



HOUSE OF REPRESENTATIVES

H. No. 1097

BY REPRESENTATIVES DEFENSOR (M.), YAPHA, MAGSAYSAY (E.) AND
VILLAFUERTE

AN ACT PROVIDING FOR THE LICENSURE OF ALL HEALTH FACILITIES AND SERVICES IN THE PHILIPPINES, REPEALING REPUBLIC ACT NUMBERED FORTY-TWO HUNDRED TWENTY-SIX (R.A. 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. This Act shall also be known as the "Health Facilities and
2 Services Licensure Act".

3 SEC. 2. *Definitions.* -- As used in this Act, the following terms shall
4 mean:

5 (a) "Bureau" shall refer to the Bureau of Health Facilities and Services
6 (BHFS) under the Department of Health (DOH).

7 (b) "Health facilities" shall refer to institutions and other health related
8 establishments which provide diagnostic, therapeutic, rehabilitative and/or
9 other health care services.

10 (c) "License" shall refer to a formal authorization issued by the DOH
11 to an individual, partnership, corporation or association to operate a hospital
12 and other health facilities. It is a prerequisite for accreditation of a hospital

1 and other health facilities by any accrediting body that is recognized by the
2 DOH.

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

6 (e) "Secretary" shall refer to the Secretary of the DOH.

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

10 SEC. 4. *Staff.* – The organizational structure of the BHFS shall have
11 positions to carry out the purposes of this Act.

12 SEC. 5. *Powers and Duties of the Bureau.* – The BHFS shall have the
13 following powers and duties:

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

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

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

24 (d) To approve plans for health facilities or related facilities,
25 government or private, and to issue permits or authority to construct, renovate
26 or expand health facilities or related facilities, in accordance with the
27 provisions of this Act;

28 (e) To provide consultative and advisory services relative to the
29 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 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 and other related facilities
10 for the effective implementation of this Act;

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

15 (i) To submit yearly reports to the Secretary of Health, and the
16 chairpersons of the Committees on Health of both Houses of Congress;

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

23 (k) Perform such other functions as may be prescribed by law.

24 SEC. 6. *Quasi-Judicial Powers.* – To carry out its tasks more
25 effectively, the Bureau shall be vested with the following quasi-judicial
26 powers:

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

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

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

10 (d) To administer oaths and affirmations, and to issue *subpoena ad*
11 *testificandum* and *subpoena duces tecum* requiring the attendance and
12 testimony of parties and witnesses, and/or the production of such books,
13 contracts, correspondence, records, statement of accounts and other documents
14 as may be material to the investigation being conducted by the Bureau;

15 (e) To exercise contempt powers and impose appropriate penalties;

16 (f) To cause the prosecution of all cases involving violations of this
17 Act and its IRRs; and

18 (g) To summarily order the closure of health facilities and other related
19 facilities operating without a license.

20 SEC. 7. *Construction Permit.* – All health facilities or related facilities,
21 government or private, to be constructed or which shall undergo renovation or
22 expansion shall have their plans approved and construction permit issued by
23 the Bureau as defined in this Act.

24 SEC. 8. *Registration and License.* – All health facilities or related
25 facilities, government or private, shall be registered and duly issued a license
26 by the Bureau before it is allowed to operate or be opened to the public.

27 SEC. 9. *Application and Issuance of a Permit to Construct.* –
28 Application for a permit to construct a health facility or other related facility
29 shall be submitted to the Bureau in a form prescribed by the latter and
30 accompanied by a plan of the facility proposed to be constructed. The permit

1 to construct issued by the Bureau shall be a condition precedent for the
2 issuance of a building permit by the official of the municipality or city where
3 the facility is proposed to be constructed.

4 SEC. 10. *Application for Registration and Issuance of License.* –
5 Application for registration of a health facility or other related facility and for
6 the issuance of a license for its operation and maintenance including medical
7 ancillary services shall be filed with the Bureau or its deputized office using
8 the form prescribed by it: *Provided*, That the Bureau shall coordinate with the
9 Bureau of Food and Drugs for the licensing of hospital pharmacies, with the
10 Bureau of Health Devices and Technology for the licensing of medical
11 radiation facilities using electrical/electronic devices, and the Philippine
12 Nuclear Research Institute for the licensing of medical radiation facilities using
13 radioactive substances. Registration may be made and license issued upon
14 compliance with the rules and regulations prescribed by the Bureau pursuant to
15 the provisions of this Act.

16 SEC. 11. *Validity and Renewal of License.* – The initial license to
17 operate and maintain a health facility or other related facility shall be valid for
18 a period of three years from its date of issuance, and shall be renewed
19 regularly, subject to the rules and regulations of the Bureau.

20 SEC. 12. *Inspection.* – The license to operate and maintain a health
21 facility or other related facility shall be issued by the Bureau only after a
22 representative of the licensing agency has conducted a comprehensive on-site
23 inspection and certified that the applicant has satisfactorily complied with
24 requisites prescribed in this Act and its IRRs.

25 SEC. 13. *Suspension and Revocation of License.* – The Bureau, after
26 conducting an administrative hearing, with due notice to the licensee and with
27 the approval of the Secretary of Health may suspend or revoke the license to
28 operate and maintain a health facility or other related facility of any person,
29 partnership, association, corporation or private entity, for any of the following
30 grounds: (a) violation by the licensee of any provision of this Act or of any

1 other existing law; (b) violation of rules and regulations prescribed in the
2 implementation of this Act; or (c) failure to make necessary corrections or
3 adjustments required by the Bureau in the improvement or maintenance of
4 facilities and services.

5 SEC. 14. *Hearing.* – Any person, association, corporation or any other
6 private entity who has been refused a license to operate and maintain a health
7 facility or other related facility or whose license for such health facility or
8 other related facility has been suspended or revoked shall be entitled to an
9 administrative hearing to be conducted by the Secretary of Health to determine
10 the validity of such denial, suspension or revocation of the license: *Provided,*
11 That the licensee may resort to the courts, as in other cases provided by law.

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

20 SEC. 16. *Nontransferability of License.* – License for the operation of
21 health facility or other related facility shall not be transferable. The Bureau
22 shall be notified of any change in ownership, change of name of the health
23 facility or other related facility, and transfer of location and in the latter case,
24 an application for a new license should be submitted.

25 SEC. 17. *Rules and Regulations.* – The Secretary of Health, upon
26 recommendation of the Bureau shall issue rules and regulations to implement
27 the provisions of this Act.

28 SEC. 18. *Penalties.* – Any person, partnership, association or
29 corporation who establishes, operates, conducts, manages or maintains a health
30 facility or other related facility within the meaning of this Act without first

1 obtaining a license or violates any provision of this Act or its IRRs shall be
2 liable to a fine of not less than Twenty thousand pesos (P20,000.00) but not to
3 exceed Fifty thousand pesos (P50,000.00) for the first offense, and not less
4 than Fifty thousand pesos (P50,000.00) but not to exceed One hundred
5 thousand pesos (P100,000.00) for the second offense, and not less than One
6 hundred thousand pesos (P100,000.00) but not to exceed Two hundred
7 thousand pesos (P200,000.00) for the third and each subsequent offense. Each
8 day that the health facility or other related facility shall operate after the first
9 violation shall be considered a subsequent offense.

10 In addition to the penalties specified in the preceding paragraph, the
11 Bureau upon the approval of the Secretary, may summarily order the closure of
12 any health facility or other related facility found operating without a license.

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

17 SEC. 20. *Separability Clause.* – If any part or provision of this Act
18 shall be held unconstitutional or invalid, other provisions hereof which are not
19 affected hereby shall continue to be in full force and effect.

20 SEC. 21. *Repealing Clause.* – Republic Act No. 4226, otherwise known
21 as the Hospital Licensure Act is hereby repealed. All other laws, presidential
22 decrees, executive orders, rules and regulations or parts thereof which are
23 inconsistent with the provisions of this Act are likewise repealed or modified
24 accordingly.

25 SEC. 22. *Effectivity.* – This Act shall take effect immediately upon its
26 approval.

Approved,