



Republic of the Philippines
Tanggapan ng Sangguniang
Panlungsod
City of Naga



ORDINANCE NO: 2005-023

AN ORDINANCE ESTABLISHING THE NAGA CITY INTEGRATED SOCIALIZED MEDICAL CARE PROGRAM:-

Sponsors: Chairperson and Members, Committee on Health
Chairperson and Members, Committee on Laws, Ordinances, and Reorganization

Be it ordained by the Sangguniang Panlungsod of the City of Naga, that:

SECTION 1. TITLE - This Ordinance shall be known as the Ordinance establishing the “Integrated Socialized Medical Care Program” of the City of Naga.

SECTION 2. RATIONALE. – Naga: *An Moagmang Lugar* describes a citizenry who are both happy and healthy. For this to be possible, effective access by indigent residents to health care services must be made available and access to private health care providers must be made possible whenever the services required are either beyond those offered by, or are not immediately available at, the Naga City Hospital and the City Health Office. In previous years, this has been done by enrolling indigent residents into the Philippine Health Insurance Corporation (PhilHealth) under its Sponsored (Indigent) Program. Underutilization of benefits however has made this approach untenable making a city-financed medical care program more cost-effective in the long and medium-term.

SECTION 3. DEFINITION OF TERMS. The following terms as used in this Ordinance shall mean as herein defined:

- a. Program - shall refer to the Integrated Socialized Medical Care Program as established in this Ordinance;
- b. Indigent - shall mean those families whose gross household income per month is not more eight thousand pesos (P8,000.00);
- c. Board - shall refer to the Program Management Board as provided under Section 16 of this Ordinance;
- d. Member - shall refer to the members of the Program as defined under Section 5 of this Ordinance;
- e. Dependents - shall refer to the qualified dependents of the a Member as defined under Section 6 of this Ordinance;

SECTION 4. OBJECTIVES. – In order to respond to the health care needs of the indigent Nagueño family, the Program seeks to achieve the following objectives:

- a. Enroll at least forty percent of the city’s indigent population on the first year of effectivity, and increase coverage by at least ten percent every year until all indigents are covered.
- b. Accredit the equivalent of at least 200 beds and at least 50 medical practitioners on the first year of operation of the Program and increase the same by at least

ten percent every year until an acceptable ratio of member-to-accredited health care providers is reached.

- c. Raise at least ten percent of fund requirements from donations during the second year of operation and to raise such proportion by at least five percent every year.
- d. Attain a better than midrange satisfaction rating, as per a service satisfaction scale to be set by the concerned offices, in no less than seven out of ten services rendered by the Program during its first year of operation and to raise the standard to eight out of ten services during the second year of operation, and to nine out of ten during the third year of operation.
- e. Realize at least a ten percent improvement in efficiency and effectiveness annually.
- f. In the long-run, migrate to PhilHealth once benefit utilization has attained a level that makes it more economical for the city to absorb the PhilHealth premium, net of any capitation, than pay for the benefits.

SECTION 5. MEMBERSHIP. – All indigent residents of the City of Naga who are not enrolled or are not actively covered by PhilHealth, are eligible to become members of the Program. The Member Services Unit shall evaluate qualifications of prospective members and endorse the same for the approval of the Board. Membership, once approved, shall be subject to a yearly validation through a procedure approved by the Program Management Board.

SECTION 6. QUALIFIED DEPENDENTS. The benefits under this Program shall likewise be enjoyed by the following dependents of a member:

- a) Legitimate spouse of the Member who is him/herself not a member of PhilHealth;
- b) Children (legitimate, illegitimate, adopted or step child) below 21 years old, unmarried and unemployed;
- c) Children 21 years old or above suffering from any physical or mental disability that renders them totally dependent on the member for support;
- d) Parents, step parents or adoptive parents 60 years old and above, not a member of PhilHealth and are wholly dependent on the Member for support.
- e) relatives up to the third civil degree of consanguinity or affinity who are minors and wholly dependent upon the Member for support.

SECTION 7. CANCELLATION OF MEMBERSHIP. Membership in the Program shall automatically be cancelled on the following grounds:

- a) when the Member becomes a member, or dependent/beneficiary of a member, of the PhilHealth; or
- b) the Member is no longer a resident of Naga City.

SECTION 8. PROGRAM BENEFITS. – The Program shall extend the following benefits at rates equivalent to those granted under the Unified Medicare Benefits of PhilHealth:

- a) In-patient hospital care:
 1. Room and board;
 2. Services of health care professionals;
 3. Diagnostic, laboratory, and other medical examination services; use of surgical or medical equipment and facilities;
 4. Prescription drugs and biologicals included in the Philippine Drug Formulary;
 5. In-patient education packages.
- b) Out-patient care:
 1. Services of health care professionals;
 2. Diagnostic, laboratory, and other medical examination services;
 3. Prescription drugs and biologicals included in the Philippine Drug Formulary.
- c) Emergency and transfer services.

SECTION 9. ADDITIONAL BENEFITS. Benefits over and above the amounts as provided in the immediately preceding section may be granted by resolution of the Board, provided that the following conditions concur:

- i. the member belongs to the lowest thirty percent (30%) income bracket among members of the Program; and
- ii. the fund therefor is sourced from the Extraordinary Welfare Benefits Fund as provided under Section 20 of this Ordinance;

SECTION 10 PRECEDENCE OF NAGA CITY GOVERNMENT HEALTH SERVICES. – The medical personnel and facilities of the Naga City Hospital, including its pharmacy, medical and X-ray laboratories, and those of the City Health Office, shall have precedence, whenever possible, in rendering services under this Program.

SECTION 11. EXCLUDED HEALTH SERVICES. – The following services are not covered by the Program:

- a) Non-prescription medical/health needs and devices;
- b) Cosmetic surgery;
- c) Normal obstetrical delivery for the third and succeeding child, except when the services for such delivery is secured at the Naga City Hospital wherein the benefits of this Program may be availed of up to the fourth delivery;
- d) Cost-ineffective procedures as may be defined by the Board.

SECTION 12. LIMITED PORTABILITY OF BENEFITS. – Program benefits may be availed of only at the City Health Office, Naga City Hospital, the City Social Welfare and Development Office, and accredited health care providers in Naga City. However, in cases where a member or any of his/her dependents meets an accident, or suffers from a life-threatening medical emergency, outside Naga City and by reason of which is rushed to a medical facility nearer than any similar medical facility in Naga City, the Program shall reimburse the cost of medical services at rates allowed under this Ordinance.

SECTION 13. HEALTH CARE PROVIDERS. – The health care providers participating in this Program shall be categorized as follows:

- a) Health Care Institutions – hospitals, infirmaries, nurseries, dispensaries, clinics, and similar facilities operating on a 24-hour basis for health promotion, prevention, diagnosis, treatment, and care of individuals suffering from disease, injury, disability, abnormal mental state, physical deformity, or in need of obstetrical or other medical and nursing care, duly licensed to operate in the Philippines and accredited under the Program.
- b) Health Care Professional – doctor of medicine, nurse, midwife, dentist, or other health care professional or practitioner duly licensed to practice in the Philippines and accredited under the Program.

SECTION 14. ACCREDITATION OF HEALTH CARE PROVIDERS. – a) Health care providers in the City of Naga shall be encouraged to participate in the Program. Interested health care providers shall apply for accreditation under the Program by accomplishing an application form and submitting the required documents to the Health Care Providers Unit.

- b) The minimum qualification requirement for accreditation of health care providers shall be as follows:
 - i. The health care provider operates with a valid Mayor's Permit, except for government hospitals; and
 - ii. The health care provider is accredited under the National Health Insurance Program.

The Board shall determine such other qualification requirements for accreditation of health care providers and impose such terms and conditions for maintenance of accredited status as may be necessary to effectively carry out the purposes of this Ordinance and shall ensure that documentary requirements shall not be too burdensome as to be a disincentive to participation of health care providers.

- c) Applications for accreditation of health care providers which meet the requirements for accreditation shall be favorably endorsed by the Health Care Providers Unit for the approval of the Board.

SECTION 15. CANCELLATION OR SUSPENSION OR ACCREDITATION. The accredited status of a health care provider shall be cancelled or revoked for violations of the terms and conditions imposed by the Board for maintenance of accredited status. Suspension of accreditation of a health care provider shall not exceed two years. Cancellation of accreditation shall mean permanent disqualification from being an accredited health care provider of the Program.

SECTION 16. THE PROGRAM MANAGEMENT BOARD. – a) The Program shall be governed by a Program Management Board, hereinafter referred to as the “Board,” composed of the following members:

1. City Mayor,
 2. City Health Officer,
 3. Chief of the Naga City Hospital,
 4. Head, City Social Welfare and Development Office,
 5. City Accountant,
 6. Representative, Naga City People’s Council,
 7. Representative, Philippine Medical Association (the representative must himself/herself be an accredited provider of this Program),
 8. Representative, Philippine Dental Association (the representative must himself/herself be an accredited provider of this Program),
 9. Chairman, Sanggunian Panlungsod Committee on Health.
- b) The members of the Board coming from the City Government shall serve ex-officio. Members of the Board coming from the private sector shall be appointed by the City Mayor from the nominee/s respectively submitted by them.
 - c) A representative from the private sector may be replaced at the written request of the organization represented, or upon the resignation of the representative, or due to repeated absences of the representative as certified by the Chairman. A new set of nominees shall be submitted by the organization from which a new representative will be appointed by the city mayor.
 - d) The city mayor and the city health officer shall be the chairperson and vice chairperson of the Board, respectively.
 - e) The Board shall meet at least once every quarter unless immediate action is required in which case special meetings may be called by the city mayor at any time.

SECTION 17. POWERS AND FUNCTIONS OF THE BOARD. – The Board shall have the following powers and functions:

- a) Formulate and approve the Implementing Rules and Regulations of this Ordinance such as those which pertain to pricing, payment mechanism, administrative and operating systems and such other regulations as may be necessary for the implementation of the Program;
- b) Accept donations and grants-in-aid which shall accrue to the Benefits Trust Fund established under Section 20 of this ordinance;
- c) Through the Chairperson, negotiate and enter into contract with health care providers.

- d) Suspend temporarily, revoke permanently, or restore the accreditation of health care providers or the right to benefits of a member. The power of the Board to decide on matters covered under this sub-section shall be original and exclusive and its decisions thereon shall be final and executory.
- e) Submit an annual report to the sangguniang panlungsod not later than 15 October;
- f) Designate an appropriate officer of the city government to:
 - 1. Inspect medical and financial records of accredited health care providers related to claims under the Program,
 - 2. Enter and inspect accredited health care institutions to verify compliance with the standards set by the Program
- g) Perform an oversight function over the programs and operations of the health-service delivery mechanisms of the City Government such as the Naga City Hospital, the City Health Office, and the City Social Welfare and Development Office.
- h) Adopt such internal rules as may be necessary to facilitate the efficient and effective performance of its duties and functions

SECTION 18. SUPPORT UNITS. – a) *Member Services Unit.* The City Social Welfare and Development Office shall serve as the Member Services Unit (MSU) of the Program and the City Social Welfare and Development Officer (CSWDO) shall serve as the head of the MSU. For this purpose, the head of the CSWDO shall designate such number of personnel to assist him/her in the performance of the following functions:

- 1. Process application for membership subject to the approval of the Board;
- 2. Maintain a database of member information including individual availments and cost of benefits rendered using the system developed by the Electronic Data Processing Unit;
- 3. Establish a mechanism to capture feedback from beneficiaries who availed of Program benefits;
- 4. Delete expired members;
- 5. Perform studies and recommend to the Board such measures as may be necessary to enhance Program service delivery;
- 6. Assist:
 - a. Retirees and pensioners of the GSIS and SSS (including permanent total disability and survivorship pensioners of the SSS) prior to March 4, 1995, and
 - b. PhilHealth members who have reached the age of retirement and have paid at least 120 monthly contributions to PhilHealth to become active non-paying members of PhilHealth and avail of its benefits.

b) *Health Care Providers Unit.* The City Health Office and the Naga City Hospital shall serve as the Health Care Providers Unit (HCPU) of the Program and the City Health Officer shall serve as the head of HCPU. For this purpose, the City Health Officer shall designate such number of personnel as may be necessary to assist him/her in the performance of the following functions:

- 1. Recommend to the Board the guidelines, rules and regulations that will govern the accreditation, and the cost and standard of services of health care providers;
- 2. Evaluate the completeness of the application for accreditation of health care providers and recommend their approval to the Board;
- 3. Monitor compliance by health care providers with the guidelines, rules and regulations of this Program and recommend to the Board such actions as may be necessary;
- 4. Establish a mechanism to capture feedback from health care providers;

5. Maintain a database of health care providers including benefits rendered per member, cost of such benefits using the system developed by the Electronic Data Processing Unit;
6. Perform studies and recommend to the Board such measures as may be necessary to enhance Program service delivery.

SECTION 19. DATABASE MAINTENANCE. – The Electronic Data Processing Unit shall design a database system for use by the Naga City Hospital, City Health Office, City Social Welfare and Development Office and the City Accountant's Office which shall enable these offices to record, retrieve, process and generate real time reports in support of their respected roles in the implementation of this Program.

SECTION 20. BENEFITS TRUST FUND. – a) A Benefit Trust Fund is hereby established and the amount of one million pesos is herein appropriated for the purpose chargeable against the Non-Office budget, provided, that for the initial year of operations of the Program, charges shall be made against the Local Development Fund as appropriated. An amount of at least five hundred thousand pesos shall be automatically appropriated in the annual appropriations ordinance of the City Government until such time that the Fund attains the level of at least three million pesos.

- b) The trust fund shall be replenished and restored to its original level whenever the balance falls below two million pesos. The city accountant shall prepare the corresponding request for additional appropriation for endorsement to the Sangguniang Panlungsod by the City Mayor.
- c) Administrative and operating expenses related to the implementation of the Program shall not be charged against the Benefits Trust Fund but against the respective budget of the offices concerned. A separate record of all Program related expenditures—from personal services, maintenance and other operating expenses to capital outlay—shall be maintained by each office to allow for future assessment of the efficiency and effectiveness of the Program. A report of such expenditures shall be submitted to the City Mayor within the first ten days of each month.

SECTION 21. EXTRAORDINARY WELFARE BENEFIT FUND. There is hereby created an Extraordinary Welfare Benefit Fund which shall be an account under the Benefits Trust Fund created under the immediately preceding Section and which shall be used to cover the Additional Benefits referred to under Section 9 of this Ordinance. This Benefit shall be funded by at least thirty percent (30%) of all external sources, such as donations/contributions from charitable individuals and institutions, proceeds from fund raising activities, or such other sources other than the Annual Budget of the City Government.

SECTION 22. GRIEVANCE MECHANISM. – A grievance mechanism shall be established by the Board with the assistance of the City Legal Office. The mechanism shall allow members, dependents, or health care providers who feel aggrieved by any decision of the implementers of the Program to seek redress to the Board.

SECTION 23. MIGRATION TO PHILHEALTH. – Members of this Program shall be migrated to PhilHealth once membership and utilization rates have reached a level which makes the cost of PhilHealth premiums, net of capitation, lower than the expected cost of Programs benefits, as may be recommended by the Board.

SECTION 24. RATIONALIZATION OF MEDICAL BENEFITS. – All medical assistance granted by the City Government to Members of the Program shall be extended only under the Program. Medical benefits already granted by existing ordinances to barangay tanods, barangay health workers, barangay nutrition scholars, barangay service point officers, and such other individuals or employees working for, or with, the city government, are herein maintained;

provided, however, that the benefits granted under these other medical assistance programs shall become unavailable to those who have elected to become members of the Program.

SECTION 25. IMPLEMENTING RULES AND REGULATIONS. – a) Within one month from approval of this Ordinance, the implementing rules and regulations and the requisite forms for the implementation of this Ordinance shall be drafted by the City Health Officer on matters pertaining to health care providers and avilment of city health office services, the City Social Welfare and Development Officer on matters pertaining to membership, the Chief of the Naga City Hospital on matters pertaining to avilment of the services of the city hospital, the City Accountant on matters pertaining to the settlement of claims by accredited health care providers, and the City Legal Office on matters pertaining to the grievance mechanism.

- b) The City Administrator shall ensure that the various rules and regulations are integrated into a cohesive whole and shall convene the concerned department heads from time to time to ensure that this is attained. Upon consolidation, the same shall be submitted to the Board for approval, and once approved, shall be valid for implementation.
- c) The Board may, in the future, task any office of the city government to draft additional rules and regulations or new forms, to supplement, or to amend, those formulated under the preceding subsections.

SECTION 26. PERFORMANCE MANAGEMENT. – Each office concerned with the implementation of this Program shall prepare performance indicators and annual performance targets for services it renders, conduct a quarterly performance evaluation based on these indicators, and improve those areas which are deemed below target. In the future, the city mayor's office shall benchmark the Program against similar programs being undertaken by other cities or with PhilHealth for purposes of continually improving Program services.

SECTION 27. AMENDATORY AND REPEALING CLAUSE. – Any ordinance or executive issuance, or any part thereof, inconsistent with this Ordinance are hereby repealed or amended accordingly.

SECTION 28. EFFECTIVITY. – This Ordinance shall take effect immediately upon its approval.

ENACTED: April 18, 2005.

WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

(Sgd.) GIL A. DE LA TORRE
Board Secretary III
& Secretary-Designate

(Sgd.) GABRIEL H. BORDADO, JR.
City Vice Mayor & Presiding Officer

APPROVED:

(Sgd.) JESSE M. ROBREDO
City Mayor