

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
Nineteenth Congress
First Regular Session
HOUSE BILL NO. 6294



Introduced by Rep. Anthony R. T. Golez Jr. MD, MBAH

EXPLANATORY NOTE

Countries that have robust medical tourism industries reap significant social and economic advantages such as increased government revenue, improved healthcare quality, additional employment opportunities, and increased local and foreign investments. In fact, Asian countries like Thailand, India, Singapore and Malaysia, have long reaped the benefits of medical tourism, thereby making major contributions to their economies.

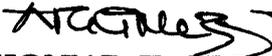
On the other hand, the Philippines possesses innate potential to establish a medical tourism industry through its above average English proficiency, low cost of living for foreign retirees, outstanding work ethic, and incomparable hospitality. Despite these, Congress has yet to pass legislation to jumpstart medical tourism in the country. If passed, this bill will be the much-needed impetus for the establishment of a significant economic driver in the Philippines.

The proposed bill will create medical tourism zones which will entice local and foreign investors to establish healthcare facilities, as well as recreational venues, for medical tourists. Further, Philippine foreign retirement programs will receive a significant boost since expatriates would also require established healthcare facilities. This will increase foreign currency reserves and create thousands of employment opportunities for Filipinos.

In addition, the bill will also facilitate vital knowledge sharing between foreign and medical specialists and experts for the continued development of healthcare quality in the Philippines.

The Department of Health shall likewise be the primary government agency tasked to implement the bill since the provision of healthcare services to the public shall be the cornerstone of the medical tourism industry.

It is about time for the Philippines to capitalize on this potential key industry for our country's development.


HON. ANTHONY R. T. GOLEZ JR. MD, MBAH
Malasakit at Bayanihan Party List

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
Nineteenth Congress
First Regular Session
HOUSE BILL NO. 6294

Introduced by Rep. Anthony R.T. Golez Jr. MD, MBAH

AN ACT
ESTABLISHING MEDICAL TOURISM ZONES THROUGHOUT THE
COUNTRY AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* - This Act shall be known as the "*Medical Tourism Zones Act.*"

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to promote the advancement of medical tourism in the country which will spur socio-economic development through foreign investments to the extent allowed by the Constitution and relevant laws in such activity.

Towards this end, the State adopts a flexible and dynamic policy of granting long-term lease on private lands to local and foreign investors for the establishment of health and hospital wellness centers, spas, land development for commercial use, tourism and other similar productive endeavors, granting incentives and privileges to such investors, as well as to local and foreign medical experts and specialists.

SEC. 3. *Objectives.* - This Act shall have the following objectives:

(a) Promote the country as a safe, competitive and technologically advanced destination for medical services and leisure;

(b) Encourage the participation of local and foreign medical experts and specialists, healthcare and medical education institutions, hospital wellness centers, resorts and spas to bolster programs for medical tourism;

(c) Maintain international standards of excellence in all medical tourism-oriented facilities accommodations and services;

(d) Ensure the success of medical tourism programs through partnerships, joint ventures and other cooperative undertakings involving local and foreign investors; and

(e) Improve specialized medical education of local medical specialists or experts by way of diverse learning opportunities through medical education programs with foreign medical specialists or experts.

SEC. 4. *Definitions.* -As used in this Act:

(a) *Foreign investment* refers to the making of an equity investment in the Philippines through actual remittance of foreign exchange or transfer of assets, whether in the form of capital goods, patents, formulas, or other technological rights or processes;

(b) *Foreign retirees* refer to non-immigrant foreign nationals who are allowed to reside in the country in accordance with retirement laws of the Philippines;

(c) *Medical specialists or experts* refer to physicians, nurses, medical technologists or other healthcare practitioners, individually or as a team, who are skilled or highly trained in any field of medicine on account of their education, position or experience;

(d) *Medical tourism* refers to a health holiday coupled with the provision of cost-effective medical services, in collaboration with the tourism and health industries, for foreign and local patients alike, who need medical or other forms of specialized treatment;

(e) *Medical tourism programs* refer to those created by the Department of Health which involve foreign medical specialists or experts serving as instructors to local medical specialists or experts to facilitate the exchange of highly specialized medical knowledge; and

(f) *Medical tourism zones* refer to such areas identified by the Department of Health, upon proclamation by the President of the Philippines, which shall be the site of hospital wellness centers, health establishments, and other recreational establishments.

SEC. 5. *Establishment of Medical Tourism Zones.* - The Department of Health shall, in coordination with the Department of Tourism and other concerned government agencies, identify and determine geographic areas in the country which shall be developed as medical tourism zones, and thereafter submit the same for proclamation by the President of the Philippines, including areas in the country already designated as special economic zones under Republic Act No. 7916, as amended, otherwise known as the "*Special Economic Zone Act of 1995*," Republic Act No. 9593, as amended, otherwise known as the "*Tourism Act of 2009*" and other related rules and regulations.

SEC. 6. *Coverage.* - The following may avail of the benefits under this Act:

(a) Any foreign national, except those classified as excluded classes under Section 29 of Commonwealth Act No. 63, otherwise known as "*The Philippine Immigration Act of 1940*," seeking medical services, leisure and relaxation;

(b) Qualified foreign retirees who wish to spend their retirement years in the Philippines;

(c) Former Filipinos who are holders of foreign passports with no derogatory record;

(d) Any Filipino citizen needing medical services, leisure and relaxation;

(e) Foreign medical specialists or experts who may wish to practice in the Philippines in a limited capacity; and

(f) Local and foreign investors who shall invest in these medical zones.

SEC. 7. *Incentives and Privileges.* - Local or foreign investors, participating investors or medical specialists or experts, shall enjoy the following fiscal incentives and privileges:

(a) Local and foreign investors shall enjoy all applicable fiscal incentives under Republic Act No. 11534, otherwise known as the "*Corporate Recovery and Tax Incentives for Enterprises Act*";

(b) Foreign medical specialists or experts shall enjoy the following incentives and privileges:

(1) Limited practice of profession in the Philippines upon issuance of a Special Temporary Permit from the Professional Regulation Commission or an Alien Employment Permit from the Department of Labor and Employment, as the case may be, and subject to the following conditions:

(i) Their respective countries shall likewise allow Filipino medical specialists and experts to practice their profession in their territory with the same benefits and privileges granted to their nationals under this Act; and

(ii) They shall participate in specialized medical education programs as mentors, advisers, or instructors to Filipino medical specialists or experts.

The Department of Health shall, in coordination with the Professional Regulation Commission and the Department of Labor and Employment, issue the necessary rules and regulations for non-Filipino medical practitioners, for the effective implementation of this sub-section.

(2) Exemption from the exit clearance and re-entry requirements of the Bureau of Immigration;

(3) Exemption from customs duties and taxes for the importation of personal effects, appliances and household furniture worth Twenty Thousand (\$20,000.00) US Dollars;

(4) Exemption from payment of travel taxes; and

(5) Exemption from payment of income taxes for income earned from activities inside the medical tourism zones for a period of three (3) years reckoned from the start of employment or practice;

(c) Filipino investors, medical specialists and experts, and other medical practitioners, who shall invest and work in these medical zones, shall enjoy the same benefits and privileges granted to their foreign counterparts.

SEC. 8. *Other Benefits.* - The clients and patients, both foreign and local, of the medical zones shall enjoy the following benefits and privileges:

(1) Use of one-stop service centers with full range of personalized services to patients and their accompanying family members;

(2) Exemptions from customs duties and tax for the importation of personal effects, appliances and household furniture not exceeding Fourteen Thousand (\$14,000.00) US Dollars; and

(3) Exemption from exit clearance and re-entry permits.

SEC. 9. *Foreign Retirees.* - For foreign retirees who need medical attention and at the same time wish to spend their retirement years in the Philippines, they shall enjoy the same benefits granted to clients and patients of medical tourism zones including privileges provided for under the Philippine Retirement Authority (PRA) such as:

(a) Permanent non-immigrant status with multiple-entry privileges through the Special Resident Retiree's Visa (SRRV) to be issued by the PRA;

(b) Exemption from payment of travel tax as provided under the SRRV;

(c) Conversion of the required time deposit to active investments, such as the purchase of condominium units and proprietary, golf membership shares;

(d) Tax free remittance of pensions and annuities; and

(e) Such other benefits provided by the PRA to holders of SRRV.

SEC. 10. *Limitation.* - In the case of foreign investors qualified herein, the lease of private lands shall be limited to tourism and establishment of health center projects with an investment of not less than

Five Million (\$5,000,000.00) US Dollars, sixty percent (60%) of which shall be infused within three years from the signing of a lease agreement.

SEC. 11. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the Secretary of Health shall, in coordination with the Department of Tourism and other government agencies concerned, issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 12. *Appropriation.* - The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the Departments of Health and Tourism. Thereafter, such sum as maybe necessary for its continued implementation shall be included in the annual General Appropriations Act.

SEC. 13. *Separability Clause.* - In case any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 14. *Repealing Clause.* - All laws, presidential decrees, executive orders, or rules and regulations which are inconsistent with any provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 15. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,