



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

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November 7, 2007

ADMINISTRATIVE ORDER

No. 2007 - 0041

SUBJECT: Guidelines on the Mandatory Allocation of a Certain Percentage of the Authorized Bed Capacity as Charity Beds in Private Hospitals.

I. Rationale

Health as a human right that must be enjoyed by all citizens is enshrined in the Philippine Constitution of 1987. In Article III Section 15, the Constitution declares that the State shall protect and promote the right to health of the people and instill health consciousness among them. Likewise, in Article XIII Section 11, the Constitution declares that the State shall adopt an integrated and comprehensive approach to health development that shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. Thus, it is the duty of the State to ensure that affordable health services are available to all.

The current health reforms under the FOURmula One (F1) for Health of the Department of Health (DOH) bring the State closer to the fulfillment of its mandate to protect and promote the people's right to health. One of the reform objectives, under health regulation, is to ensure access to quality and affordable health products, devices, facilities and services, especially those commonly used by the poor. Another objective is to improve the accessibility and availability of basic and essential health care for all, particularly the poor, in both public and private sector.

In terms of ensuring accessibility, affordability and quality of hospital services, reforms are underway in terms of policy formulation and implementation both at the central and local levels, involving all stakeholders in the health sector. However, much remains to be done to ensure accessibility and affordability of hospital services by the poor.

One policy that is seen to address the affordability of hospital services is to require all hospitals, whether government or private, to allot a certain percentage of their authorized bed capacities solely for charity beds. At present, there is no regulation that requires private hospitals to allot a certain number or percentage of their authorized bed capacity to charity beds. On the other hand, government hospitals, by virtue of Republic Act 1939, are mandated to operate with not less than ninety (90%) per cent of its bed capacity as free or charity beds.

In 2006, there were 703 government hospitals, with a total bed capacity of 47,774. Approximately 42,997 (90%) of these beds were charity beds. On the other hand, there were 1,068 private hospitals, with a total bed capacity of 44,296. There is no available data on the total number of beds devoted to charity beds in private hospitals.

II. Objective

This Order sets the guidelines for the mandatory allocation of a certain percentage of authorized bed capacities of private hospitals as charity beds.

III. Scope

This Order shall apply to all private hospitals.

IV. Definition of Terms

- A. **Charity Bed** – a hospital bed that is specifically and solely allocated for the confinement of indigent patients or patients classified as Class C or D patients as defined 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. **Indigent Patient** - a patient who is certified as indigent by a municipal social worker, in his/her absence, either the barangay chairman, municipal/ city health officer, medical social worker or chief of the nearest district, city or provincial hospital.
- C. **Private Hospital** – a hospital that is privately owned established and operated with funds through donation, principal, investment, or other means, by any individual, corporation, association, or organization.

V. Guidelines

- A. As a requirement for licensure, all private hospitals shall allocate not less than ten percent (10%) of its authorized bed capacity as charity beds.
- B. Charity beds shall be devoted to:
 - 1. Patients who satisfy the criteria for Class C and D patients as defined 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; or
 - 2. Indigent patients as defined in this Order.

VI. Violations and Sanctions

Violations of this Order shall be considered as violations of existing rules and regulations governing the registration, licensure and operations of hospitals as stipulated in Administrative Order No. 147 s. 2004 as amended by Administrative Order No. 2005-0029, Administrative Order No. 2007-0021 *Harmonization and Streamlining of the Licensure System for Hospitals* and Administrative Order No. 2007-0022 *Violations Under the One-Stop Shop Licensure System for Hospitals*.

Violations of this Order shall be subject to sanctions as defined in Administrative Order No. 2007-0022 *Violations Under the One-Stop Shop Licensure System for Hospitals*.

VII. Repealing Clause

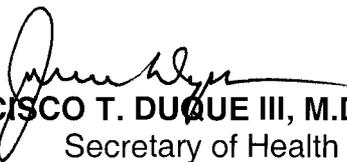
Provisions from previous issuances that are inconsistent or contrary to the provisions of this Order are hereby rescinded and modified accordingly.

VIII. 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.

IX. 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