

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



'16 JUL 19 P 6:19

SENATE

S. No. 626

RECEIVED BY: 

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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AN ACT

**REVERTING TO THE NATIONAL GOVERNMENT THE DISCHARGE OF BASIC HEALTH SERVICES DEVOLVED TO LOCAL GOVERNMENT UNITS (LGUs) AND REPEALING FOR THE PURPOSE PERTINENT SECTIONS OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

EXPLANATORY NOTE

Section 15, Article II of the 1987 Constitution declares that the State shall protect and promote the right to health of the people and instill health consciousness among them. Apparently pursuant to the aforementioned State policy, the Local Government Code of 1991 was enacted to introduce, among others, the devolution of the country's health care system from the national government to local government units (LGUs). This was based on the postulate that with decentralization, citizens would have better access to health services because presumably, the local government executives would know where the need for such services is dire and would be able to prioritize such needs. Hence, the responsibility for the maintenance of public health, including the operation and maintenance of local health facilities, was transferred from the Department of Health (DOH) to the Governors of concerned provinces or Mayors of host municipalities and cities.

More than twenty years since its implementation, however, the actual results of this devolution experiment have run counter to previous expectations. Assessments of the quality of health services since the advent of devolution conducted by independent experts have confirmed the "slow decay" in the delivery of health services in some areas of the country (Grundy, et al. 2003). Among the problems that hound the devolution of health services include: the low priority given by LGUs to health concerns, corruption in the procurement of medicines, and denial of benefits of health workers due to inability of LGUs to bear the financial costs of increased salaries.

It is against this backdrop that this measure seeks to repeal certain sections of the Local Government Code of the Philippines to revert to the national government the duty to ensure delivery of health services to the citizenry.

In view of the foregoing, immediate approval of this measure is earnestly sought.

  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

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ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF  
1991

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

1           **SECTION 1. Title.** – This Act shall be known as the "Re-Nationalization of  
2 Devolved Health Services and Facilities Act of 2016."  
3

4           **SEC. 2. Declaration of Policy.** – It is the declared policy of the State to protect and  
5 promote the right to health of the people and instill health consciousness among them.  
6 Further, the State shall endeavor to make essential goods, health and other services available  
7 to all the people at affordable cost.  
8

9           **SEC. 3. Objectives.** – The objectives of this Act are:

- 10           a) To prevent the further deterioration of government health services and facilities  
11 brought about by the devolution of the duty to provide health services and maintain  
12 medical facilities to local government units (LGUs);  
13  
14           b) To improve the provision of essential health services to the people, especially the  
15 sick, the poor, and marginalized sector of society;  
16  
17           c) To improve and uplift the morale, social and economic well-being of previously  
18 devolved health workers; and  
19  
20           d) To develop a professional health manpower complement that is responsive to the  
21 people's health needs and problems.  
22

23           **SEC. 4. Re-nationalization.** – All health services and facilities devolved to the local  
24 government units (LGUs) are hereby re-nationalized and/or returned to the management,  
25 supervision and control of the national government. For this purpose, the following  
26 provisions of the Republic Act No. 7160, otherwise known as The Local Government Code  
27 of 1991 are hereby expressly repealed:

- 28           a) Section 17 (b) paragraph 1 (ii), paragraph 3 (iv) and paragraph 4 for health services  
29 only;

- 1       b) Section 102 a (1), a (2), a (3), b (1), b (2), and b (3);  
2  
3       c) Section 103 (a) and (b);  
4  
5       d) Section 104;  
6  
7       e) Section 105; and  
8  
9       f) Other related provisions of the Local Government Code that pertain to devolved  
10       health services and facilities.  
11

12       **SEC. 5. Authority to use income.** – Upon implementation of this Act, re-nationalized  
13 hospitals and Rural Health Units/Centers are hereby authorized to use the income they  
14 derived from their operation to improve and upgrade the services they provide; *Provided,*  
15 That the supporting financial and work plans are first approved by the Department of Health.  
16

17       **SEC. 6. Appropriations.** – In the year following the enactment of this Act into law,  
18 the costs of the devolved health services and facilities as of December 31, 1992 shall be  
19 deducted by the Department of Budget and Management (DBM) from the Internal Revenue  
20 Allotment (IRA) of the Local Government Units (LGUs) and shall be used as funding source  
21 to implement the provision of this Act. Any deficiency shall be charged against the  
22 Organizational Adjustment fund and appropriations saving/reserves. Thereafter, such sums as  
23 may be needed for its continued implementation shall be included in the annual General  
24 Appropriations Act (GAA).  
25

26       The IRA of LGUs in the succeeding years shall be net of the costs of providing,  
27 operating and maintaining the previously devolved health services and facilities as of  
28 December 31, 1992.  
29

30       **SEC. 7. Implementing Rules and Regulations.** – The DOH, in consultation with the  
31 Department of Interior and Local Government (DILG), shall formulate the Implementing  
32 Rules and Regulations (IRR) within three (3) months after the enactment of this Act.  
33

34       **SEC. 8. Repealing Clause.** – All laws, presidential decrees, executive orders, and  
35 rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby  
36 repealed or modified accordingly.  
37

38       **SEC. 9. Separability Clause.** – If, for any reason, any section or provision of this Act  
39 is held unconstitutional or invalid, the other sections or provisions thereof shall not be  
40 affected thereby and shall remain in full force and effect.  
41

42       **SEC. 10. Effectivity Clause.** – This Act shall take effect fifteen (15) days following  
43 its publication in the Official Gazette or in any two (2) newspapers of national circulation.

*Approved,*