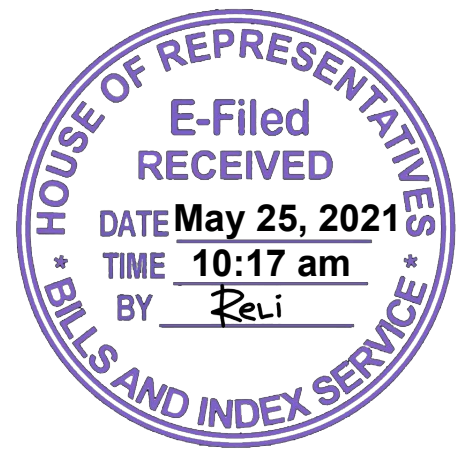




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session



COMMITTEE REPORT NO. 997

Submitted by the Committee on Health, the Committee on Ways and Means, and the Committee on Appropriations, and on May 25, 2021

Re : House Bill No. 9456

Recommending its approval in substitution of House Bill No. 6995

Sponsors : Representatives Angelina "Helen" D.L. Tan, M.D., Joey Sarte Salceda, and Eric Go Yap

Mr. Speaker:

The Committee on Health, the Committee on Ways and Means, and the Committee on Appropriations, to which was referred House Bill No. 6995, introduced by Rep. Angelina "Helen" D.L. Tan, M.D., entitled:

"AN ACT PROVIDING FOR THE STOCKPILING OF STRATEGIC AND CRITICAL DRUGS AND MEDICINES, VACCINES, DEVICES, AND MATERIALS FOR PUBLIC HEALTH EMERGENCIES, CREATING FOR THE PURPOSE THE HEALTH PROCUREMENT AND STOCKPILING BUREAU UNDER THE DEPARTMENT OF HEALTH, AND APPROPRIATING FUNDS THEREFOR"

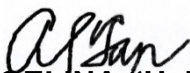
have considered the same and recommend that the attached House Bill No. 9456 entitled:

"AN ACT PROVIDING FOR THE STOCKPILING OF STRATEGIC AND CRITICAL DRUGS AND MEDICINES, VACCINES, DEVICES, AND MATERIALS FOR PUBLIC HEALTH EMERGENCIES, CREATING FOR THE PURPOSE THE HEALTH PROCUREMENT AND STOCKPILING BUREAU UNDER THE DEPARTMENT OF HEALTH, AND APPROPRIATING FUNDS THEREFOR"

be approved in substitution of House Bill No. 6995 with Reps. Angelina "Helen" D.L. Tan, M.D., Rozzano Rufino B. Biazon, Deogracias Victor "DV" B. Savellano, Henry R. Villarica, Emmarie "Lolypop" M. Ouano-Dizon, Marlyn "Len" B. Alonte, Manuel

Jose "Mannix" M. Dalipe, Juliette T. Uy, Ruth Mariano-Hernandez, Hector S. Sanchez, Ciriaco B. Gato, Jr., Cyrille "Beng" F. Abueg-Zaldivar, Micaela S. Violago, Ma. Lucille L. Nava, M.D., Arnold "Noli" D. Celeste, John Reynald M. Tiangco, Jose Enrique "Joet" S. Garcia, Kristine Alexei B. Tutor, Sandra Y. Eriguel, M.D., Angelica Natasha Co, Strike B. Revilla, Resurreccion M. Acop, Joseph Stephen "Caraps" S. Paduano, Ma. Lourdes T. Arroyo, Cheryl P. Deloso-Montalla, Ma. Bernardita "Ditas" B. Ramos, Teodorico T. Haresco, Jr., Rufus B. Rodriguez, Juan Pablo "Rimpy" P. Bondoc, Jose "Ping-ping" I. Tejada, Vicente "Ching" S.E. Veloso III, Noel L. Villanueva, David "Jay-jay" C. Suarez, Pablo C. Ortega, Estrellita B. Suansing, Alberto "Bobby" D. Pacquiao, Dahlia A. Loyola, Rose Mari "Baby" J. Arenas, Aurelio "Dong" D. Gonzales, Edgar M. Chatto, Rowena Niña O. Taduran, Alan 1 B. Ecleo, Adriano A. Ebcas, Maricel G. Natividad-Nagaño, M.D., Irene Gay F. Saulog, Horacio P. Suansing, Jr., Geradro "Gerryboy" J. Espina, Diego C. Ty, Gil "Kabarangay Jr." A. Acosta, Jr., Michael T. Defensor, Presley C. De Jesus, Joey Sarte Salceda, Joy Myra Tambunting, Allan Jesse C. Mangaoang, Jericho Jonas B. Nograles, Francisco Jose Matugas, Josephine Ramirez Sato, Mark O. Go, Jose Gay Padiernos, John Marvin C. Nieto, Julienne Baronda, Sergio C. Dagooc, Michael B. Gorriceta, Ronnie L. Ong, Jumel Anthony I. Espino, Evelina G. Escudero, Juan Miguel Macapagal Arroyo, Lorenz R. Defensor, Anthony Peter "Onyx" D. Crisologo, Lawrence Lemuel H. Fortun, Jesus "Bong" C. Suntay, Sonny L. Lagon, Alfelito "Alfel" M. Bascug, Divina Grace C. Yu, Arnie B. Fuentebella, Aleta C. Suarez, Eric Go Yap, Cristal L. Bagatsing, Elenita Milagros "Eileen" Ermita-Buhain, Lorna P. Bautista-Bandigan, Junie E. Cua, Luisa Lloren Cuaresma, Rudys Caesar G. Fariñas, Greg G. Gasataya, Ed Christopher S. Go, Angelo Marcos Barba, Fernando T. Cabredo, Gabriel H. Bordado, Jr., Abdullah D. Dimaporo, Alan R. Dujali, Eduardo "Eddie" R. Gullas, Godofredo N. Guya, Glona G. Labadlabad, Edward Vera Perez Maceda, Mario Vittorio "Marvey" A. Mariño, Alyssa Sheena P. Tan, Rosanna "Ria" V. Vergara, Ma. Lourdes Acosta Alba, Juliet Marie de Leon Ferrer, Roman T. Romulo, Ron P. Salo, Amihilda J. Sangcopan, Arlene D. Brosas, and Ma. Victoria V. Umali as authors thereof.

Respectfully submitted:



HON. ANGELINA "Helen" D.L. TAN, M.D.
Chairperson
Committee on Health



HON. ERIC GO YAP
Chairperson
Committee on Appropriations



HON. JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9456
(In Substitution of House Bill No. 6995)

Introduced by Representatives Angelina “Helen” D.L. Tan, M.D., Rozzano Rufino B. Biazon, Deogracias Victor “DV” B. Savellano, Henry R. Villarica, Emmarie “Lolypop” M. Ouano-Dizon, Marlyn “Len” B. Alonte, Manuel Jose “Mannix” M. Dalipe, Juliette T. Uy, Ruth Mariano-Hernandez, Hector S. Sanchez, Ciriaco B. Gato, Jr., Cyrille “Beng” F. Abueg-Zaldivar, Micaela S. Violago, Ma. Lucille L. Nava, M.D., Arnold “Noli” D. Celeste, John Reynald M. Tiangco, Jose Enrique “Joet” S. Garcia, Kristine Alexei B. Tutor, Sandra Y. Eriguel, M.D., Angelica Natasha Co, Strike B. Revilla, Resurreccion M. Acop, Joseph Stephen “Caraps” S. Paduano, Ma. Lourdes T. Arroyo, Cheryl P. Deloso-Montalla, Ma. Bernardita “Ditas” B. Ramos, Teodorico T. Haresco, Jr., Rufus B. Rodriguez, Juan Pablo “Rimpy” P. Bondoc, Jose “Ping-ping” I. Tejada, Vicente “Ching” S.E. Veloso III, Noel L. Villanueva, David “Jay-jay” C. Suarez, Pablo C. Ortega, Estrellita B. Suansing, Alberto “Bobby” D. Pacquiao, Dahlia A. Loyola, Rose Mari “Baby” J. Arenas, Aurelio “Dong” D. Gonzales, Edgar M. Chatto, Rowena Niña O. Taturan, Alan 1 B. Ecleo, Adriano A. Ebcas, Maricel G. Natividad-Nagaño, M.D., Irene Gay F. Saulog, Horacio P. Suansing, Jr., Geradro “Gerryboy” J. Espina, Diego C. Ty, Gil “Kabarangay Jr.” A. Acosta, Jr., Michael T. Defensor, Presley C. De Jesus, Joey Sarte Salceda, Joy Myra Tambunting, Allan Jesse C. Mangaoang, Jericho Jonas B. Nograles, Francisco Jose Matugas, Josephine Ramirez Sato, Mark O. Go, Jose Gay Padiernos, John Marvin C. Nieto, Julianne Baronda, Sergio C. Dagooc, Michael B. Gorriceta, Ronnie L. Ong, Jumel Anthony I. Espino, Evelina G. Escudero, Juan Miguel Macapagal Arroyo, Lorenz R. Defensor, Anthony Peter “Onyx” D. Crisolago, Lawrence Lemuel H. Fortun, Jesus “Bong” C. Suntay, Sonny L. Lagon, Alfelito “Alfel” M. Bascug, Divina Grace C. Yu, Arnie B. Fuentebella, Aleta C. Suarez, Eric Go Yap, Cristal L. Bagatsing, Elenita Milagros “Eileen” ErmitaBuhain, Lorna P. Bautista-Bandigan, Junie E. Cua, Luisa Lloren Cuaresma, Rudys Caesar G. Fariñas, Greg G. Gasataya, Ed Christopher S. Go, Angelo Marcos Barba, Fernando T. Cabredo, Gabriel H. Bordado, Jr., Abdullah D. Dimaporo, Alan R. Dujali, Eduardo “Eddie” R. Gullas, Godofredo N. Guya, Glona G. Labadlabad, Edward Vera Perez Maceda, Mario Vittorio “Marvey” A. Mariño, Alyssa Sheena P. Tan, Rosanna “Ria” V. Vergara, Ma. Lourdes Acosta Alba, Juliet Marie de Leon Ferrer, Roman T. Romulo, Ron P. Salo, Amihilda J. Sangcopan, Arlene D. Brosas, and Ma. Victoria V. Umali

AN ACT

PROVIDING FOR THE STOCKPILING OF STRATEGIC AND CRITICAL DRUGS AND MEDICINES, VACCINES, DEVICES, AND MATERIALS FOR PUBLIC HEALTH EMERGENCIES, CREATING FOR THE PURPOSE THE HEALTH PROCUREMENT AND STOCKPILING BUREAU UNDER THE DEPARTMENT OF HEALTH, AND APPROPRIATING FUNDS THEREFOR

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

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1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Health Procurement and
2 Stockpiling Act”.

3
4 **SEC. 2. *Declaration of Policy.*** – It is the policy of the State to protect and promote the
5 right to health of the people and instill health consciousness among them. The State also mandates
6 the adoption of an integrated and comprehensive approach to health development.

7
8 Towards this end, it shall protect public health and safety by preventing and controlling the
9 spread of diseases and other health hazards through the stockpiling of essential and critical drugs
10 and medicines, vaccines, devices, and materials to effectively and swiftly address the devastating
11 consequences of public health emergencies.

12
13 **SEC. 3. *Definition of Terms.*** – As used in this Act:

14
15 (a) *Countertrade* refers to a supplemental trade tool in connection with transactions
16 involving the importation or procurement of foreign capital equipment, machinery,
17 products, goods and services and amounting to at least One million dollars (US\$1 M) and
18 above or its foreign currency equivalent. It shall also cover any of the following
19 arrangements:

20 (1) *Counterpurchase* – also known as counter exports, this refers to parallel
21 transactions or reciprocal trade, whereby the foreign supplier reciprocally commits to
22 purchase Philippine goods or services, to be exported to the supplier’s country or a
23 third country;

24 (2) *Product Buy Back* – whereby the foreign supplier of the equipment or machinery
25 is paid for with the resultant product(s) or good(s) made or manufactured by such
26 equipment or machinery;

27 (3) *Offset* – whereby the foreign supplier commits to introduce investments or
28 technology transfer in the Philippines, or assist in establishing new industries or
29 improving existing industries to generate or save foreign exchange or create increased
30 employment, which may or may not be related to the machinery, equipment, products
31 or goods so imported or services procured;

32 (4) *Trade-for-Debt Swap* – whereby a loan or credit accommodation obtained by a
33 government agency or government-owned or controlled corporation from a foreign
34 government or creditor which has remained outstanding and unpaid is arranged to be
35 settled in full or partially by way of sales of products, goods or services to be provided
36 by a third party rather than by payment in foreign currency; or

37 (5) Any form of combination or variation of the above arrangements that results in
38 the inflow to the country of foreign exchange, or savings thereof, investments,
39 training and technology transfer, grants for educational, scientific, technological,
40 environmental and related research programs or projects, which will enhance
41 Philippine industrial or export competitiveness or contribute to the creation of new
42 competitive industries, enhance existing industries or utilization of Philippine
43 services or expertise by foreign clients, or result in the reduction of public debt.

44 (b) *Device* refers to instruments, apparatus, or contrivances, including their components,

1 parts, and accessories that are authorized by the Food and Drug Administration (FDA),
2 intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease
3 in man; or (2) to affect the structure or any function of the human body;
4

5 (c) *Drugs and medicines* refer to any chemical compound or biological substance, other
6 than food, that are authorized by the FDA, intended for use in the treatment, prevention or
7 diagnosis of disease in humans or animals, including:
8

9 (1) Any article recognized in the official United States Pharmacopoeia-National
10 Formulary, official Homeopathic Pharmacopoeia of the United States, Philippine
11 Pharmacopoeia, Philippine National Drug Formulary, British Pharmacopoeia,
12 European Pharmacopoeia, Japanese Pharmacopoeia, Indian Pharmacopoeia, any
13 national compendium or supplement to any of them;
14

15 (2) Any article intended for use in the diagnosis, cure, mitigation, treatment, or
16 prevention of disease in humans or animals;
17

18 (3) Any article other than food intended to affect the structure or function of the human
19 body or animals;
20

21 (4) Any article intended for use as a component of articles specified in clauses (1), (2),
22 and (3) not including devices or their components, parts, or accessories; and
23

24 (5) Herbal and/or traditional drugs which are articles of plant or animal origin used in
25 folk medicine which are:
26

27 (i) Recognized in the Philippine National Drug Formulary;
28

29 (ii) Intended for use in the treatment or cure or mitigation of disease symptoms,
30 injury or body defects in humans;
31

32 (iii) Other than food, intended to affect the structure or any function of the human
33 body;
34

35 (iv) In finished or ready-to-use dosage form; and
36

37 (v) Intended for use as a component of any of the articles specified in clauses (i),
38 (ii), (iii), and (iv);
39

40 (d) *Materials* refer to essential medical and/or life-saving supplies needed in times of
41 pandemics such as face masks, body bags, personal protective equipment, and similar
42 supplies or equipment;
43

44 (e) *Public health emergency* refers to an occurrence or imminent threat of an illness or
45 health condition that:
46

47 (1) Is caused by any of the following:
48

49 (i) Bio terrorism;
50

- (ii) Appearance of a novel or previously controlled or eradicated infectious agent or biological toxin;
- (iii) A natural disaster;
- (iv) A chemical attack or accidental release thereof;
- (v) A nuclear attack or accident; or
- (vi) An attack or accidental release of radioactive materials; and

(2) Poses a high probability of any of the following:

- (i) A large number of deaths in the affected population;
- (ii) A large number of serious injuries or long-term disabilities in the affected population;
- (iii) Widespread exposure to an infectious or toxic agent that poses a significant risk of substantial harm to a large number of people in the affected population;
- (iv) International exposure to an infectious or toxic agent that poses a significant risk to the health of citizens of other countries; or
- (v) Trade and travel restrictions;

(f) *Stockpiling* refers to an inventory of health commodities and materials or those physical reserve of definite quantities of commodities or materials that are stored in government warehouses or on government-owned properties that are intended for all essential health uses in times of emergencies.

SEC. 4. *Creation of a Health Procurement and Stockpiling Bureau.* - There is hereby created a body under the Department of Health (DOH) to be known as the Health Procurement and Stockpiling Bureau, hereinafter referred to as the Bureau. It shall serve as the principal agency mandated to undertake a transparent, fair, proactive, and innovative procurement service for the DOH and to stockpile, conserve, and facilitate the release of adequate amounts of potentially life-saving pharmaceuticals, vaccines, devices, and materials in times of public health emergencies.

SEC. 5. *Organization.* - The Secretary of Health shall determine the organizational structure and staffing modifications of the Bureau subject to the approval of the Department of Budget and Management (DBM) in accordance with the existing civil service laws, rules, and regulations.

The DOH shall ensure an effective and efficient monitoring system for the proper implementation of the procurement and stockpiling of drugs and medicines, vaccines, devices, and materials.

SEC. 6. *Functions and Responsibilities.* – The Bureau shall perform the following functions and responsibilities:

- 1 (a) Formulate plans, policies, and programs on procurement management;
2
- 3 (b) Undertake the procurement process in accordance with the Government Procurement
4 Reform Act;
5
- 6 (c) Advise the Secretary of Health on matters pertaining to the procurement of goods and
7 services, infrastructure and consultancy services;
8
- 9 (d) Manage the Bureau's response activities during a public health emergency;
10
- 11 (e) Conduct procurement monitoring visits to DOH field offices;
12
- 13 (f) Provide technical assistance to DOH field offices on procurement matters;
14
- 15 (g) Identify, in consultation with appropriate agencies, strategic and critical drugs and
16 medicines, vaccines, devices, and materials needed for public health emergencies that have
17 the distinct capability of being stockpiled in strategic and secure areas of the country;
18
- 19 (h) Maintain a buffer supply of strategic and critical drugs, medicines, vaccines, devices, and
20 materials to ensure the availability of these items;
21
- 22 (i) Facilitate the provision of potentially life-saving pharmaceuticals, vaccines, devices, and
23 materials in times of public health emergencies;
24
- 25 (j) Act as supply-chain manager to ensure the rotation and replenishment of stocks, and a
26 steady, available, fresh and adequate supply of drugs and medicines, vaccines, devices, and
27 materials, which are essential in responding to public health emergencies;
28
- 29 (k) Acquire, release, and properly dispose drugs and medicines, vaccines, devices, and
30 materials, as directed by the Secretary of Health;
31
- 32 (l) Require all suppliers to monitor their stocks and production capacity and notify possible
33 supply disruptions at least six (6) months in advance;
34
- 35 (m) Conduct regular analysis and communicate any impending shortage ahead of time;
36
- 37 (n) Facilitate the creation of a conducive environment to encourage pharmaceutical and
38 device self-sufficiency for medical supplies needed by the country by forging public-private
39 collaboration with institutions, sectors and the industry, which could bolster government
40 efforts to achieve pharmaceutical and device self-sufficiency;
41
- 42 (o) Make an in-depth study on drugs and medicines, vaccines, devices, and materials to avoid
43 supply shortage in the country;
44
- 45 (p) Maintain a publicly accessible inventory database of the available commodities and
46 stocks of all items included in the proposed stockpile, including the expiration dates of
47 relevant stocks and their purchase prices;
48
- 49 (q) Spearhead the crafting of a multi-sector National Drug and Device Security Program
50 geared towards the country's self-reliance in producing drugs and medicines, vaccines,

1 devices, and materials; and

2
3 (r) Ensure adequate provision of the appropriate storage and containment facilities in
4 strategic areas of the country that properly comply with requirements for room temperature
5 and humidity, refrigeration and non-exposure to heat, sunlight, rain and moisture.
6

7 **SEC. 7. Sources.** – Consistent with the country’s obligations under international treaties and
8 agreements, drugs and medicines, vaccines, devices, and materials may be obtained from domestic
9 or foreign sources and the procurement thereof shall be open to all eligible suppliers, manufacturers
10 and distributors. However, in the interest of availability, efficiency, and timely delivery of drugs
11 and medicines, vaccines, devices, and materials, the Bureau shall encourage the development of
12 domestic sources to ensure steady, available and adequate supply of such drugs and medicines,
13 vaccines, devices, and materials that are essential in responding to public health emergencies, and
14 in such manner as may be allowed by law, to include countertrade and industrial cooperation to
15 augment stockpiling and availability of critical materials by:

16
17 (a) Purchasing, or making a commitment to purchase, either directly or through
18 countertrade, strategic and critical drugs and medicines, vaccines, devices, and materials of
19 domestic origin when such are needed for the stockpile;
20

21 (b) Contracting with domestic facilities, or making a commitment to contract with domestic
22 facilities, for the processing or refining of strategic and critical drugs and medicines,
23 vaccines, devices, and materials in the stockpile when processing or refining is necessary
24 to convert such into a form more suitable for storage and subsequent disposition;
25

26 (c) Identifying existing domestic facilities and domestically produced strategic and critical
27 drugs and medicines, vaccines, devices, and materials to meet the requirements of public
28 health and essential civilian industries in times of public health emergency when existing
29 domestic sources of supply are either insufficient or vulnerable to single points of failure;
30 and
31

32 (d) Contracting with domestic facilities to recycle strategic and critical devices and
33 materials, thereby increasing domestic supplies when such devices and materials would
34 otherwise be insufficient to meet public health needs.
35

36 **SEC. 8. Industrial Collaboration Program.** – The DOH shall implement an Industrial
37 Collaboration Program wherein it shall maintain and develop institutional linkages or partnerships
38 with government and non-government institutions including the DBM, Department of National
39 Defense, Department of Interior and Local Government, Department of Social Welfare and
40 Development, Department of Finance, Department of Trade and Industry, National Disaster Risk
41 Reduction and Management Council, FDA, Bureau of Customs, Philippine Council for Health
42 Research and Development, Philippine International Trading Corporation, Government
43 Procurement Policy Board, the Price Negotiation Board as provided under Section 28 (b) of
44 Republic Act No. 11223, otherwise known as the “Universal Health Care Act”, World Health
45 Organization, Philippine Red Cross, and other pertinent institutions, concerning the procurement,
46 management, distribution and utilization of drugs and medicines, vaccines, devices, and materials
47 in the stockpile.
48

49 **SEC. 9. Establishment of Medical Stockpiling Fund and Tax Exemptions.** – All
50 donations, contributions, grants, bequests, or gifts, in cash or in-kind, received from various

1 sources, shall be placed into a fund, to be known as the Medical Stockpiling Fund. This fund shall
2 be expended to support the National Drug and Device Security Program in accordance with
3 existing budgeting, accounting and auditing rules and regulations.
4

5 The DOH may solicit and receive grants, bequests, endowments, donations and
6 contributions which shall form part of the Fund. Said grants, bequests, endowments, donations and
7 contributions used actually, directly and exclusively for the purpose of the Fund shall be exempt
8 from donor's tax and the same shall be considered as allowable deduction from gross income for
9 purposes of computing the taxable income of the donor, in accordance with Sec. 34 (H)(2)(a) of
10 the National Internal Revenue Code of 1997, as amended. Likewise, fund raising activities may be
11 conducted by the DOH and the proceeds of which shall accrue to the Fund and shall be exempt
12 from any and all taxes.
13

14 Receipts from donations, whether in cash or in kind, shall be accounted for by the DOH in
15 accordance with accounting and auditing rules and regulations. The receipts from cash donations
16 and proceeds from sale of donated commodities shall be deposited with the National Treasury and
17 recorded as a special account in the General Fund and shall be made available to the DOH through
18 a special budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292. The cash
19 value of the donations shall be deemed automatically appropriated for the purpose specified by the
20 donor. Donations with a term not exceeding one (1) year shall be treated as trust receipts.
21

22 The DOH shall submit the quarterly reports of all donations received, whether in cash or in
23 kind, and expenditures or disbursements thereon with electronic signature to the Secretary of the
24 DBM, through the Unified Reporting System, and to the Speaker of the House of the
25 Representatives, the President of the Senate of the Philippines, the Chairpersons of the House
26 Committee on Appropriations and the Senate Committee on Finance, and the Chairperson of the
27 Commission on Audit, by posting such reports on the DOH website for a period of three (3) years.
28 The Secretary of Health shall send written notice to the said offices when reports have been posted
29 on its website, which shall be considered the date of submission.
30

31 **SEC. 10. Report to Congress.** – The DOH shall submit an annual report to the Congress of
32 the Philippines, through the Committee on Health of the House of Representatives and the
33 Committee on Health and Demography of the Senate on or before February 15 of each year,
34 detailing its operations under this Act, which shall include information regarding:
35

- 36 (a) Foreign and domestic purchases of stockpiled drugs and medicines, vaccines, devices,
37 and materials;
38
39 (b) Acquisition and disposal of stockpiled drugs and medicines, vaccines, devices, and
40 materials; and
41
42 (c) Such other pertinent information on the implementation of this Act.
43

44 **SEC. 11. Appropriations.** – The amount for the initial implementation of this Act shall be
45 charged against the current year's appropriation of the DOH. Thereafter, the funding of which shall
46 be included in the annual General Appropriations Act.
47

48 **SEC. 12. Implementing Rules and Regulations.** - The Secretary of Health, in consultation
49 with appropriate government agencies, shall promulgate the necessary rules and regulations for the
50 implementation of this Act within sixty (60) days from its effectivity.

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SEC. 13. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC. 14. *Repealing Clause.* - All laws, executive orders, presidential decrees, presidential proclamations, letters of instruction, rules and regulations or part, thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,

FACT SHEET

House Bill No. 9456

In Substitution of House Bill No. 6995

(As approved by the Committee on Health on November 25, 2020, Committee on Ways and Means on April 26, 2021, and Committee on Appropriations on May 12, 2021)

HEALTH PROCUREMENT AND STOCKPILING ACT

Introduced by Representatives Angelina “Helen” D.L. Tan, M.D., Rozzano Rufino B. Biazon, Deogracias Victor “DV” B. Savellano, Henry R. Villarica, Emmarie “Lolypop” M. Ouano-Dizon, Marlyn “Len” B. Alonte, Manuel Jose “Mannix” M. Dalipe, Juliette T. Uy, Ruth Mariano-Hernandez, Hector S. Sanchez, Ciriaco B. Gato, Jr., Cyrille “Beng” F. Abueg-Zaldivar, Micaela S. Violago, Ma. Lucille L. Nava, M.D., Arnold “Noli” D. Celeste, John Reynald M. Tiangco, Jose Enrique “Joet” S. Garcia, Kristine Alexei B. Tutor, Sandra Y. Eriguel, M.D., Angelica Natasha Co, Strike B. Revilla, Resurreccion M. Acop, Joseph Stephen “Caraps” S. Paduano, Ma. Lourdes T. Arroyo, Cheryl P. Deloso-Montalla, Ma. Bernardita “Ditas” B. Ramos, Teodorico T. Haresco, Jr., Rufus B. Rodriguez, Juan Pablo “Rimpy” P. Bondoc, Jose “Ping-ping” I. Tejada, Vicente “Ching” S.E. Veloso III, Noel L. Villanueva, David “Jay-jay” C. Suarez, Pablo C. Ortega, Estrellita B. Suansing, Alberto “Bobby” D. Pacquiao, Dahlia A. Loyola, Rose Mari “Baby” J. Arenas, Aurelio “Dong” D. Gonzales, Edgar M. Chatto, Rowena Niña O. Taduran, Alan 1 B. Ecleo, Adriano A. Ebcas, Maricel G. Natividad-Nagaño, M.D., Irene Gay F. Saulog, Horacio P. Suansing, Jr., Geradro “Gerryboy” J. Espina, Diego C. Ty, Gil “Kabarangay Jr.” A. Acosta, Jr., Michael T. Defensor, Presley C. De Jesus, Joey Sarte Salceda, Joy Myra Tambunting, Allan Jesse C. Mangaoang, Jericho Jonas B. Nograles, Francisco Jose Matugas, Josephine Ramirez Sato, Mark O. Go, Jose Gay Padiernos, John Marvin C. Nieto, Julienne Baronda, Sergio C. Dagooc, Michael B. Gorriceta, Ronnie L. Ong, Jumel Anthony I. Espino, Evelina G. Escudero, Juan Miguel Macapagal Arroyo, Lorenz R. Defensor, Anthony Peter “Onyx” D. Crisologo, Lawrence Lemuel H. Fortun, Jesus “Bong” C. Suntay, Sonny L. Lagon, Alfelito “Alfel” M. Bascug, Divina Grace C. Yu, Arnie B. Fuentesbella, Aleta C. Suarez, Eric Go Yap, Cristal L. Bagatsing, Elenita Milagros “Eileen” ErmitaBuhain, Lorna P. Bautista-Bandigan, Junie E. Cua, Luisa Lloren Cuaresma, Rudys Caesar G. Fariñas, Greg G. Gasataya, Ed Christopher S. Go, Angelo Marcos Barba, Fernando T. Cabredo, Gabriel H. Bordado, Jr., Abdullah D. Dimaporo, Alan R. Dujali, Eduardo “Eddie” R. Gullas, Godofredo N. Guya, Glona G. Labadlabad, Edward Vera Perez Maceda, Mario Vittorio “Marvey” A. Mariño, Alyssa Sheena P. Tan, Rosanna “Ria” V. Vergara, Ma. Lourdes Acosta Alba, Juliet Marie de Leon Ferrer, Roman T. Romulo, Ron P. Salo, Amihilda J. Sangcopan, Arlene D. Brosas, and Ma. Victoria V. Umali

Committee Referral: **COMMITTEE ON HEALTH (Primary)**

Committee Chairperson: **REP. ANGELINA “HELEN” D.L. TAN, M.D.**

Committee Referral: **COMMITTEE ON WAYS AND MEANS (Secondary)**

Committee Chairperson: **REP. JOEY SARTE SALCEDA**

Committee Referral: **COMMITTEE ON APPROPRIATIONS (Secondary)**

Committee Chairperson: **REP. ERIC GO YAP**

OBJECTIVE:

- To promote public health and safety by ensuring the steady supply of essential and critical drugs and medicines, vaccines, devices, and materials especially during public health emergencies.

KEY PROVISIONS

- Creates the Health Procurement and Stockpiling Bureau under the Department of Health (DOH), which shall serve as the principal agency mandated to undertake a transparent, fair, proactive, innovative procurement services for the DOH to stockpile, conserve, and facilitate the release of adequate amounts of potentially life-saving pharmaceuticals, vaccines, devices, and materials in times of public health emergencies.
- Mandates the Bureau to undertake the following functions:
 - a. Formulate plans, policies, or programs on procurement management;
 - b. Undertake the procurement process in accordance with the Government Procurement Reform Act;
 - c. Identify, in consultation with appropriate agencies, strategic and critical drugs and medicines, vaccines, devices, and materials needed for public health emergencies for stockpiling in strategic and secure areas of the country;
 - d. Facilitate the provision of life-saving pharmaceuticals, vaccines, devices, and materials in times of public health emergencies; and
 - e. Spearhead the establishment of a multi-sector national drug and device security program towards the country's self-reliance in producing drugs and medicines, vaccines, devices and materials.
- Encourages the development of domestic sources of such drugs and medicines, vaccines, devices and materials that are essential in responding to public health emergencies, to ensure steady, available, and adequate supply in such manner as may be allowed by law, to include countertrade and industrial cooperation to augment stockpiling and availability of critical materials.
- Mandates the DOH to maintain and develop linkages or partnerships with government and non-government institutions concerning the procurement, distribution, and utilization of drugs and medicines, vaccines, devices, and materials in the stockpile.
- Establishes the Medical Stockpiling Fund to support the National Drug and Device Security Program.

- Provides funds for the purposes of this Act, which shall be included in the annual General Appropriations Act.

RELATED LAWS:

- Presidential Decree No. 252, otherwise known as “Philippine International Trading Corporation Law”
- Republic Act No. 11332, otherwise known as the “Mandatory Reporting of Notifiable Diseases and Health Events of Public Concern Act”