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Department of Health
OFFICE OF THE SECRETARY

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ADMINISTRATIVE ORDER
No. 2007 – 0024

SUBJECT: Guidelines for the Licensure of Department of Health Hospitals

I. Background / Rationale

In the current health regulatory reforms under the FOURmula One (F1) for Health, the harmonization and streamlining of systems and processes was identified as one of the supply-side strategies that should be undertaken by the Department of Health (DOH) to make health regulation more rational and client-responsive. Although not identified early on as one of the F1 supply-side strategies, the exemption of DOH hospitals from the usual licensing process is now considered as one of the strategies to streamline hospital regulation. While DOH hospitals shall not undergo the usual licensing process, they shall still be required to comply with regulatory standards set by the DOH through its regulatory bureaus.

The direct provision of services through the DOH hospitals is already the highest form of government intervention in the health care market. Among the range of policy interventions available to the state to manage the health sector, direct service provision proves to be far more burdensome than regulation on the part of the government. Since the national government itself, through the DOH hospitals, already provides hospital care, it is but logical that these hospitals should no longer be subjected to state regulation. Along with the One-Stop Shop Licensure System and the decentralization of the licensing process for hospitals to the Centers for Health Development (CHDs), deregulating DOH hospitals would streamline regulatory systems and processes, reduce the costs of regulation, and improve regulatory services.

II. Objective

This Order sets the guidelines for the licensure of DOH hospitals.

III. Scope

This Order shall apply to all DOH special and specialty hospitals, medical centers, regional hospitals, research hospitals, district hospitals, extension hospitals and sanatoria that are under the management and administration of DOH. For purposes of this Order, all the health facilities enumerated above shall be referred to as DOH hospitals.

IV. Policies and Guidelines

A. General Guidelines

1. The licensure of DOH hospitals shall follow the set guidelines for the One-Stop Shop Licensure System for Hospitals.
2. The licensing process for DOH hospitals shall be decentralized to the CHDs beginning October 1, 2007. Decentralization shall follow the prescribed guidelines for the decentralization of hospital licensing process.
3. The License to Operate (LTO) of DOH hospitals shall be automatically renewed every year.
4. The Bureau of Health Facilities and Services (BHFS), Bureau of Health Devices and Technology (BHDT), and Bureau of Food and Drugs (BFAD) shall exercise oversight, supervisory and monitoring functions over the CHDs with regards to the regulation of DOH hospitals and their ancillary and other facilities.

B. Specific Guidelines

1. The LTO of a DOH hospital shall be automatically renewed by the respective CHD upon the submission of a notarized affidavit stating that the hospital has complied with licensing requirements and that there are no changes in the status of the LTO.
2. If there is any change in the status of the LTO of a DOH hospital, the hospital shall apply for initial LTO. Inspection shall be conducted prior to issuance of the initial LTO if the changes in the status of the LTO necessitate an inspection under existing rules and regulations.
3. The CHDs, BHFS, BHDT and BFAD shall intensify monitoring activities through unannounced monitoring visits. The frequency of such visits shall be determined by the concerned office. CHDs shall furnish the BHFS, BHDT and BFAD with a copy of monitoring reports and recommendations.
4. During monitoring, a DOH hospital found to be non-compliant with the provisions of this and other related Orders shall be given thirty (30) calendar days to correct deficiencies. If deficiencies are not corrected within this period, the hospital shall be downgraded to the appropriate category, as may be approved by the Secretary of Health. The decision of the Secretary of Health shall be final and executory.
5. The Chief of Hospital or Medical Director shall assume the administrative responsibility with respect to the compliance of the hospital and its ancillary and other facilities with licensing standards and requirements.
6. All DOH hospitals are exempted from payment of registration and LTO fees for hospitals and hospital-based ancillary services.

V. Repealing Clause

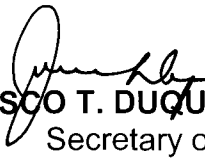
Provisions from previous issuances that are inconsistent or contrary to the provisions of this Order are hereby rescinded and modified accordingly.

VI. Separability Clause

In the event that any provision or part of this Order be declared unauthorized or rendered invalid by any court of law or competent authority, those provisions not affected by such declaration shall remain valid and effective.

VII. Effectivity

This Order shall take effect fifteen (15) days after its approval and publication in the official gazette or newspaper of general circulation.


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Secretary of Health