



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

May 28, 2012

ADMINISTRATIVE ORDER
No. 2012- 0007

SUBJECT: GUIDELINES ON THE GRANT OF TWENTY PERCENT (20%) DISCOUNT TO SENIOR CITIZENS ON HEALTH RELATED GOODS AND SERVICES AND FOR OTHER PURPOSES.

I. RATIONALE:

The proportion of older persons is expected to rise worldwide. In the 1998 World Health Report, there were 390 million older people and this figure is expected to increase further (WHO). This growth will certainly pose a challenge to country governments, particularly to the developing countries, in caring for their aging population. In the Philippines, the population of 60 years or older was 3.7 million in 1995 or 5.4% of total population. In the CY 2000 census, this has increased to about 4.8 million or almost 6% (NSCB). At present there are 7M senior citizens (6.9% of the total population), 1.3M of which are indigents.

With the rise of the aging population is the increase in the demand for health services by the elderly. A study done by Racelis et al (2003) on the share of health expenditure of Filipino elderly on the National Health Account, the elderly are "relatively heavy consumers of personal health care (22%) and relatively light consumers of public health care (5%)." From out-of-pocket costs, the aged are heavy users of care provided by medical centers, hospitals, non-hospital health facilities and traditional care facilities.

Cognizant of the growing concerns of the older population, laws and policies were developed which would provide them with enabling mechanisms for them to have quality life. RA 9257 or the Expanded Senior Citizens Act of 2003 (predecessor of RA 9994) provided for the expansion of coverage of benefits and privileges that the elderly may acquire, including medically necessary services. Parallel to this objective is the Department's desire to provide affordable and quality health services to the marginalized population, especially the elderly, without impeding currently pursued objectives alongside health systems reform.

II. OBJECTIVES:

This Order is being issued pursuant to Section 9 of R. A. 9994 otherwise known as "The Expanded Senior Citizens Act of 2010" to achieve the following objectives:

1. To provide fair, just and quality health care for the senior population, at the same time pursuing financial viability of hospitals amidst economic and financial constraints.
2. To establish guidelines and mechanisms in implementing the 20% Senior Citizens' discount on health related sale of goods and services and for other purposes..

III. SCOPE AND APPLICATION

This order shall apply to the whole hierarchy of the DOH and its attached agencies, as well as Local Government Units (LGUs) and other public and private providers of health care. It applies to all hospitals and health-related facilities from the government and private sectors, the health care professionals and other related health care facilities and services. This also applies to drug stores, hospital pharmacies and similar establishment dispensing medicines and medical devices.

IV. DEFINITION OF TERMS

Consistent with the pertinent definitions used in the Implementing Rules and Regulations of RA 9994, the following terms shall be defined as follows:

1. **Senior Citizen or Elderly-** shall refer to any Filipino citizen who is a resident of the Philippines, and who is sixty (60) years old or above. It may apply to senior citizens with "dual citizenship" status provided they prove their Filipino citizenship and they have been residents for at least six (6) months in the Philippines.

It shall also include senior citizens who are recipients of the DSWD National Household Targeting System for Poverty Reduction Program and/or those classified under Administrative Order No. 51-A s. 2001, Implementing Guidelines on Classification of Patients and on Availment of Medical Social Services in Government Hospitals.

2. **Medicines-** shall refer to both prescription and non-prescription medicines and articles approved by the Food and Drug Administration (FDA), intended for use in the diagnosis, cure, mitigation, treatment and prevention of disease and injury but do not include food and devices or their components, parts or accessories.
3. **Medical Devices-** shall refer to instruments, apparatus, machines, implants or in vitro reagents intended for use in, or actually used in the diagnosis, treatment, monitoring or prevention of disease or injury and does not achieve any of the intended purposes by means of chemical action within or on humans and not dependent on being metabolized to achieve as a result.

4. **Medical Services** - in the context of this Administrative Order, this shall refer to hospital room and services, medical supplies, professional services of physicians and other health care professionals, and diagnostic and laboratory tests that are necessary for the diagnosis and/or treatment of an illness or injury.
5. **Dental Services** - shall refer to the services related to oral examination, cleaning, •permanent and temporary filling, extractions and gum treatments, restoration, replacement or repositioning of teeth, or alteration of the alveolar or periodontium process of the maxilla and the mandible that are necessary for the diagnosis and/or treatment of a dental illness or injury.
6. **Diagnostic And Laboratory Tests** - shall refer to X-ray, CT-scans, blood chemistry exams, histopathology and immune pathology, hematology, urine analysis, parasitology and bacteriology tests, serology, blood banking and all other diagnostic radiology, clinical laboratory and other diagnostic examinations that are necessary for the diagnosis and/or treatment of an illness or injury. For specialized diagnostics, this should be appropriate to the disease/injury.
7. **Health Care Professional** - shall refer to any doctor of medicine, nurse, midwife, dentist or other health care professional or practitioners i.e. nutritionists, psychologists, counselors, patient educators duly licensed to practice in the Philippines.
8. **Establishments Dispensing Medicines** - shall refer to drug stores, hospital pharmacies (government or private), medical and optical clinics and similar establishments dispensing medicines, duly licensed and/or franchised by the FDA and the local government units.
9. **Government Health Facilities** - shall refer to hospitals, outpatient clinics including health centers and rural health units, clinical laboratories, diagnostic radiology centers, and other outpatient health facilities operated and maintained partially or wholly by the national, provincial, city or municipal government, or other political unit; or by any department; division, board or agency thereof. The facilities include Department of Health (DOH)-retained hospitals; specialty hospitals which are government-owned and controlled corporations (GOCCs); medical clinics in GOCC; and hospitals/health facilities owned and managed by local government units, state colleges and universities, the Department of National Defense, the Department of Interior and Local Government, and other government agencies.

The government hospitals consist of the service or charity or subsidized in-patient and outpatient section/department and the non-subsidized pay section.

10. **Private Hospitals And Medical Facilities** - shall refer to all pay inpatient and outpatient health and medical facilities privately owned, established and operated with funds through donation, principal, investment, or other means, by any individual, corporation, association, or organization. The facilities include hospitals, clinical laboratories, diagnostic radiology centers, doctor's clinics, dental clinics and other health facilities that are licensed by the Bureau of Health Facilities and Services (BHFS) of the DOH and/or local government units.

11. **Identification Document** - shall refer to any document or proof of being a senior citizen which shall be used for the availment of benefits and privileges under the law, such as the following:

- a) ID issued by the city or municipal mayor or Office of Senior Citizens Affairs (OSCA) or of the barangay captain of the place where the senior citizen or the elderly resides;
- b) The passport of the elderly person or senior citizen concerned; and
- c) Other documents or government issued certificates such as birth certificate, voter's ID that establish the senior citizen or elderly person is a citizen of the Republic and who is at least sixty (60) years of age

V. GENERAL GUIDELINES

Subject to the provisions of RA 9994, its implementing rules and regulations, this Order and the availability of the medicines and services, the health-related privileges for senior citizens and their sources of funding of the privileges shall be as follows:

1. Subsidized Services in In-patient and Out-patient Sections of Government Health Facilities:

Fully subsidized (free) medical and dental services, and diagnostic and laboratory fees for all senior citizens confined in service wards of government facilities shall be provided in accordance with available Clinical Practice Guidelines or Hospital Treatment Protocols, and therefore, medically necessary/indicated (that is, the patient was assessed by a doctor and the request for a laboratory/diagnostic exam/s was made and signed by the said doctor).

2. Non-subsidized Services in Pay Sections of Government Health Facilities

Medical and dental services, diagnostic and laboratory fees and professional fees of attending physicians and other health professionals for all senior citizens confined in pay sections (both in- and out- patient sections) of government health facilities shall be granted twenty percent (20%) discount and VAT exemption, provided these are in accordance with available Clinical Practice Guidelines or Hospital Treatment Protocols, and therefore, medically necessary.

3. Twenty Percent (20%) discount in Private Health Facilities

All senior citizens shall be granted the privilege of twenty percent (20%) discount and VAT exemption on medical and dental services, and diagnostic and laboratory fees such as but not limited to x-rays, computerized tomography scans and blood tests, including professional fees of attending doctors in all private hospitals and medical facilities.

The services shall include the use of specialized treatment rooms and equipment such as for hemodialysis and radiotherapy.

4. Exclusion to the SC Discount (no discount) in Government Health Facilities and Private Health Facilities

- 4.1 Inscribe his name, address, contact number and PRC number in the request for diagnostics and laboratory tests, and medicine prescription;
- 4.2 To curb abuse of availing discounts for use of non-senior citizens, the health professional shall make sure that prescriptions made are for the exclusive use of the senior citizen;
- 4.3 Inform the senior citizen of his regular fees for the services required;
- 4.4 Provide an official receipt for the rendered professional services to the senior citizen that states the regular fees and the discounted fees.

5. Free Influenza and Pneumococcal Vaccination

- 5.1 The DOH shall administer free vaccinations against the influenza virus and pneumococcal disease for indigent senior citizen patients. Neglected, abandoned, unattached or homeless senior citizens in government-run residential homes, centers and facilities shall likewise be entitled to free vaccinations.
- 5.2 The DOH shall anchor its indigent list of senior citizens on the DSWD target of social pensioners based on their National Household Targeting System for Poverty Reduction (NHTPRS) still under the RA 9994.
- 5.3 The social pension ID issued by the DSWD shall also be used by the DOH for immunization purposes. Likewise, an immunization card/record shall be provided by the DOH for all eligible senior citizens.
- 5.4 For residential homes and other facilities catering to indigent senior citizens, vaccines shall be made available through the DOH-CHDs to comply with cold-chain requirements under the Expanded Program on Immunization.
- 5.5 The DOH shall provide the necessary training and orientation of vaccination teams for this purpose.
- 5.6 The national government shall provide free seasonal flu and pneumococcal vaccines to the indigent Senior Citizens through an additional appropriation under the GAA on top of the DOH regular budget or through a preventive benefit package of the PhilHealth.

6. Documentary Requirements

- 6.1 All hospitals and drug retail outlets shall require Senior Citizens or their representative to present the following requirements for the availment of the 20% discount:
 - a) Identification card (ID) issued by the city or municipal mayor or Office for Senior Citizens Affairs (OSCA) or the barangay captain of the place where the Senior Citizen resides. The said ID shall be recognized nationwide.
 - b) Except for over-the-counter (OTC) drugs, a doctor's prescription shall be presented. A prescription shall have the following information: name, age, sex, and address of the Senior Citizen, as well as the date, generic name of the

Services that are not medically necessary for treatment and diagnosis shall not be provided with any discount. This shall include but not limited to cosmetic surgeries procedures, executive check-up packages and physical examinations, without clinical evidence of effectiveness and efficiency. Senior citizens who avail of health services in government health facilities shall be classified in accordance with AO 51-A s. 2000. Senior citizens who are classified Class A and B shall be given 20% discount and VAT exemption for special reagents, dyes, contrast media, and radioactive isotopes used in laboratory and diagnostic tests. Senior citizens who are classified Class C and D shall be given full discount and VAT exemption.

5. Geriatric/Senior Citizens' Wards

Throughout the country a senior citizens' ward shall be established in every government hospital. This geriatric ward shall be for the exclusive use of senior citizens who are in need of hospital confinement by reason of their health conditions. However, when urgency of public necessity or emergency purposes so require, such geriatric ward may be used for emergency purposes, after which, such senior citizens' ward shall be reverted to its nature as geriatric ward.

Initially, when the facility still does not have the necessary space for a geriatric/senior citizens' ward, beds may be prioritized for the use of SCs who will be admitted.

6. Medical Devices

6.1 All medical devices (implants, supplies, kits, equipment including the use of radiation devices, dental, and laboratory, hospital implement or apparatus) used/consumed during check-up or confinement of a senior citizen regardless of the number of days of stay in the hospital or any health facilities shall be covered by the twenty percent (20%) discount and VAT exemption.

6.2 All medical devices to be used during the recovery at home, or for monitoring of a particular ailment or disease, or to aid the maintenance of a treatment shall also be covered by the 20% discount and VAT exemption provided that the prescription for the use of a particular medical device shall be provided by the physician (e.g. cane, crutches, adult diaper, wheelchair, commode chair, bed pan, body support, fracture sock, medical support stockings, oxygen therapy unit (gauge and tank set), IV fluid and stand, forcep, swabs, hospital bed, walker, urine bag, bandage, hearing aid, eyeglasses, intraocular pen injector, hot/ cold pack, therapeutic massager, therapeutic mattress/ pad, all prosthesis, catheter, therapeutic warmer, glucometer set including lancets and test strips, insulin syringe and needle, thermometer, blood pressure apparatus, syringe and needles, IV set, dialyzer, adhesive strip, mask, gauze, gloves, dressing, cotton, brace, and other devices subject to clearance from the Center for Device Regulation, Radiation Health and Research (CDRRHR).

6.2 The twenty percent (20%) discount and VAT exemption shall apply to the purchase of eyeglasses, hearing aids, dentures, prosthetics, artificial bone replacements like steel and which includes implants, plates, rods, and screws. The same discount and exemption shall also apply to walkers, crutches, wheelchairs whether manual or electric-powered, canes, geriatric diapers, and other essential medical supplies, accessories and equipment for senior citizens.

6.3 The twenty percent (20%) discount and VAT exemption shall apply only once on the purchase for personal use of senior citizen of non-disposable medical devices (e.g. glucometer, blood pressure apparatus, weighing scale).

6.5 Purchase of any medical devices granted the twenty percent (20%) discount and VAT . exemption shall be recorded in the Purchase Booklet for control and monitoring.

7. Professional Fees

Professional fees of licensed health professionals including massage therapists, psychologists, speech therapists, nurse, midwife, dentist or other health care professional or practitioner i.e. nutritionists, psychologists, counselors, patient educators duly licensed to practice in the Philippines in all private hospitals, medical facilities and outpatient clinics and home health care facilities shall be subject to the twenty percent (20%) discount and VAT exemption.

All senior citizens shall be granted the twenty percent (20%) discount and exemption from the VAT on the professional fees of licensed professional health workers providing home health care services as endorsed by private hospitals or employed through home health care employment agencies.

8. Mandatory PhilHealth Coverage

All indigent senior citizens shall be covered by the national health insurance program of PhilHealth. The local government units where the indigent senior citizens reside shall allocate the necessary funds to ensure the enrollment and lifetime coverage of their indigent senior citizens, in accordance with the pertinent laws and regulations.

PhilHealth shall also explore the inclusion of benefit packages specific to the senior citizens.

9. Influenza and Pneumococcal Vaccinations

The DOH shall administer free vaccinations against the influenza virus and pneumococcal disease for indigent senior citizen patients. Neglected, abandoned, unattached or homeless senior citizens in government-run residential homes, centers and facilities shall likewise be entitled to free vaccinations.

10. Funding Sources

10.1 For Government: The amount necessary to carry out the provisions of RA 9994 in government health facilities upon its effectivity shall be charged out of the funds of the concerned DOH or LGU health facility. Thereafter, any such sum as needed for the regular implementation of this Act shall be included in the subsequent General Appropriations Act under the DOH line item. Each hospital and CHDs shall also allocate at least 1% of their MOOE for this purpose.

Local Governments Units shall be encouraged to allocate funds for the provision of additional benefits of the senior citizens in their locality.