

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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SENATE
S. No. 1627

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Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
ESTABLISHING THE DRUG PRICE REGULATORY BOARD TO REGULATE THE
PRICES OF DRUGS AND MEDICINES IN THE PHILIPPINES AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 9502, OTHERWISE KNOWN AS THE
'UNIVERSALLY ACCESSIBLE CHEAPER AND QUALITY MEDICINES ACT OF 2008'
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

In a 2019 report commissioned by global health insurer Mercer Marsh Benefits, Drug prices in the Philippines were found to be the second-most expensive in Southeast Asia. Relatedly, the lack of transparency of companies in drug pricing on a global scale has become a perennial concern for both national governments and the World Health Organization (WHO).

Article XIII, Sections 11 of the 1987 Constitution mandates that "the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers." It further provides under Article XIII Section 12 that "The State shall establish and maintain an effective food and drug regulatory system and undertake appropriate health manpower development and research, responsive to the country's health needs and problems."

More than a decade after the passage of the Republic Act 9502, or the "*Universally Accessible Cheaper and Quality Medicines Act of 2008*," achieving its main objective of ensuring sustainable access to affordable essential drugs and medicines remains elusive.

Health advocates share that the price cap has been long overdue, noting that the rules enforcing the law were released four years later, effectively creating the Drug Price Advisory Council. In December 2021, Executive Order (EO) 155 signed by then President Rodrigo Duterte, sets the maximum retail price (MRP) and/or maximum wholesale price (MWP) on 34 drug molecules or 71 drug formulas used in agents affecting bone

metabolism, analgesics, anesthetics, anti-angina, antiarrhythmics, anti-asthma and chronic obstructive pulmonary disease medicines, among others.

Consistent with the main strategy under Republic Act 11223, or the "*Universal Health Care Act*," to improve the access to affordable and quality medicines and reduce health-related out-of-pocket expenses of Filipinos, there is a need to further impose MRP and MWP on other drugs and medicines commonly used for the leading causes of morbidity in the country," it added.

Clearly, there still remain opportunities to tap in order to achieve lowering the prices of drugs and medicines and broadening the list of drugs and medicines subjected to price regulation.

This bill aims to amend the existing law in order to remove unnecessary procedures in price reduction of essential medicines by creating an inter-agency Drug Price Regulatory Board, which will be tasked to, among others, to do price regulation of the drugs and medicines in the country.

In view of further ensuring access to cheaper medicine, the passage of this measure is earnestly sought.

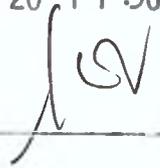

RAMON BONG REVILLA, JR. 

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

1 Section 1. Chapter 3 of Republic Act No. 9502 will now be titled, "*Drugs and*
2 *Medicines Price Regulatory Board.*"

3 Sec. 2. Section 17 to Section 22 of Republic Act No. 9502 will be amended to read
4 as follows:

5 **SECTION 17. CREATION AND COMPOSITION OF THE DRUG PRICE**
6 **REGULATORY BOARD.-**

7 **A. THERE IS HEREBY CREATED THE DRUG PRICE REGULATORY BOARD,**
8 **WHICH SHALL BE ATTACHED TO THE DEPARTMENT OF HEALTH AND**
9 **COMPOSED OF SEVEN (7) MEMBERS AS FOLLOWS:**

10 **1. SECRETARY OF HEALTH OR HIS DULY DESIGNATED**
11 **REPRESENTATIVE AS CHAIRPERSON;**

12 **2. SECRETARY OF TRADE AND INDUSTRY OR HIS DULY DESIGNATED**
13 **REPRESENTATIVE AS VICE CHAIRPERSON;**

- 1 **3. DIRECTOR, FOOD AND DRUGS ADMINISTRATION OR HIS DULY**
- 2 **DESIGNATED REPRESENTATIVE AS MEMBER;**
- 3 **4. CHAIRMAN, PHILIPPINE HEALTH INSURANCE CORPORATION AS**
- 4 **MEMBER;**
- 5 **5. ONE (1) ECONOMIST FROM THE ACADEME AS MEMBER; AND**
- 6 **6. TWO (2) REPRESENTATIVES FROM THE CONSUMER SECTOR AS**
- 7 **MEMBERS.**

8 **B. THE MEMBERS OF THE BOARD REPRESENTING THE ACADEME AND THE**
9 **CONSUMER SECTOR SHALL BE APPOINTED BY THE PRESIDENT OF THE**
10 **PHILIPPINES AND SHALL SERVE FOR A TERM OF TWO (2) YEARS: PROVIDED,**
11 **THAT THE REPRESENTATIVES FROM THE CONSUMER SECTOR SHALL NOT BE**
12 **ELIGIBLE FOR REAPPOINTMENT FOR ANOTHER TERM.**

13
14 **SECTION 18. POWERS OF THE BOARD. - THE BOARD SHALL HAVE THE**
15 **FOLLOWING POWERS:**

16
17 **(A) POWER TO DETERMINE THE MAXIMUM RETAIL PRICE OF DRUGS OR**
18 **MEDICINES SUBJECT TO PRICE REGULATION -**

- 19 **1. UPON APPLICATION OR *MOTU PROPIO* WHEN THE PUBLIC**
20 **INTEREST SO REQUIRES, THE BOARD SHALL HAVE THE POWER TO**
21 **REGULATE THE RETAIL PRICES OF DRUGS AND MEDICINES**
22 **LISTED UNDER SECTION 19 HEREOF, INCLUDING THEIR DOSAGE**
23 **FORM AND PACKING, AND, IN ORDER THAT THEY SHALL BE MADE**
24 **AVAILABLE TO THE PUBLIC AT AFFORDABLE RETAIL PRICE FROM**
25 **THE DIFFERENT MANUFACTURERS, IMPORTERS, TRADERS,**
26 **DISTRIBUTORS, WHOLESALERS OR RETAILERS AND AFTER A**
27 **PROPER DETERMINATION AS THE BOARD MAY DEEM FIT, FIX**
28 **FROM TIME TO TIME, BY PUBLICATION THE MAXIMUM RETAIL**
29 **PRICE AT WHICH SUCH FORMULATIONS SHALL BE SOLD;**

1 **2. NO RETAILER SHALL SELL DRUGS AND MEDICINES AT A RETAIL**
2 **PRICE EXCEEDING THE MAXIMUM RETAIL PRICE FIXED BY THE**
3 **BOARD: *PROVIDED*, THAT UNTIL THE BOARD SHALL HAVE THE**
4 **POWER TO DETERMINE THE FAIR PRICE OF DRUGS OR**
5 **MEDICINES FOR PURPOSES OF PUBLIC HEALTH INSURANCE AND**
6 **GOVERNMENT PROCUREMENT; AND MAXIMUM RETAIL PRICE OF**
7 **DRUGS AND MEDICINES SUBJECT TO PRICE REGULATION IS**
8 **FIXED BY THE BOARD, THE RETAIL PRICE THEREOF SHALL BE THE**
9 **PRICE WHICH PREVAILED IMMEDIATELY BEFORE THE**
10 **EFFECTIVITY OF THIS ACT AND NO MANUFACTURER, IMPORTER,**
11 **TRADER, DISTRIBUTOR, WHOLESALER OR RETAILER OF SUCH**
12 **DRUG OR MEDICINE SHALL SELL THE SAME AT A RETAIL PRICE**
13 **EXCEEDING THE PRICE PREVAILING IMMEDIATELY BEFORE THE**
14 **EFFECTIVITY OF THIS ACT.**

15
16 **FOR PURPOSES, HEREOF, DRUGS AND MEDICINES SHALL INCLUDE BUT IS**
17 **NOT LIMITED TO SINGLE- AND MULTI INGREDIENT MEDICINES INCLUDED IN**
18 **THE PHILIPPINE NATIONAL DRUG FORMULARY (PNDF) ESSENTIAL DRUG**
19 **LIST AND SOLD UNDER THEIR GENERIC AND BRAND NAMES.**

20
21 **(B) POWER TO INCLUDE OTHER DRUGS OR MEDICINES IN THE LIST SUBJECT**
22 **TO PRICE REGULATION - UPON APPLICATION OR MOTU PROPIO WHEN THE**
23 **PUBLIC INTEREST SO REQUIRES AND AFTER PROPER DETERMINATION, THE**
24 **BOARD MAY ORDER THE INCLUSION OF DRUGS AND MEDICINES TO THE LIST**
25 **SUBJECT TO PRICE REGULATION UNDER SECTION 19 THEREOF.**

26
27 **(C) POWER TO IMPLEMENT COST-CONTAINMENT AND OTHER MEASURES -**

28 **1. THE BOARD SHALL HAVE THE POWER TO DETERMINE THE FAIR**
29 **PRICE OF DRUGS OR MEDICINES FOR PURPOSES OF PUBLIC**
30 **HEALTH INSURANCE AND GOVERNMENT PROCUREMENT; AND**

1 2. THE BOARD SHALL HAVE THE POWER TO IMPLEMENT ANY OTHER
2 MEASURES THAT THE GOVERNMENT MAY AVAIL OF TO
3 EFFECTIVELY REDUCE THE COST OF DRUGS OR MEDICINES THAT
4 SHALL INCLUDE, BUT IS NOT LIMITED TO, COMPETITIVE
5 BIDDING, PRICE-VOLUME NEGOTIATIONS, AND OTHER
6 APPROPRIATE MECHANISMS THAT INFLUENCE SUPPLY, DEMAND,
7 AND EXPENDITURES ON DRUGS AND MEDICINES.
8

9 (D) POWER TO IMPOSE ADMINISTRATIVE FINES AND PENALTIES - AFTER DUE
10 NOTICE AND HEARING, THE BOARD SHALL HAVE THE POWER TO SUSPEND OR
11 REVOKE THE LICENSE TO OPERATE (LTO), PROFESSIONAL OR BUSINESS
12 LICENSE, AS THE CASE MAY BE, OF ANY PERSON, MANUFACTURER,
13 IMPORTER, TRADER, DISTRIBUTOR, WHOLESALER, RETAILER, OR ANY
14 OTHER ENTITY, AND IMPOSE ADMINISTRATIVE FINES IN SUCH AMOUNT AS
15 IT MAY DEEM REASONABLE WHICH SHALL IN NO CASE BE LESS THAN FIFTY
16 THOUSAND PESOS (P50,000.00) NOR MORE THAN FIVE MILLION PESOS
17 (P5,000,000.00) FOR VIOLATIONS OF THE MAXIMUM RETAIL PRICE FIXED
18 PURSUANT TO THIS SECTION.
19

20 Sec. 3. Delete Section 19 to Section 22 and renumber the succeeding sections
21 accordingly.

22 Sec. 4. The renumbered Section 22 will be amended to read as follows:

23 ***SECTION 22. DISPLAY OF PRICE FIXED BY THE BOARD FOR DRUGS OR***
24 ***MEDICINES SUBJECT TO PRICE REGULATION. -***

25 (a) Within a reasonable period as may be determined by the [Secretary of the
26 Department of Health] **BOARD**, and Provided, That it conforms to existing drug product
27 labeling requirements, every manufacturer, importer, distributor, wholesaler, trader, or
28 retailer of a drug and medicine intended for sale shall display the retail price which shall
29 not exceed the maximum retail price [approved by order of the President of the

1 Philippines] **FIXED BY THE BOARD.** The maximum retail price shall be printed on the
2 label of the immediate container of the drug and medicine and the minimum pack thereof
3 offered for retail sale with the words "RETAIL PRICE NOT TO EXCEED" preceding it, and
4 "UNDER DRUG PRICE REGULATION" on a red strip: **PROVIDED, THAT IN CASE OF A**
5 **CONTAINER CONSISTING OF SMALLER SALEABLE PACKS, THE RETAIL PRICE**
6 **OF SUCH SMALLER PACK SHALL ALSO BE DISPLAYED ON THE LABEL OF EACH**
7 **SMALLER PACK AND SUCH PRICE SHALL NOT BE MORE THAN THE PRO-RATA**
8 **RETAIL PRICE OF THE MAIN PACK ROUNDED OFF TO THE NEAREST CENTAVO.**

9 (b) Within a period as may be determined by the [Secretary of the Department of
10 Health] **BOARD** from time to time, every manufacturer, importer, or trader shall issue a
11 price list to wholesalers, distributors, retailers and to the [Secretary of the Department of
12 Health] **BOARD**, indicating the retail price, the maximum retail price, and such other
13 information as may be required by the [Secretary of the Department of Health] **BOARD.**

14

15 Sec. 5. Insert a new Section 23 and renumber the succeeding sections accordingly.
16 The new Section 23 shall read as follows:

17 **SECTION 23. DISPLAY OF PRICE LIST OF DRUGS OR MEDICINES**
18 **EXCLUDED FROM THE LIST SUBJECT TO PRICE REGULATION. - EVERY**
19 **MANUFACTURER, IMPORTER, TRADER, DISTRIBUTOR, WHOLESALER, OR**
20 **RETAILER OF A DRUG OR MEDICINE EXCLUDED FROM THE LIST SUBJECT TO**
21 **PRICE REGULATION UNDER SECTION 19 HEREOF SHALL DISPLAY IN**
22 **INDELIBLE PRINT MARK ON THE LABEL OF THE IMMEDIATE CONTAINER OF**
23 **THE DRUG OR MEDICINE AND THE MINIMUM PACK THEREOF OFFERED FOR**
24 **RETAIL SALE, THE WORDS "NOT UNDER PRICE REGULATION" ON A GREEN**
25 **STRIP.**

26

27 Sec. 6. Chapter 8 on Miscellaneous Provisions will be amended to read as follows:

1 **CHAPTER 8: AMENDMENTS TO REPUBLIC ACT 9994 OR THE EXPANDED**
2 **SENIOR CITIZENS ACT OF 2010.**

3 **SECTION 42. EXEMPTION OF DRUGS AND MEDICINES UNDER PRICE**
4 **REGULATION FROM THE "EXPANDED SENIOR CITIZENS ACT OF 2010." -**
5 **DRUGS AND MEDICINES UNDER PRICE REGULATION AS FIXED BY THE BOARD**
6 **WILL NOT BE INCLUDED IN THE GRANT OF TWENTY PERCENT (20%)**
7 **DISCOUNT AND EXEMPTION FROM THE VALUE-ADDED TAX (VAT) TO SENIOR**
8 **CITIZENS AVAILING THE PROVISIONS OF REPUBLIC ACT 9994, OR THE**
9 **"EXPANDED SENIOR CITIZENS ACT OF 2010."**

10 *Sec. 7. Separability Clause.* – If any provision of this Act is declared invalid or
11 unconstitutional, the other provisions not affected thereby shall remain in full force and
12 effect.

13 *Sec. 8. Repealing Clause.* – All laws, decrees, orders, rules and regulations, or
14 portions thereof contrary to, or inconsistent with, this Act are hereby repealed, modified
15 or amended accordingly.

16 *Sec. 9. Effectivity.* – This Act shall take effect fifteen (15) days after its publication
17 either in the *Official Gazette* or in at least two (2) newspapers of general circulation in
18 the Philippines.

Approved,