



## HOUSE OF REPRESENTATIVES

H. No. 4375

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BY REPRESENTATIVES ANGARA, BARINAGA, RAMIRO, YAPHA, DEL MAR,  
MACIAS, AMANTE, CHIPECO, CHAVEZ, MAGSAYSAY (E.), ABAYON,  
GIDAYA, REYES (E.), CODILLA, AMIN, ALMARIO, BADELLES, MARCOS,  
SOON-RUIZ, NANTES, MAGSAYSAY (M.), FIGUEROA, MANGUDADATU  
AND VILLAFUERTE, PER COMMITTEE REPORT NO. 836

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AN ACT AUTHORIZING GOVERNMENT HOSPITALS UNDER THE  
DEPARTMENT OF HEALTH (DOH) TO RETAIN AND UTILIZE  
ALL THEIR INCOME AND INTEREST DERIVED FROM  
DEPOSITS, FOR MAINTENANCE AND OTHER OPERATING  
EXPENSES, CAPITAL OUTLAYS AND FOR OTHER PURPOSES

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

1           SECTION 1. All government hospitals under the Department of Health  
2 (DOH) are hereby authorized to retain and utilize one hundred percent (100%)  
3 of their income, which include hospital fees from in-house services and  
4 facilities, income derived from nonpatient-related services such as rental fees,  
5 parking fees, affiliation/medical/professional fees, interview and tour fees, and  
6 income derived from interest on accounts deposits, without necessarily  
7 remitting the same to the Bureau of Treasury.

1           SEC. 2. A trust fund constituting the income collected shall be  
2 established for the maintenance and other operating expenses, capital outlays  
3 for the purchase of equipment and infrastructure projects including  
4 construction, improvement and/or renovation of hospital facility and for other  
5 purposes recommended by the Board of the said hospital: *Provided*, That  
6 pharmacy income or proceeds from the sale of drugs and medicines and  
7 laboratory income shall be considered as a revolving fund and shall be  
8 specifically utilized by their hospital pharmacy and laboratory for purposes as  
9 may be determined by the DOH: *Provided, further*, That no amount of the said  
10 income shall be used for payment of salaries and other allowances of  
11 employees.

12           The trust fund shall be deposited in an authorized government  
13 depository bank/s recommended by the DOH, the Department of Finance  
14 (DOF) and the Department of Budget and Management (DBM).

15           SEC. 3. There shall be established a board in each national hospital  
16 retained under the DOH with the chief or head of the hospital concerned as  
17 chairman and the following as members:

18           (1) A senator;

19           (2) A congressman of the congressional district where the hospital is  
20 located;

21           (3) A representative of the Philippine Hospital Association (PHA);

22           (4) A representative of the Philippine Medical Association (PMA);

1           (5) A representative of nongovernment organizations (NGOs) involved  
2 in health services;

3           (6) A representative of the religious sector;

4           (7) A representative of the private sector; and

5           (8) A representative of the rank and file employees.

6           The Chairman of the Senate Committee on Health shall choose from  
7 among the senators who shall represent the Senate as a member of each of the  
8 retained national hospital health board.

9           The representatives from the PHA, the PMA and the NGOs involved in  
10 health services, religious sector and private sector in the hospital health boards  
11 shall be appointed by the chairman of the respective health boards. The  
12 representative of the rank and file employees shall be voted upon by the entire  
13 members of the rank and file.

14           The powers and functions of the hospital health board shall be to  
15 monitor the collection and determine the utilization of the hospital income and  
16 perform such other functions as may be deemed necessary for the effective  
17 management of the said income.

18           The Board shall meet at least once a week or as often as may be  
19 necessary.

20           A majority of the members of the board shall constitute a quorum but  
21 the chairman of the board shall be present during meetings when income  
22 utilization proposals are prepared and considered.

1 Members thereof who are not government officials or employees shall  
2 be entitled to necessary traveling expenses and allowances chargeable against  
3 the funds.

4 SEC. 4. Expenditures under this Act shall be subject to existing  
5 auditing rules and regulations. In addition, the retained hospitals shall submit  
6 quarterly reports of income and utilization thereof to the DBM and the  
7 Committee on Health of both Houses of Congress.

8 SEC. 5. The DOH, in coordination with the DOF, the DBM and the  
9 Commission on Audit (COA), shall formulate the necessary rules and  
10 regulations for the effective implementation of this Act within sixty (60) days  
11 from its approval.

12 SEC. 6. If any provision of this Act is held invalid by a competent  
13 court, any other provision not affected thereby shall continue to be valid and  
14 effective.

15 SEC. 7. All laws, presidential decrees, executive orders and letters of  
16 instruction which are inconsistent with any of the provisions of this Act are  
17 hereby repealed or amended accordingly.

18 SEC. 8. This Act shall take effect fifteen (15) days after its publication  
19 in any newspaper of general circulation.

Approved,