



HOUSE OF REPRESENTATIVES

H. No. 4000

BY REPRESENTATIVES NAVA (J.), TAN (A.) AND TAMBUNTING, PER
COMMITTEE REPORT NO. 92

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:

4 (a) *Health facilities* refer to institutions and other health-related
5 establishments which provide diagnostic, therapeutic, rehabilitative, and/or
6 other health care services except medical radiation facilities and hospital
7 pharmacies;

8 (b) *License* refers to a formal authorization issued by the Department of
9 Health (DOH) to an individual, partnership, corporation or association to
10 operate a hospital and other health facilities. It is a prerequisite for
11 accreditation of a hospital and other health facilities by any accrediting body
12 that is recognized by the DOH; and

1 (c) *Licensee* refers to the person, partnership, corporation or
2 association granted a license to operate and maintain a health facility according
3 to an approved standard set by the Bureau.

4 SEC. 3. *Regulating Agency.* – The Bureau of Health Facilities and
5 Services (BHFS) shall act as the regulatory agency pertaining to the licensing
6 and operation of health facilities and services in the country.

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

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

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

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

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

22 (e) To provide consultative and advisory services relative to the
23 establishment and construction of health facilities and other related facilities;

24 (f) To determine, levy, assess and collect the appropriate permit fee,
25 registration fee, license fee and surcharges pertinent to the operation of
26 facilities and services except in cases where charges or rates are established by
27 international bodies or associations of which the Philippines is a participating

1 member or by bodies recognized by the Philippine government as the proper
2 arbiter of such charges or rates;

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

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

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

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

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

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

23 SEC. 5. *Quasi-Judicial Powers.* – To carry out its tasks more
24 effectively, the BHFS shall be vested with the following quasi-judicial
25 powers:

26 (a) To investigate, hear and decide administrative cases initiated by the
27 BHFS or filed by any person against a hospital or health service establishment
28 violating any provision of this Act and its implementing rules and regulations

1 and to impose appropriate administrative sanctions or penalties provided in
2 this Act;

3 (b) To promulgate rules governing the conduct of administrative
4 hearings: *Provided*, That in such proceedings, the BHFS shall not be bound by
5 the technical rules of evidence of the Rules of Court: *Provided, further*, That
6 the latter may be applied in a suppletory manner;

7 (c) To administer oaths and affirmations, and to issue subpoena *duces*
8 *tecum* and *ad testificandum*, requiring the production of such books, contracts,
9 correspondence, records, statement of accounts and other documents and the
10 attendance and testimony of parties and witnesses, as may be material to the
11 investigation being conducted by the BHFS;

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

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

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

17 SEC. 6. *Registration and License.* – All health facilities and other
18 related facilities, government or private, shall be registered and duly licensed
19 by the BHFS before such facilities are allowed to operate or be opened to the
20 public.

21 SEC. 7. *Construction Design.* – The BHFS shall review and approve
22 the construction design and plans of government or private health facilities and
23 other related facilities to be constructed or which shall undergo renovation or
24 expansion.

25 An application for the construction design of a health facility or other
26 related facility shall be submitted to the BHFS in a form prescribed by the
27 latter and accompanied by a plan of the facility proposed to be constructed.
28 The approved construction design and plan issued by the Bureau shall be a

1 prerequisite for the issuance of a building permit by the official of the
2 municipality or city where the facility is proposed to be constructed.

3 SEC. 8. *Application for Registration and Issuance of License.* – An
4 application for registration of a health facility or other related facility and for
5 the issuance of a license for its operation and maintenance, including that of a
6 facility performing medical ancillary services, shall be filed with the BHFS or
7 its deputized office using the form prescribed by it: *Provided,* That an
8 applicant for a license to operate and maintain a hospital pharmacy or a
9 medical radiation facility shall seek the approval of the Food and Drug
10 Administration (FDA) and the Philippine Nuclear Research Institute (PNRI),
11 respectively. The application for registration shall be filed and a license
12 shall be issued upon due compliance of the applicant with the rules and
13 regulations prescribed by the BHFS pursuant to the provisions of this
14 Act.

15 SEC. 9. *Validity and Renewal of License.* – The initial license to
16 operate and maintain a health facility or other related facility shall be valid for
17 a period of two (2) years from date of issuance, and shall be
18 renewed regularly, subject to the rules and regulations to be issued by the
19 BHFS.

20 SEC. 10. *Inspection.* – The license to operate and maintain a health
21 facility or other related facility shall be issued by the BHFS only after it has
22 conducted a comprehensive on-site inspection and has certified that the
23 applicant has satisfactorily complied with the requisites prescribed in this Act
24 and its implementing rules and regulations (IRR).

25 SEC. 11. *Suspension and Revocation of License.* – The BHFS, after
26 conducting an administrative hearing, with due notice to the licensee, may
27 suspend or revoke the license to operate and maintain a health facility or other

1 related facility of any person, partnership, corporation or association for any of
2 the following grounds:

3 (a) Violation by the licensee of any provision of this Act or any other
4 existing law;

5 (b) Violation of rules and regulations prescribed in the implementation
6 of this Act; and

7 (c) Failure to make necessary corrections or adjustments required by
8 the BHFS in the improvement or maintenance of facilities and services.

9 SEC. 12. *Appeal.* – The orders, rulings or decisions of the BHFS shall
10 be appealable to the Secretary of Health.

11 SEC. 13. *Separate Licenses Required.* – Separate licenses shall be
12 required for health facilities and other related facilities or branches thereof
13 maintained in separate premises even though they are operated under the same
14 management: *Provided, however,* That separate licenses shall not be required
15 for separate buildings in the same compound: *Provided, further,* That the
16 approval of the designs and plans for construction or renovation of buildings
17 within the same compound shall also be secured from the BHFS to determine
18 compliance with standards and requirements herein authorized.

19 SEC. 14. *Nontransferability of License.* – A license for the operation
20 of a health facility or other related facility shall not be transferable. The BHFS
21 shall be notified of any change in ownership, change of name of the health
22 facility or other related facility. Transfer of location of the facility shall require
23 an application for a new license.

24 SEC. 15. *Regulation of the Price of Health Care Services.* – The
25 President of the Philippines, upon recommendation of the Secretary of Health,
26 shall have the power to impose the maximum price over diagnostic,
27 therapeutic, rehabilitative and other health care services rendered in the

1 facilities. The period of price regulation shall not exceed one hundred twenty
2 (120) days.

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

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

18 SEC. 17. *Implementing Rules and Regulations.* – The Secretary of
19 Health, upon the recommendation of the BHFS, shall issue the necessary rules
20 and regulations for its effective implementation within sixty (60) days upon the
21 effectivity of this Act.

22 SEC. 18. *Separability Clause.* – If any part or provision of this Act
23 shall be held unconstitutional or invalid, other provisions hereof which are not
24 affected shall continue to be in full force and effect.

25 SEC. 19. *Repealing Clause.* – Republic Act No. 4226, otherwise
26 known as the Hospital Licensure Act, is hereby repealed. Presidential
27 decrees, executive orders, rules and regulations and other issuances or parts

1 thereof which are inconsistent with the provisions of this Act are hereby
2 repealed, amended or modified accordingly.

3 SEC. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after
4 its publication in the *Official Gazette* or in any newspaper of general
5 circulation.

Approved,

O