



January 7, 2008

ADMINISTRATIVE ORDER
No. 2008 - OOOI

SUBJECT: Implementing Rules and Regulations of Republic Act No. 9439, otherwise known as “An Act Prohibiting the Detention of Patients in Hospitals and Medical Clinics on Grounds of Nonpayment of Hospital Bills or Medical Expenses”.

I. Rationale:

The passage of Republic Act (R.A.) No. 9439, otherwise known as “An Act Prohibiting the Detention of Patients in Hospitals and Medical Clinics on Grounds of Nonpayment of Hospital Bills or Medical Expenses”, addresses the problem involving some hospitals and medical clinics that refuse to discharge patients due to the latter’s inability to pay their hospital bills or medical expenses by encouraging them to employ appropriate payment schemes. It also emphasizes the responsibility of patients to honor their obligation with the hospital or medical clinic to pay their bills. Section 4 of R. A. No. 9439 authorizes the Department of Health (DOH) to promulgate the necessary rules and regulations.

II. Objective:

This Administrative Order sets the implementing rules and regulations to carry out the provisions of R. A. No. 9439, otherwise known as “An Act Prohibiting the Detention of Patients in Hospitals and Medical Clinics on Grounds of Nonpayment of Hospital Bills or Medical Expenses”.

III. Scope:

This Administrative Order applies to patients admitted in government and private hospitals and medical clinics, except those who stay in private rooms.

IV. Definition of Terms:

For purposes of R. A. No. 9439 and its implementing rules and regulations, the following definitions are provided:

- A. Co-Maker – a person, natural or juridical, who binds himself jointly and severally to pay the unpaid hospital bills or medical expenses/hospitalization expenses of the patient.
- B. Complaint – a sworn written statement of ultimate facts, filed by the patient, charging the official or employee of the hospital or medical clinic with any violation of R. A. No. 9439 and its implementing rules and regulations.
- C. Detention – an act of restraining a person from leaving the hospital premises for nonpayment of hospital bills or medical expenses in part or in full.
- D. Guarantee – an expressed assurance by the co-maker to the hospital or medical clinic that certain facts or conditions are true and/or will happen. The hospital or medical clinic is permitted to rely on that assurance and seek appropriate action if it is not true and/or followed.
- E. Hospital – a health facility for the diagnosis, treatment and other forms of health care of individuals suffering from deformity, disease, illness or injury, or in need of surgical, obstetrical, medical or nursing care. It is an institution where there are installed bassinets or beds for 24-hour use or longer by patients in the management of deformities, diseases, injuries, abnormal physical and mental conditions, and maternity cases.
- F. Hospital Bills or Medical Expenses/ Hospitalization Expenses – costs of diagnosis, treatment and other forms of health care of patients, which include, but not limited to, doctor's fees, amount owing for clinical and ancillary services rendered, charges for room, meals, medical supplies, drugs and medicines, and payments for use of equipment.
- G. Medical Clinic – a health facility that satisfies the above definition of a hospital but uses the phrase "medical clinic" in its business name.
- H. Mortgage – a method of using real property (land) or personal property (other physical possessions) as security for the payment of a debt.
- I. Officer or Employee of a hospital or medical clinic – a person acting in behalf of a hospital or medical clinic responsible for releasing patients in accordance with written policies and procedures of the hospital or medical clinic.
- J. Patient – for the purposes of R. A. No. 9439 and these implementing rules and regulations, a person who is already admitted and availed of health care services in a hospital or medical clinic.

- K. Private Room – a single occupancy room or a ward type room divided by either a permanent or semi-permanent partition (except curtains) not to exceed 4 patients per room who are admitted for diagnosis, treatment and other forms of health care maintenance.
- L. Promissory Note – an unconditional promise in writing made by the patient and/or his/ her next of kin to the hospital or medical clinic, engaging to pay on demand, or at a fixed or determinable future time, a sum certain in money to order or to bearer.

V. Policies and Guidelines:

A. General Policies:

1. Patients, except those who stay in private rooms, who are partially or fully recovered and who wish to leave the hospital or medical clinic but are incapable to pay, in part or in full, their hospital bills or medical expenses/ hospitalization expenses shall be allowed to leave the hospital or medical clinic and shall be issued the corresponding medical certificate and other pertinent documents for their release from the hospital or medical clinic upon execution of a promissory note covering the unpaid obligations. The promissory note shall be secured by either a mortgage, or a guarantee of a co-maker who shall be jointly and severally liable for the unpaid obligations.
2. In the case of a deceased patient, any of his/ her surviving relatives shall be issued the corresponding death certificate and other pertinent documents for interment purpose only. For other purposes, such documents shall be issued only upon execution of a promissory note covering the unpaid obligations by any of the surviving relatives. The promissory note shall be secured by either a mortgage, or a guarantee of a co-maker who shall be jointly and severally liable for the unpaid obligations. In the event the documents will be needed for purposes of getting the benefits from the Social Security System, Government Service Insurance System, Philippine Health Insurance Corporation, insurance policies or pre-need plans, the hospital may require the execution of an assignment of proceeds up to the extent of the hospital bills or medical expenses/ hospitalization expenses.
3. In the case of a deceased patient, any of his/ her surviving relatives who refuse to execute a promissory note shall be allowed to claim the cadaver and can demand the issuance of death certificate and other pertinent documents for interment purposes. Documents for other purposes shall be released only after execution of a promissory note.
4. Any hospital or medical clinic detaining or causing, directly or indirectly, the detention of patient for reason of nonpayment, in part or in full, of hospital bills or medical expenses/ hospitalization expenses shall be held accountable for such unlawful act. Detention occurs when all of the following are present:

- a) The patient who is partially or fully recovered has expressed his/ her intention to leave the hospital or medical clinic, or the attending physician has issued a discharge order;
 - b) The patient is not confined in a private room and is financially incapable to settle in part or in full the corresponding hospital bills or medical expenses/ hospitalization expenses;
 - c) Patient has executed a promissory note covering the unpaid hospital bills or medical expenses/ hospitalization expenses; and
 - d) The officer or employee of the hospital or medical clinic responsible for releasing the patient has restrained him from leaving the hospital premises.
5. In the case of a deceased patient, any hospital or medical clinic refusing to release the cadaver for reason of nonpayment, in part or in full, of hospital bills or medical expenses/ hospitalization expenses shall be held accountable for such unlawful act. Detention occurs when all of the following are present:
- a) The medical officer has made the pronouncement of death;
 - b) Any of the surviving relatives is incapable to pay the corresponding hospital bills or medical expenses/ hospitalization expenses;
 - c) Any of the surviving relatives has executed a promissory note covering the unpaid hospital bills or medical expenses/ hospitalization expenses; and
 - d) The officer or employee of the hospital or medical clinic responsible for releasing the deceased patient has refused to release the cadaver and/ or relevant documents.

B. Specific Guidelines:

1. Classification, Admission and Discharge of Patients

To minimize, if not prevent, incidence of patients being unable to pay, and hospitals or medical clinics detaining patients for reason of nonpayment of hospital bills or medical expenses/ hospitalization expenses, patients and hospitals or medical clinics alike may institute and observe the following:

- a) Government hospitals or medical clinics shall classify patients in terms of their capacity to pay according to the guidelines set by the DOH in Administrative Order No. 51-A s. 2000: Implementing Guidelines on Classification of Patients and on Availment of Medical Social Services in Government Hospitals, dated October 12, 2001.

- b) Private hospitals or medical clinics shall have written policies and procedures to classify patients in terms of their capacity to pay. For this purpose, private hospitals or medical clinics may refer to AO No. 51-A s. 2000.
- c) The DOH, government and private hospitals or medical clinics shall, as far as practicable, assist patients in looking for financial assistance from government and non-government sources to settle the unpaid hospital bills or medical expenses/ hospitalization expenses. Toward this end, the DOH shall work closely with financial institutions like, but not limited to, Philippine Health Insurance Corporation, Philippine Charity Sweepstakes Office, Philippine Amusement and Gaming Corporation, Local Government Units, as well as Congress, to provide funds for this purpose.
- d) All hospitals or medical clinics shall establish billing and collection procedures subject to current accounting and auditing rules and regulations.
- e) All hospitals or medical clinics shall have written policies and procedures for admitting and releasing patients, including identifying the officer/s or employee/s responsible for releasing patients.

2. Execution of Promissory Note

- a) Except those who stay in private rooms, patients who are partially or fully recovered and who wish to leave the hospital or medical clinic but are incapable to pay, in part or in full, their hospital bills or medical expenses/ hospitalization expenses are obliged to execute a promissory note secured by either a mortgage, or a guarantee of a co-maker.
- b) In the case of a deceased patient, any of his surviving relatives is obliged to execute a promissory note secured by either a mortgage, or a guarantee of a co-maker.
- c) Hospitals or medical clinics shall have written policies and procedures for execution of promissory notes secured by either a mortgage, or a guarantee of a co-maker.

3. Penalty

Any officer or employee of a hospital or medical clinic responsible for releasing patients who has been found to commit any violation of R.A. No. 9439 and its implementing rules and regulations shall be punished by either a fine of not less than Twenty Thousand Pesos (P20,000) but not more than Fifty Thousand Pesos (P50,000), or imprisonment of not less than One (1) Month but not more than Six (6) months, or both such fine and imprisonment, at the discretion of the proper court.

VI. Repealing/ Separability Clause:

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

If any provision of this Order is declared unauthorized or rendered invalid by any court of law or competent authority, those provisions not affected thereby shall remain valid and effective.

R. A. No. 9439 repeals or amends the pertinent provisions of the Revised Penal Code, particularly Articles 267, 268 and 270, decrees, orders, rules and regulations inconsistent with the same, in so far as the same involves hospitals or medical clinics, medical practitioners, and their staff and employees.

VII. Effectivity:

This Order shall take effect fifteen (15) days after publication in a newspaper of general circulation.


FRANCISCO T. DUQUE III, M.D., M.Sc.
Secretary of Health