



## HOUSE OF REPRESENTATIVES

H. No. 5471

---

BY REPRESENTATIVES NAVA, MARAÑON, VILLARICA, FLORES, LAPUS,  
OCAMPOS, DALOG, SAN LUIS, LAGDAMEO (M.), BERNOS, CAJAYON,  
ARQUIZA, RODRIGUEZ (R.), DE JESUS, ROMAN, TING, GOLEZ (A.),  
VIOLAGO, ABAYON, CASTRO AND HERRERA-DY, PER COMMITTEE  
REPORT NO. 1503.

---

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  
2 Facilities Regulation Act".

3 SEC. 2. *Definitions.* - As used in this Act, the following terms shall be  
4 defined as follows:

5 (a) *Bureau* refers to the Bureau of Health Facilities and Services  
6 (BHFS) under the Department of Health.

7 (b) *Health facilities* refer to institutions and other health-related  
8 establishments which provide diagnostic, therapeutic, rehabilitative and/or  
9 other health care services except medical radiation facilities and hospital  
10 pharmacies.

11 (c) *License* refers to a formal authorization issued by the Department of  
12 Health to an individual, partnership, corporation or association to operate a

1 hospital and other health facilities. It is a prerequisite for accreditation of a  
2 hospital and other health facilities by any accrediting body that is recognized  
3 by the Department of Health.

4 (d) *Licensee* refers to the person, partnership, association, corporation  
5 or private entity granted a license to operate and maintain a health facility  
6 according to an approved standard set by the Bureau.

7 (e) *Secretary* refers to the Secretary of the Department of Health.

8 SEC. 3. *Regulating Agency.* – The BHFS shall act as the regulatory  
9 agency pertaining to the regulation and licensing of health facilities and  
10 services in the country.

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

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

16 (b) To inspect and monitor all health facilities and other related  
17 facilities to ensure their continued compliance with the rules and regulations in  
18 accordance with this Act and to make recommendations to directors or  
19 administrators of such health facilities for the correction of deficiencies found  
20 during such inspections;

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

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

26 (e) To provide consultative and advisory services relative to the  
27 establishment and construction of health facilities or related facilities;

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

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

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

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

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

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

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

1           SEC. 5. *Quasi-Judicial Powers.* – To carry out its tasks more  
2 effectively, the Bureau shall be vested with the following quasi-judicial  
3 powers:

4           (a) To investigate, hear and decide administrative cases initiated by the  
5 Bureau or filed by any person against a hospital or health service establishment  
6 violating any provision of this Act and its implementing rules and regulations,  
7 and to impose appropriate administrative sanctions or penalties provided in  
8 this Act;

9           (b) To promulgate rules governing the conduct of administrative  
10 hearing: *Provided, That* in such proceeding, the Bureau shall not be bound by  
11 the technical rules of evidence of the Rules of Court: *Provided, further, That*  
12 the latter may be applied in a suppletory manner;

13           (c) To administer oaths and affirmations, and to issue subpoena *duces*  
14 *tecum* and *ad testificandum*, requiring the production of such books, contracts,  
15 correspondence, records, statements of accounts and other documents and the  
16 attendance and testimony of parties and witnesses, as may be material to the  
17 investigation being conducted by the Bureau;

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

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

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

23           SEC. 6. *Construction Design.* – All health facilities or related  
24 facilities, government or private, to be constructed or which shall undergo  
25 renovation or expansion, shall have their construction designs and plans  
26 approved by the Bureau as provided for in Section 8 of this Act.

1           SEC. 7. *Registration and License.* – All health facilities or related  
2 facilities, government or private, shall be registered and duly licensed by the  
3 Bureau before such facilities are allowed to operate or be opened to the public.

4           SEC. 8. *Application and Approval of Construction Design.* –  
5 Application for the construction design of a health facility or other related  
6 facility shall be submitted to the Bureau in a form prescribed by the latter and  
7 accompanied by a plan of the facility proposed to be constructed. The  
8 approved construction design and plan issued by the Bureau shall be a  
9 prerequisite for the issuance of a building permit by the official of the  
10 municipality or city where the facility is proposed to be constructed.

11          SEC. 9. *Application for Registration and Issuance of License.* –  
12 Application for registration of a health facility or other related facility and for  
13 the issuance of a license for its operation and maintenance, including medical  
14 ancillary services except the pharmacy and the medical radiation facility, shall  
15 be filed with the Bureau or its deputized office using the form prescribed by it:  
16 *Provided,* That the applicant shall seek the approval of the Food and Drug  
17 Administration (FDA) for the licensing of hospital pharmacies, and the  
18 Philippine Nuclear Research Institute (PNRI) for the licensing of medical  
19 radiation facilities using radioactive substances. The application for  
20 registration shall be filed and a license shall be issued upon due compliance of  
21 the applicant with the rules and regulations prescribed by the Bureau, pursuant  
22 to the provisions of this Act.

23          SEC. 10. *Validity and Renewal of License.* – The initial license to  
24 operate and maintain a health facility or other related facility shall be valid for  
25 a period of two (2) years from its date of issuance and shall be renewed  
26 regularly, subject to the rules and regulations to be issued by the Bureau.

27          SEC. 11. *Inspection.* – The license to operate and maintain a health  
28 facility or other related facility shall be issued by the Bureau only after it has

1 conducted a comprehensive on-site inspection and has certified that the  
2 applicant has satisfactorily complied with the requisites prescribed in this Act  
3 and its implementing rules and regulations.

4       SEC. 12. *Suspension and Revocation of License.* – The Bureau, after  
5 conducting an administrative hearing, with due notice to the licensee, may  
6 suspend or revoke the license to operate and maintain a health facility or other  
7 related facility of any person, partnership, association, corporation or private  
8 entity for any of the following grounds: (a) violation by the licensee of any  
9 provision of this Act or any other existing law; (b) violation of rules and  
10 regulations prescribed in the implementation of this Act; or (c) failure to make  
11 necessary corrections or adjustments required by the Bureau in the  
12 improvement or maintenance of facilities and services.

13       SEC. 13. *Appeal.* – The decision of the Bureau under Section 12  
14 hereof shall be appealable to the Court of Appeals.

15       SEC. 14. *Separate Licenses Required.* – Separate licenses shall be  
16 required for health facilities or other related facilities or branches thereof  
17 maintained in separate premises even though they are operated under the same  
18 management: *Provided, however,* That separate licenses shall not be required  
19 for separate buildings in the same compound: *Provided, further,* That the  
20 approval of the designs and plans for the construction or renovation of  
21 buildings within the same compound shall also be secured from the Bureau to  
22 determine compliance with the standards and requirements herein authorized.

23       SEC. 15. *Non-Transferability of License.* – A license for the operation  
24 of a health facility or other related facility shall not be transferable. The Bureau  
25 shall be notified of any change in ownership, change of name of the health  
26 facility or other related facility. Transfer of location of the facility shall require  
27 an application for a new license.

1           SEC. 16. *Regulation of the Price of Health Care Services.* – The  
2 President of the Philippines, upon recommendation of the Secretary of Health,  
3 shall have the power to impose the maximum price over diagnostic,  
4 therapeutic, rehabilitative and other health care services rendered in the  
5 facilities. Such power shall not exceed one hundred twenty (120) days.

6           SEC. 17. *Rules and Regulations.* – The Secretary of Health, upon  
7 recommendation of the Bureau, shall issue rules and regulations to implement  
8 the provisions of this Act within sixty (60) days of its effectivity.

9           SEC. 18. *Penalties.* – Any person, partnership, association or  
10 corporation who establishes, operates, conducts, manages or maintains a health  
11 facility or other related facility within the meaning of this Act without first  
12 obtaining a license or violates any provision of this Act or its implementing  
13 rules and regulations shall be liable to a fine of not less than Fifty thousand  
14 pesos (P50,000.00) but not to exceed One hundred thousand pesos  
15 (P100,000.00) for the first offense, not less than One hundred thousand pesos  
16 (P100,000.00) but not to exceed Five hundred thousand pesos (P500,000.00)  
17 for the second offense and not less than Five hundred thousand pesos  
18 (P500,000.00) but not to exceed One million pesos (P1,000,000.00) for the  
19 third and each subsequent offenses. Each day that the health facility or other  
20 related facility operates after the first violation shall be considered a  
21 subsequent offense.

22           In addition to the penalties specified in the preceding paragraph, the  
23 Bureau may summarily order the closure of any health facility or other related  
24 facility found operating without a license.

25           SEC. 19. *Revenue Utilization.* – All payments made to the Bureau  
26 pursuant to Section 5(f) hereof shall be utilized by the Bureau for its operation,  
27 subject to the rules and regulations of the Department of Budget and  
28 Management and the Commission on Audit.

1           SEC. 20. *Separability Clause.* — If any part or provision of this Act  
2 shall be held unconstitutional or invalid, the other provisions hereof which are  
3 not affected shall continue to be in full force and effect.

4           SEC. 21. *Repealing Clause.* — Republic Act No. 4226, otherwise  
5 known as the “Hospital Licensure Act”, is hereby repealed. Presidential  
6 decrees, executive orders, rules and regulations and other issuances or parts  
7 thereof which are inconsistent with the provisions of this Act are hereby  
8 repealed, amended or modified accordingly.

9           SEC. 22. *Effectivity.* — This Act shall take effect fifteen (15) days after  
10 its publication in any newspaper of general circulation.

Approved,

○