

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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SENATE
S. No. 1192

RECEIVED BY: 

Introduced by **Senator Richard "Dick" J. Gordon**

EXPLANATORY NOTE

AN ACT TO GIVE JURIDICAL PERSONALITY TO THE PRESENT VETERANS MEMORIAL MEDICAL CENTER (VMMC) AND FOR OTHER PURPOSES

Article XVI, Section 7 of the Constitution explicitly mandates that the State shall provide immediate and adequate care, benefits, and other forms of assistance to war veterans and veterans of military campaigns, their surviving spouses and orphans. This constitutional mandate recognizes the debt of gratitude that we owe our veterans who risked life and limb to defend our country -- its people, its land and shores. Attempts to repay this debt come in the form of benefits and assistance given to the veterans and their surviving spouses and offspring.

On July 8, 1948, pursuant to Public Law 865, the Veterans Memorial Medical Center (formerly known as Veterans Memorial Hospital) was established which provided \$9.4 million for the construction of a hospital facility with the land to be donated by the Philippine government.¹ On November 20, 1955, the VMMC was created to provide quality hospitalization, medical care and treatment to Filipino veterans who suffered from service-connected disabilities arising from their services with the United States Army Forces in the Far East (USAFFE), recognized guerilla units, Philippine Scouts, and Philippine Commonwealth Army, which was later extended to AFP retirees and their dependents.²

Through the years, the VMMC continues to play its very important role -- to provide medical care, treatment and hospitalization to the veterans and their dependents.³ However, despite its having a critical mandate, it only gets a very small portion of the budget pie. In 2016, the VMMC was appropriated only with P1,068,085.00.⁴

This bill seeks to modernize VMMC and turn it into a prime state hospital by providing it with juridical and corporate personality to preserve the viability of the medical institution and to render premium medical services to the veterans, most of whom are in their twilight years, and their dependents through a comprehensive health care system characterized by excellence, dedication and commitment.


RICHARD "DICK" J. GORDON
Senator

¹ VMMC History. Retrieved from <http://vmmc.gov.ph/index.php/home/vmmc-history> on 26 September 2016.

² VMMC Background. Retrieved from <http://vmmc.gov.ph/index.php/home/about-vmmc> on 26 September 2016.

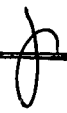
³ *Ibid.*

⁴ National Expenditure Program 2017. Volume II, p.477.



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**AN ACT
TO GIVE JURIDICAL PERSONALITY TO THE PRESENT VETERANS MEMORIAL
MEDICAL CENTER (VMMC) AND FOR OTHER PURPOSES**

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

1 **SECTION 1. Short Title.** -This Act shall be known as the "The Veterans
2 Memorial Medical Center Charter of 2016."
3

4 **Sec. 2. Declaration of Policy.** - It is hereby declared to be the policy of the State
5 to help foster the socioeconomic security and well-being of the country's veterans and
6 retired military personnel in recognition of their patriotic services in times of war and
7 peace for the cause of freedom and democracy; for the attainment of national unity,
8 independence and socioeconomic advancement; and for the maintenance of peace and
9 order in keeping with the goals of the government and aspirations of the people.
10

11 **Sec. 3. Veterans Memorial Medical Center (VMMC) as a Corporate Entity.** -
12 There is hereby created a body corporate, for the benefit primarily of the Filipino
13 veterans, under the name of the Veterans Memorial Medical Center, hereinafter referred
14 to as the VMMC.

15 To provide greater flexibility in its operations, the VMMC shall be treated in a
16 manner consistent with its institutional mission to serve the veterans and shall be
17 autonomous in the exercise of its jurisdiction.
18

19 **Sec. 4. Purposes and Objectives of the Hospital.** - The VMMC shall have the
20 following objectives:

- 21 a) Construct, establish, operate and maintain a veterans' hospital primarily for
22 the veterans' welfare;
23 b) Stimulate and/or undertake scientific researches on the veterans' biological,
24 demographic, social, economic, eugenic, physiological aspects of health

- 1 disorders and abnormalities and their control; and gather, compile, present
2 and publish the findings of such researches for public dissemination;
- 3 c) Facilitate and encourage the dissemination and exchange of ideas and
4 information on the prevention, treatment and control of diseases; to arouse,
5 enhance and develop public interest and awareness on general health and
6 physical fitness;
- 7 d) Encourage and/or undertake the trainings of physicians, nurses, medical
8 technologists, health officers and social workers on the practical and scientific
9 conduct and implementation and delivery of health services, and related
10 activities;
- 11 e) Assist universities, hospitals and research institutions in their studies of health
12 problems, to encourage advanced training on matters of, or affecting the
13 physical and mental well-being of the people;
- 14 f) Encourage the formation of other organizations on the national, provincial,
15 city, municipal or barangay level and to coordinate their various efforts and
16 activities for the purpose of achieving a more effective and pragmatic
17 approach on the common problems relative to the objectives herein
18 enumerated; and
- 19 g) Extend medical outreach programs to the general public to help prevent,
20 relieve or alleviate the innumerable afflictions and maladies of the people
21 especially the poor and the less fortunate in life, without regard to race, creed,
22 color or political belief.

23
24 **Sec. 5. Social Responsibility.** - The VMMC is primarily committed to serve the
25 Filipino veterans and their dependents as defined in Republic Act No. 6948, as
26 amended by Republic Act No. 7696 and Republic Act No. 9396.

27
28 **Sec. 6. Definitions.** - The following terms are used in this Act, as follows:

- 29 a) *Veterans* – any person who falls under any of the following categories:
- 30 1. USAFFE veterans with wartime service;
 - 31 2. Recognized World War II guerillas in the Philippines whose names
32 appear in the US approved reconstructed rooster of 1948;
 - 33 3. Deserving Guerilla;
 - 34 4. Philippine Expeditionary Forces to Korea (PEFTOK) members;
 - 35 5. Philippine Scouts who were in the service prior to October 6, 1945;
 - 36 6. New Philippine Scouts who were in the service prior to July 4, 1946 and
37 other World War II veterans with approved claims at the Philippine
38 Veterans Affairs Office;

- 1 7. Hukvets carried in the HUKBALAHAP Rooster under PD 1207 and with
2 approved claims at PVAO;
- 3 8. Members of the Philippine Revolutionary Forces who took up arms
4 against the Spaniards and the Americans during the Philippine
5 Revolution;
- 6 9. Members of the Philippine Civic Action Group (PHILCAG) to Vietnam;
- 7 10. Disabled veterans receiving disability compensation/pension under RA
8 6948;
- 9 11. Military Retiree who joined the AFP before May 26, 2007; who was
10 honorably discharges/separated with at least 6 years in military service;
- 11 12. Members of the Philippine Constabulary with at least 6 years cumulative
12 active service; who was absorbed by the Philippine National Police in
13 1991 (now under the DILG);
- 14 13. Members of the Coast Guard Unit (PN) with at least 6 years cumulative
15 active service; who later joined Philippine Coast Guard (now under
16 DOTr) who was honorably separated from the service;
- 17 14. Military Retiree with a minimum cumulative active service of 20 years;
18 who have joined the AFP after May 26, 2007 provided that he was
19 honorably discharged (RA 9396).

20
21 **b) Veteran Dependents** - any person who fall under any of the following
22 categories:

- 23 1. Legitimate Spouse wife/husband or unremarried widow/er of the
24 aforementioned veteran;
- 25 2. Unmarried children below 18 years old of the aforementioned veteran; or
26 unmarried children, regardless of age, who became physically/mentally
27 incompetent/disabled before reaching the age of 18;
- 28 3. Parents-natural/adoptive parents or those acting *in loco parentis* of the
29 aforementioned veteran, regardless of the veteran's status.

30
31 **Sec. 7. Powers.** - For the attainment of the above purposes and objectives, the
32 VMMC, as a body corporate, acting through its Board of Trustees, shall have all powers
33 pertaining to a juridical person, and is therefore authorized to:

- 34 a) Acquire and hold in any manner property of whatever nature or description;
- 35 b) Enter into contracts;
- 36 c) Solicit and receive donations, endowments and funds in the form of
37 contributions, whether in cash or in kind, from both the public and private
38 sectors;

- 1 d) Open such accounts in banks and other financial institutions, and to disburse
2 such funds or invest the same as the Board may direct to accomplish or
3 advance the purpose or interest of the VMMC;
- 4 e) Invite foreign specialist and other similar experts in the various medical fields
5 to train the personnel or trainees or residents of the VMMC;
- 6 f) Send the VMMC personnel to research institutes, medical institutes or
7 universities for medical training or observation and to attend international and
8 regional conventions, conferences, congresses and seminars, as the Board
9 may deem necessary, to accomplish the purposes and objectives of the
10 VMMC;
- 11 g) Enter into such agreements and arrangements with other medical or other
12 institutions, domestic or foreign, as may deemed desirable by the Board, for
13 the purpose of promoting its purposes and objectives;
- 14 h) Adopt a set of bylaws, rules and regulations not inconsistent with the law and
15 the provision hereof to govern the administration and operation of the affairs
16 of the VMMC;
- 17 i) Establish branches of the VMMC in other provinces or cities of the Philippines
18 as may be deemed necessary for greater service coverage to the veterans
19 and their dependents that are living in almost all parts of the country; and
- 20 j) Perform all such other acts and things as are or may be necessary or
21 incidental for the accomplishment of the purposes and objectives of the
22 VMMC.

23
24 **Sec 8. Board of Trustees.** - The VMMC shall be governed by a Board of
25 Trustees, composed of the following:

- 26 a) Secretary of National Defense as Chairperson;
- 27 b) Medical Director of the VMMC as Vice Chairperson;
- 28 c) Chairperson of the Senate Committee on Defense and Security;
- 29 d) Chairperson of the House Committee on Veterans Affairs and Welfare;
- 30 e) Secretary of Health;
- 31 f) Administrator, Philippine Veterans Affairs Office;
- 32 g) Chairman of the Philippine Veterans Bank;
- 33 h) President of the Veterans Federation of the Philippines; and
- 34 i) Three (3) appointive members who are veterans and who have distinguished
35 themselves in their profession or areas of specialization particularly in the
36 field of medicine, medical research, science and technology and have exerted
37 conspicuous efforts towards the promotion of veterans' welfare and well-
38 being. They shall be appointed by the President of the Philippines and shall

1 serve for a term of three (3) years. In case of vacancy, such vacancy shall be
2 filled in the same manner as provided for the predecessor, and such
3 appointee shall hold office for the unexpired term.
4

5 **Sec. 9. Meeting and Quorum.** - The Board of Trustees shall convene at least
6 once a month. The Chairman of the Board may call a special meeting whenever
7 necessary: *Provided*, that the members are notified in writing at least three (3) days
8 prior to the said meeting. A majority of all the members of the Board holding office at the
9 time the meeting is called shall constitute a quorum for Board meetings. In no case shall
10 any and all members of the Board appoint a representative to act on their behalf.
11

12 **Sec. 10. Medical Director.** - The Medical Director shall be appointed by the
13 President of the Philippines upon the recommendation of the Board and shall serve for
14 a term of six (6) years. The Medical Director shall serve as the Chief Executive
15 Officer of the VMMC and shall perform the following functions:

- 16 a) Organize the VMMC into a streamlined medical institution with admirable
17 facilities and competent staff to ensure quality service;
- 18 b) Appoint members of the professional and administrative staff and other
19 employees and personnel of the VMMC through a screening process based
20 strictly on academic qualifications, experiences and other selection standards;
21 determine the terms and conditions of their employment, and remove them for
22 cause in accordance with law and due process;
- 23 c) Determine a position qualifications and compensation plan and adjust salaries
24 and benefits for all personnel of the VMMC, subject to the Compensation and
25 Position Classification System of the Governance Commission for
26 Government-Owned and –Controlled Corporations (GOCCs); and
- 27 d) Carry out necessary managerial and administrative functions that may be
28 deemed necessary or as directed by the Board of Trustees in furtherance of
29 the objectives of the VMMC set in this Act.
30

31 **Sec. 11. Secretary.** - There shall be a Secretary of the VMMC as appointed of
32 the Board of Trustees, who shall be the Secretary of the Board and who shall keep such
33 records of the hospitals as may be designated by the Board.
34

35 **Sec. 12. Hospital Executive Committee.** - There shall be an Executive
36 Committee consisting of the Medical Director as the presiding officer and the Heads of
37 the Administrative, Medical, Surgical, Rehabilitative, Dental, Psychiatric, Diagnostic and
38 other critical medical departments.

1 The Committee shall exercise the following functions:

- 2 a) Fix the requirement for admission to the hospital;
3 b) Prescribe the rules and regulations as to the discharge of patients;
4 c) Adopt internal rules of procedures consistent with the provision of the Charter
5 in order to promote administrative efficiency in the treatment, rehabilitation
6 and discharge of patients of the hospital; and
7 d) Carry out administrative and managerial task to assist the Medical Director in
8 the efficient operations and management of the hospital.

9
10 **Sec. 13. Personnel and Medical Staff.** – The VMCC shall have the autonomy to
11 employ such employees and medical personnel, or otherwise enter such arrangements
12 with medical specialist and other consultants as its Board of Trustees shall determine.
13 The personnel and medical staff of the present VMMC shall automatically be transferred
14 to and absorbed by the VMMC as herein created. The incumbent Medical Director shall
15 continue to serve as such for a period of three (3) years or until his successor shall have
16 been appointed by the President of the Philippines.

17
18 **Sec. 14. Assistance from Government Offices.** - The VMMC may call upon
19 any department, bureau, office, agency or instrumentality of the government, including
20 the GOCCs, for such assistance as it may need in the pursuit of its purposes and
21 objectives.

22 All individuals, entities and institutions are hereby enjoined to render full
23 assistance and cooperation to VMMC in the accomplishment of its objectives and
24 activities.

25
26 **Sec. 15. Property of the Medical Center.** – All existing assets of the VMMC
27 including, but not limited to, the parcel of land belonging to the private domain of the
28 government situated in the District, Quezon City and more particularly described in the
29 Bureau of Lands as Lot R.P.-3-B-4-A, BSD-10352, all its buildings and other properties
30 shall remain with the VMMC as a corporate entity, including those that may hereafter be
31 given, donated, acquired, transferred or conveyed to the Medical Center or its branches
32 and instrumentalities by any foreign government, as well as those given by trust,
33 foundations, corporations or persons (alien or citizen). The absolute ownership of the
34 Medical Center over these landholdings including those covered by original and transfer
35 certificates of title in the name of the VMMC is hereby confirmed. Where the issuance of
36 proper certificates of title is still pending for these landholdings the proper government
37 office shall expedite issuance thereof within six (6) months from the date of effectivity of

1 this Act: *Provided*, that all registration requirements necessary for the issuance of the
2 said titles have been submitted and complied with.

3
4 **Sec. 16. Land Grants and Other Real Properties.** - The use of properties and
5 proceeds of such properties shall be governed by the following:

- 6 a) The State shall support the VMMC in the sum or lump sum amount, through
7 general appropriations and other financial benefits, and in kind, through land
8 grants and donations and use of other real properties shall be used to further
9 the ends of the hospital, as may be decided by the Board of Trustees in
10 furtherance of the declared hospital objectives under this Act;
- 11 b) Such parcels of land ceded by law, decree or presidential issuance to the
12 hospital are hereby declared to be reserved for the purposes intended;
- 13 c) The Board of Trustees shall plan, design and approve and/or cause the
14 implementation of contracts, mechanisms and financial instruments, such as
15 joint ventures, long-term leases, fully-owned subsidiaries and securitization to
16 give the hospital the flexibility to generate revenues and other resources from
17 land grafts and other properties: *Provided*, that such mechanism and
18 arrangement shall sustain and protect the environment in accordance with
19 law, and be exclusive of the medical core zone of the hospital: *Provided*,
20 *finally*, that such mechanism and arrangements shall not conflict with the
21 medical or health services and academic mission of the hospital; and
- 22 d) Any plan to generate revenues and other sources from land grafts and other
23 real properties entrusted to the hospital shall be consistent with the hospital
24 mission and orientation as a vehicle to extend health services to veterans
25 and their dependents.

26
27 **Sec. 17. Safeguards on Asset Disposition.** - The preservation of the value of
28 the assets of the hospital shall be of primordial consideration. The exclusive core
29 zone of the VMMC as defined in Section 14 shall not be sold, transferred, ceded,
30 conveyed, assigned, and encumbered.

31
32 **Sec. 18. Annual Report.** - The VMMC shall render to the President of the
33 Philippines an annual report of its activities and recommendations.

34
35 **Sec. 19. Effect of the Dissolution.** - If, for any reason, the VMMC is dissolved,
36 its property remaining at the time of such dissolution shall revert to the Republic for
37 disposition in accordance with law.

1 **Sec. 20. Implementing Rules.** - The implementing rules and regulations shall be
2 formulated within one hundred twenty (120) days from the approval of this Act.

3
4 **Sec. 21. Separability Clause.** - If any provision of this Act is declared
5 unconstitutional, all the other provisions not affected shall remain in force and effect.

6
7 **Sec. 22. Repealing Clause.** - All laws, decrees, executive orders, rules and
8 regulations or other issuances or parts thereof contrary to or inconsistent with the
9 provisions of this Act are hereby repealed, amended or modified accordingly.

10
11 **Sec. 23. Effectivity.** - This Act shall take effect fifteen (15) days after its
12 publication in the *Official Gazette* or in at least two (2) newspapers of general
13 circulation.

14
15 *Approved,*