the following functions and duties:

- (a) To promulgate and prescribe the rules and regulations for the administration of the affairs of the hospital.
- (b) To study, propose and approve plans for the improvement of the services of the hospital.
- (c) To propose, study and approve or, amend or revise the organizational structure of the hospital, both medical and administrative, in order to meet the exigencies of the service, subject to existing laws and regulations on the matter and consonant with the principles of sound hospital administration.
- (d) To consider and approve appointments and promotions of all staff personnel, medical and administrative, and other employees upon the recommendation of the Hospital Director.
- (e) To investigate all cases of anomalies, negligence or misconduct of all hospital personnel including the Hospital Director. It shall have the final authority to pass upon the removal, separation, and suspension of such personnel subject to the Civil Service Rules and Regulations.
- (f) To make an internal audit once a year of the business operation of the hospital.
- (g) To receive in trust, legacies, gifts, land grants and donations of real and personal property of all kinds, tax free, and to administer the same for the benefit of the hospital or a department of service thereof. Foreign and domestic donors of legacies, gifts, grants and donations under this section shall be exempt from any tax of whatever kind and nature to the extent of the full amount donated, provisions of existing laws to the contrary notwithstanding.
- (h) To consider and approve the budget prepared by the hospital administration for submission to the Congress of the Philippines through the Budget Commissioner.

Sec. 6. Meeting of the Board; Quorum. — The Hospital Board shall meet regularly once a month at the Visayas Specialized Satellite Hospital and Mindanao Specialized Satellite Hospital, respectively, on a regular date fixed for the purpose. Special meetings may be called as often as necessary, subject to paragraph two of Section five hereof. A majority of the members shall constitute a quorum. All decisions of the Board must be by a majority of

the members present.

Sec. 7. The Hospital Director; Auditor. — There shall be a Hospital Director, elected by a majority vote of the Hospital Board; provided, that the recommendee is qualified under the Civil Service Laws and Rules.

The Hospital Director shall serve until otherwise incapacitated or removed for cause and shall receive an annual salary equivalent to that of Chief of Hospital IV under the Salary Plan of the Wage and Position Classification Office. He shall have charge of the hospital and shall have the powers in respect to the hospital as are vested by law in chiefs of hospitals.

Specifically, the Hospital Director shall:

- (a) Be responsible for the implementation of all policies, decisions and orders of the Hospital Board;
- (b) Have immediate supervision and control over the affairs of the hospital as well as its management and administration, subject to the authority of the Hospital Board;
- (c) Subject to the approval of the Hospital Board, prepare plans for a hospital residency program in the fields of medicine, surgery, pediatrics, obstetrics and gynecology, eye-ear-nose and throat, laboratory, radiology, and training program in nursing and allied fields;
- (d) Prepare and submit to the Hospital Board periodic reports on the state of affairs, financial conditions, budgetary requirements and other problems of the hospital together with the corresponding recommendations thereon; and
- (e) Perform such other duties as the Hospital Board may from time to time direct him to do, consonant with the dignity and responsibility of the office.

The Hospital Board shall appoint an auditor who shall be the representative of the Auditor General who is hereby designated as ex-officio auditor of the Visayas Specialized Satellite Hospital and Mindanao Specialized Satellite Hospital, respectively.

The auditor shall be the chief of its auditing and accounting department. He shall audit, examine and settle all accounts of the Visayas Specialized Satellite Hospital and Mindanao Specialized Satellite Hospital, respectively, according to existing laws and regulations and shall perform such other duties as the Auditor General, Hospital Director or the Hospital Board may require him. His compensation shall be fixed by the Hospital Board.

Sec. 8. Hospital Organization; Bed Capacity. — The organization of the hospital shall include such departments and services as the Hospital Board may deem essential to carry on with the objectives of this Act but shall in no case be contrary to the basic organizational plans prescribed by the Bureau of Medical Services of the Department of Health nor with the principles of sound hospital administration.

The hospital shall have a bed capacity of not less than one hundred, ninety per centum of which shall be devoted exclusively to charity patients. It shall likewise maintain facilities and wards for emergency cases as well as those for outpatients and domiciliary services.

Sec. 9. Heads of Departments and Services; Compensations. — The heads of departments and services as well as medical consultants and specialists shall be appointed by the Hospital Board upon recommendation of the Hospital Director. Their compensations shall be

prescribed by the Hospital Board but the same shall in no case be less than provided for under existing laws and regulations.

All other personnel and employees of the hospital shall be appointed by the Hospital Director subject to the approval of the Hospital Board.

Sec. 10. *Hospital Trust Funds.* — All funds and money not coming from the general fund of the National Government such as contributions from taxes and assessments from authorized sweepstakes lotteries and games, donations, legacies, endowment, income of the pay wards and other hospital services shall be used and disbursed only upon the authorization of the Hospital Board for the purpose of improving the hospital, its facilities and services, including the purchase of medicines, supplies and equipment.

Sec. 11. *Supervision by the Department of Health.* — The Visayas Specialized Satellite Hospital and Mindanao Specialized Satellite Hospital, respectively, shall be under the supervision of the Department of Health.

Sec. 12. *Implementing Agency.* — The Department of Health shall ensure the implementation and enforcement of this Act.

Sec. 13. *Implementing Rules and Regulations.* The Department of Health shall have the power to promulgate the implementing rules and regulations as may be necessary to fully implement the objectives and purposes of this Act within one (1) year from the approval hereof.

Sec. 14. *Separability Clause.* If any part or provision of this Act shall be held unconstitutional or invalid, other provisions which are not affected thereby shall continue to be in full force and effect.

Sec. 15. *Repealing Clause.* All laws, issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 16. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved.