



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

Building 1, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila 1003
Tel. Nos. 743-8301 locals 1125, 1132, Fax (632) 743-1829, 743-1786; Direct 711-9502, 711-9503
osec@doh.gov.ph



November 12, 2004

ADMINISTRATIVE ORDER
NO. 177, S. 2004

Subject:

Amendment to Administrative Order No. 171, s. 2004 on the Policies and Guidelines to Implement the Relevant Provisions of Republic Act 9257, otherwise known as the "Expanded Senior Citizens Act of 2003"

I. RATIONALE:

The proportion of older population 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 Y2000 census, this has increased to about 4.8 million or almost 6% (NSCB).

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 hospitals, non-hospital health facilities and traditional care facilities.

Cognizant of the growing concerns of the older population, laws and policies were developed that would provide them with enabling mechanisms for them to have quality life. RA 9257 or the Expanded Senior Citizens' Act of 2003 provides 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 service to the marginalized population, especially the elderly, without impeding currently pursued objectives alongside health systems reform.

This guideline is being issued in support to the Implementing Rules and Regulations of RA 9257. Policies and guidelines are discussed to guide the hospitals in implementing the provisions of RA 9257 so as to provide fair, just and quality health care to the senior population, at the same time pursuing financial viability of hospitals amidst economic and financial management constraints.

II. COVERAGE AND SCOPE

This Administrative Order applies to all hospitals and health-related facilities from government and private sector, the health care professionals and the Philippine Health Insurance Corporation, and other related healthcare facilities and services. This also applies to drug stores, hospital pharmacies and similar establishments dispensing medicines.

III. DEFINITION OF TERMS

Consistent with the pertinent definitions used in the Implementing Rules and Regulations of RA 9257, the following terms shall be defined as follows:

1. **MEDICINES**- shall refer to both prescription and non-prescription medicines and articles approved by the Bureau of Food and Drugs (BFAD), 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.
2. **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.
3. **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.
4. **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
5. **DIAGNOSTIC AND LABORATORY TESTS**- shall refer to X-ray, CT-scans, blood chemistry exams, histopathology and immunopathology, 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.
6. **HEALTH CARE PROFESSIONAL**- shall refer to any doctor of medicine, dentist, nurse, midwife, or other health care professional or practitioner duly licensed to practice in the Philippines.

7. **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 BFAD and the local government units.
8. **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 out-patient section/department and the non-subsidized pay section.
9. **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 the local government units.
10. **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 that establish the senior citizen or elderly person is a citizen of the Republic and who is at least sixty (60) years of age

IV. POLICY STATEMENT

Subject to these guidelines and the availability of the medicines and services, the health-related privileges for senior citizens and their sources of funding of the privileges are as follows:

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

Free medical and dental services, and diagnostic and laboratory fees for all senior citizens confined in service wards of government facilities provided these are in accordance with available Clinical Practice Guidelines or Hospital Treatment Protocols, and therefore, medically necessary.

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

Medical and dental services, and diagnostic and laboratory fees for all senior citizens confined in pay sections (both in and out patient sections) of government health facilities are granted twenty percent (20%) discount, 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 are granted the privilege of twenty percent (20%) discount 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. No discount in Government Health Facilities and Private Health Facilities

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. Likewise, no discount is granted to special reagents, dyes, contrast media, and radioactive isotopes used in laboratory and diagnostic tests.

5. Twenty percent (20%) discount in the Purchase of Medicines

The grant of twenty percent (20%) discount shall be provided in the purchase of medicines from all establishments dispensing medicines for the exclusive use of the senior citizens.

6. Membership in PhilHealth

Consistent with the National Health Insurance Act of 1995 and the Health Sector Reform Agenda, all Filipinos shall be encouraged to be PhilHealth members or at least be a dependent of active PhilHealth members. Senior citizens who are not yet Non-paying PhilHealth members may become PhilHealth members if they are sponsored or enrolled by their Local Government Unit (LGU) or they enroll themselves as individually paying members.

7. Funding Sources

For Government: The amount necessary to carry out the provisions of this Act in government health facilities upon its effectivity shall be charged out of the funds of the Office of the President. Thereafter, any such sum as needed for the regular implementation of this Act shall be included in the subsequent General Appropriations Act.

For CY 2004 and CY 2005, government hospitals shall submit quarterly the number of senior citizens served and the unit costing per senior citizen to their respective National Government Agency or LGU for reimbursement at the Office of the President.

Starting CY 2006, the National Government Agencies or LGUs shall include in their budget proposals the funding necessary to implement programs and services required by this Administrative Order.

For Government Owned and Controlled Corporation, total amount of discounts granted to senior citizens shall be charged to the Quantified Free Service.

For Private: For the twenty percent (20%) discount in private establishments, the cost of the discount shall be partially funded through the deduction of the discount from gross income for the same taxable year that the discount is granted, provided that the total amount of the claimed tax deduction net of value added tax if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code, as amended. The rest of the cost of the discount not funded through the above-described manner shall be borne by the provider of the privileges.

V. IMPLEMENTING RULES AND MECHANISMS on the AVAILMENT of PRIVILEGES

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

A) Hospital Bed

A hospital bed in a service ward is deemed medically necessary to diagnose and treat an illness or injury in accordance with the available Clinical Practice Guidelines (CPGs) or hospital treatment protocols is granted free to the senior citizen. This will be charged to the hospital budget.

B) Laboratories and Diagnostic Services for Inpatient Senior Citizens

Laboratories and diagnostics services provided to an inpatient senior citizen in a service ward that are medically necessary as determined by his/her attending physician, shall be "free" subject to the following:

- (1) Diagnosis and/or treatment by the attending physician shall be in accordance with the available Clinical Practice Guidelines (CPGs) or Hospital Treatment Protocols.
- (2) Evidence-based health screening tests that had been extensively tested for the local setting and endorsed by the DOH as medically necessary for individual cases shall be provided free by the government facility.

All inpatient laboratories and diagnostics provided to senior citizens admitted to a bed in the service ward which are deemed not medical necessary for the illness or injury for which he/she is confined shall only be granted a 20% discount.

No discount is granted to special reagents, dyes, contrast media, and radioactive isotopes used in laboratory and diagnostic tests.

C) Laboratories and Diagnostics Services for Outpatient Senior Citizens

Free laboratory and diagnostic services shall be granted to an outpatient senior citizen, provided the following are met:

- (1) Diagnosis and/or treatment by the attending physician shall be in accordance with the available Clinical Practice Guidelines (CPGs) or Hospital Treatment Protocols and have been determined medically necessary.
- (2) Evidence-based health screening tests that had been extensively tested for the local setting and endorsed by the DOH as medically necessary for individual cases and shall be provided free by the government facility.
- (3) The laboratory and diagnostic services have been determined by his/her attending physician as medically necessary.
- (4) The requesting physician is a government-employed physician in the government facility where the laboratory or diagnostic tests shall be conducted.

All outside requests for laboratory and diagnostic tests from physicians who are not employed by the government facility and are based in either a government or private health facility, shall only be granted a 20% discount upon final evaluation of the recipient government facility as medically necessary.

No discount is granted on special reagents, dyes, contrast media, and radioactive isotopes used in laboratory and diagnostic tests.

D) Dental Services

The attending dentist of the senior citizen shall make the determination as to the medical necessity of the dental service that will then be granted free.

E) PhilHealth-related Benefits

In case the senior citizen is a PhilHealth member or a dependent, government facilities must ensure that the charges for services not included in the subsidized services shall be deducted and charged to the senior citizen's Philhealth benefits coverage. It is only after these deductions are made that the Philhealth accredited health facilities can exercise its right to PhilHealth reimbursement or coverage for the subsidized services.

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

The following enumerates the medically necessary care levels for the diagnosis and/or treatment of an illness or injury that will be granted twenty percent (20%) discount and shall apply to pay sections of government health facilities:

A) Hospital Bed

A hospital bed in pay sections of government health facilities is deemed medically necessary to diagnose and treat an illness or injury in accordance with the available Clinical Practice Guidelines (CPGs) or Hospital Treatment Protocols. This will be charged to the senior citizen and granted 20% discount.

B) Laboratory and Diagnostic Examinations

All inpatient and outpatient laboratory and diagnostic examinations in pay sections shall be granted 20% discount; provided that such diagnosis and/or treatment by the attending physician shall be in accordance with the available Clinical Practice Guidelines (CPGs) or hospital treatment protocols.

The health facilities may designate medical officers for senior citizens (MOSC) to facilitate the determination of the medical necessity of requested laboratory or diagnostic examinations.

All inpatient laboratories and diagnostics that are provided to senior citizens admitted to a bed beyond the service ward level shall only be granted a 20% discount.

No discount is granted to special reagents, dyes, contrast media, and radioactive isotopes used in laboratory and diagnostic tests.

C) PhilHealth-related Benefits

In case the senior citizen is a PhilHealth member or dependent, the 20% discount shall not be charged to the senior citizen's Philhealth benefits coverage. Only the 80% of the fees or charges that the senior citizen is expected to shoulder may be charged to his/her PhilHealth benefits.

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

The following enumerates the medically necessary care levels for the diagnosis and/or treatment of an illness or injury that will be granted twenty percent (20%) discount, and shall apply to private hospitals:

A) Hospital Bed

A hospital bed in a private hospital is deemed medically necessary to diagnose and treat an illness or injury and is hereby granted a twenty percent (20%) discount; provided the requirements stated below are followed:

- (1) The smallest available room and board accommodation shall be deemed as medically necessary and shall be granted 20% discount.
- (2) If there is no available smallest room and board accommodation at the time of confinement, all other room and board accommodations shall only be granted with a discount equivalent in amount to the 20% discount in the smallest available room and board accommodation.
- (3) All existing privileges that are currently part of a hospital bed shall also accrue to the senior citizen.

B) Laboratory and Diagnostic Examinations

All inpatient and outpatient laboratory and diagnostic examinations shall be granted a twenty percent (20%) discount based on the smallest room and board accommodation provided that such diagnosis and/or treatment by the attending physician shall be in accordance with the available Clinical Practice Guidelines (CPGs) or hospital treatment protocols.

The health facilities may designate medical officers for senior citizens (MOSC) to facilitate the determination of the medical necessity of requested laboratory or diagnostic examinations.

C) Dental Services

All dental services that are deemed to be medically necessary by the attending dentist shall be granted a twenty percent (20%) discount.

D) PhilHealth-related Benefits

In case the senior citizen is a PhilHealth member or dependent, the 20% discount shall not be charged to the senior citizen's Philhealth benefits coverage. Only the 80% of the fees or charges that the senior citizen is expected to shoulder may be charged to his/her PhilHealth benefits.

E) Professional Fees

Professional fees for inpatient and outpatient medical and dental services shall be provided with a 20% discount and a corresponding official receipt shall be issued by the concerned physician or dentist.

4. Twenty Percent (20%) Discount in the Purchase of Medicines for the Exclusive Use of Senior Citizens

The following guidelines shall be strictly observed in the sale of medicines to senior citizens at 20% discount:

- A. All establishments, through their registered pharmacist, shall have full discretion and responsibility in dispensing medicines including the generic alternatives to**

the prescribed medicine in accordance with the provision of the Generics Act of 1988 and relevant laws.

B. Discounts granted by the Expanded Senior Citizens Act on purchases of medicines shall be given by establishments in their sale of said medicines.

1. The discount for the purchase of medicines shall be supported by the following:

1.1 Senior Citizen's identification document as stated in the Definition of Terms;

1.2 Doctor's prescription stating the name of the senior citizen, age, sex, address, date, generic name of the medicine, dosage form, dosage strength, quantity, name and signature, address, contact number of the prescribing physician or dentist, professional license number, professional tax receipt number and narcotic license number, if applicable. To safeguard the health of senior citizens and to prevent abuse of RA 9257, a doctor's prescription is required in the purchase of over-the-counter medicines.

Only prescriptions which contain the above information shall be honored.

1.3 Purchase booklet issued by the OSCA to senior citizens for free, containing the following information: OSCA ID number, control number, date of issue, name of senior citizen, sex, address, date of birth, picture, signature of the senior citizen and information on medicines purchased (name of medicine, quantity, attending physician, PTR and address, name of servicing drug store, and name of dispensing pharmacist). All purchases of medicines shall be recorded in the purchase booklet;

1.4 Authorization letter of the senior citizen who is residing in the Philippines at the time of purchase, currently dated and identification card of the representative, in case the medicine is bought by the representative of the senior citizen.

2. As a general rule, any single dispensing must be in accordance with the prescription issued by a physician and should not be more than one (1) month supply.

Drug stores are required to maintain a special record book for senior citizens registered and subject to inspection by the BFAD and BIR.

3. For partial filling, the establishment's pharmacist will indicate the quantity partially filled in the special record book and the unfilled balance on the prescription. The senior citizen shall retain the partially filled prescription and present the same later to complete the prescribed quantity.

4. Drug outlets offering special discounted prices less than 20% of the regular retail prices of drugs can deduct the percentage discount of the Promotional Campaign from the total 20% discount as required by R.A. 9257. Thus, a total discount of 20% for Senior Citizens will still be observed.

These discount privileges shall be non-transferable and exclusive for the benefits of the senior citizen.

All establishments as defined above are enjoined to comply with the above-cited guidelines and all Chairpersons of OSCA are instructed to report non-compliance of the above guidelines.

5. RESPONSIBILITIES OF STAKEHOLDERS

A. For purposes of verification, all hospitals, both government and private facilities shall require senior citizens to present any of the following requirements:

1. An Identification Card issued by the City or Municipal Mayor/ Office of Senior Citizens Affairs or of the barangay captain of the place where the senior citizen or the elderly resides;
2. The passport of the elderly person or senior citizen concerned;
3. Other documents that establish the senior citizen is a citizen of the Republic and who is at least sixty (60) years of age

B. Responsibilities of Government Facilities

1. All government facilities are required to post hospital room rates, laboratory and diagnostic tests fees, medicine prices, and all other fees and rates in conspicuous places near or at the main entrance to their respective facility. The above-described price lists shall be submitted annually to the National Center for Health Facility Development- DOH and PHIC.
2. All government facilities are also required to post this Administrative Order in conspicuous places where consumers/patients can have access to the information and policies set forth by this document.
3. Official receipts shall be issued for every paid-for medical and dental services, laboratory and diagnostic tests, and medicines provided. The receipts shall state the usual rates or fees and the discounted price; and,
4. No "Income Means Test" nor any other tests shall be applied to the senior citizens as a precondition for the availment of free services as herein described.

C. Responsibilities of Private Hospitals and Medical Facilities

1. Private hospitals and medical facilities shall post the price list of all room rates in the Admitting Section of all private hospitals and medical facilities. The prices of diagnostics and laboratory tests based on room and board accommodation,

medical supplies and medicines shall be made available upon request of the senior citizen. The list shall ensure validation of the discount granted to senior citizens.

2. Official receipts shall be issued for every paid-for medical and dental services and medicines provided. The twenty percent discount shall be granted upon full payment of the bill. The billing statement showing the usual rates or fees and the discounted price shall be attached to the official receipt;

3. Set up a grievance mechanism for senior citizens to entertain questions with regards to discounts on professional fees;

4. Inform in writing copy furnished the aggrieved party the necessary sanction for health professionals who refuse to grant the proper discount; and,

D. Responsibilities of Health Care Professionals

Health Care Professionals shall have the following responsibilities, to wit:

1. Inscribe his name and PRC number in the request for diagnostics and laboratory tests, and medicine prescription;

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.

3. Inform the senior citizen of his usual fees for the services required;

4. Provide an official receipt for the rendered professional services to the senior citizen that states the usual fees and the discounted fees

E. Responsibility of Drugstores

Drugstores are obliged to make available upon the senior citizen's request a generic menu card and shall provide an official receipt for drugs and medicines which states the usual prices and the discounted prices of the drugs and medicines

VI. APPLICATION OF PENALTIES AND OTHER SANCTIONS

1. Penalties for persons

a.) Any person who violates any provision of this Act shall suffer the following penalties:

- i.) For the first violation, a fine of not less than Fifty Thousand Pesos (P50,000) but not exceeding One hundred thousand pesos (P100,000) an imprisonment of not less than six (6) months but not more than two (2) years; and
- ii.) For any subsequent violation, a fine of not less than One hundred thousand (P100,000) but not exceeding Two hundred thousand Pesos (P200,000) and imprisonment for not less than two (2) years but not more than six (6) years.

b.) Any person who abuses the privileges granted herein shall be punished with a fine of not less than five thousand pesos (P5,000) but not more than Fifty Thousand pesos (P50,000) and imprisonment of not less than six (6) months.

c.) If the offender is an alien or a foreigner, he/she shall be deported immediately after service of sentence without further deportation proceedings.

2. Penalties for Corporations

- a.) If the offender is a corporation, organization or any similar entity, the officials thereof directly involved shall be liable therefore.
- b.) Upon filing of an appropriate complaint, and after due notice and hearing, the proper authorities may also cause the cancellation or revocation of the business permit, permit to operate, franchise and other similar privileges granted to any business entity that fails to abide by the provisions of this Act.

VII. SEPARABILITY CLAUSE

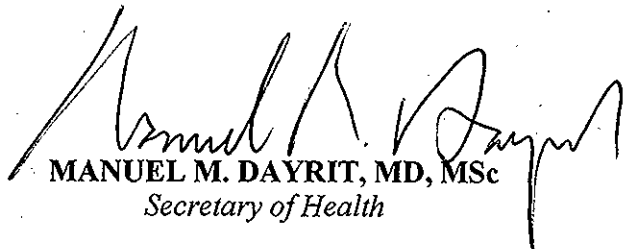
Should any of these clause or part of this order be declared unconstitutional, all other remaining portions not so declared shall remain valid and effective.

VIII. REPEALING CLAUSE

This order shall revoke Administrative Order 171 series 2004 and all other orders inconsistent with this order

IX. EFFECTIVITY

This Order shall take effect immediately after publication in two (2) national newspapers of general circulation.


MANUEL M. DAYRIT, MD, MSc
Secretary of Health