

**[DOH ADMINISTRATIVE ORDER NO 2011-0020,
December 23, 2011]**

**STREAMLINING OF LICENSURE AND ACCREDITATION OF
HOSPITALS**

I. BACKGROUND/ RATIONALE

The basic approach for assuring the quality of health services has been to rely on licensing and accreditation. The authority and responsibility for ongoing licensing of hospitals rests with the Department of Health (DOH) through the Bureau of Health Facilities and Services (BHFS) by virtue of Republic Act (R.A.) No. 4226 known as the "Hospital Licensure Act" while that of hospital accreditation rests with PhilHealth pursuant to R.A. No. 7875 otherwise known as the "National Health Insurance Act." One of the regulatory reform initiatives identified by DOH to improve system performance is streamlining of licensure and accreditation of hospitals.

Under the present-day regulatory scheme, it is well recognized that a grant of a License to Operate (LTO) a hospital is a prerequisite to accreditation of the same. As of the end of December 2010, eighty-eight (88) percent or 1,602 of the total 1,812 DOH licensed hospitals have been accredited by PhilHealth. A closer look at PhilHealth accreditation standards for hospitals reveals that majority of the aforesaid standards are DOH licensing requirements as well. As a result, DOH decided to embrace PhilHealth core indicators of safety into the assessment tool for hospital licensure. More importantly, this regulatory intervention may require, among other things, the creation of new licensing and monitoring processes, information and reporting systems, and intensive training of inspectors for optimal performance in its redesigned function.

Consultative meetings involving key stakeholders have been conducted for the past few months regarding the implementation of policies relevant to hospital regulation. To provide improvements of value to our major stakeholders, the current management of DOH Central Office has resolved to streamline the licensing and accreditation of hospitals. The Department of Health is embarking on this new paradigm for the following reasons:

- a) First, streamlining will benefit the hospitals, patients, and both DOH and PhilHealth as standards and processes are simplified;
- b) Second, limited resources available in the implementation of both licensing and accreditation requires collaboration between DOH and PhilHealth to pool resources together to achieve efficiency;
- c) Last but not least, to address the clamor from the hospital sector for DOH and Philhealth to synchronize efforts to eliminate duplication in licensing and accreditation without compromising the quality of care.

To make regulation more rational and client responsive, the Department of Health, in formulating the best strategic approach to hospital regulation, has recognized the value of streamlining systems and processes to revolutionize the services being provided by the regulatory bodies and make healthcare more accessible to the public, most especially the poor.

II. OBJECTIVE

This Order, through the establishment and enforcement of a system of streamlining of processes pertaining to hospital licensure and accreditation, aims to improve access to quality health facilities with the efficient use of limited government resources without compromising the quality of care.

This Order sets the guidelines for the streamlining of licensure and accreditation of hospitals through the following policy directives:

- A. Harmonization of DOH minimum licensing standards for safety and PhilHealth core indicators;
- B. Streamlining of regulatory processes by recognition of DOH licensed hospitals as Centers of Safety without the need for a separate survey by PhilHealth.

III. SCOPE AND COVERAGE

This Order shall apply to DOH regulatory offices, namely BHFS, FDA, CHD and DOH attached agency PhilHealth, which are involved in the implementation of regulatory policies and standards in all government and private hospitals.

IV. DEFINITION OF TERMS

For purposes of this Order, the succeeding terms and acronyms shall have the following definitions:

1. Applicant – refers to the natural or juridical person that is applying for License to Operate (LTO) a hospital.
2. Accreditation – a process whereby the qualifications and capabilities of health care providers are verified in accordance with the guidelines, standards and procedures set by the accrediting body for the purpose of conferring upon them certain privileges and assuring that health care services rendered by the aforementioned providers are of the desired and expected quality.
3. Assessment Tool – the checklist which prescribes the minimum standards and requirements for hospital licensure. It is the tool used by regulatory officers and other stakeholders to evaluate compliance of a hospital to DOH standards and technical requirements for safety. This particular tool shall also serve as the Self-Assessment Tool to be used by hospitals prior to inspection and monitoring visits by DOH.

4. BHFS – refers to the Bureau of Health Facilities and Services, the regulatory body of DOH which will exercise the licensing function under these rules and regulations.

5. CHD – refers to the Center for Health development, the regional office of DOH.

6. CO – refers to the Central Office of DOH.

7. DOH – refers to the Department of Health.

8. DOH-PTC – refers to DOH Permit to Construct issued by DOH through BHFS to an applicant who will establish and operate a hospital upon compliance with required documents set forth in this Order prior to the actual construction of the subject facility. It is also required for a hospital with substantial alteration, expansion or renovation, or increase in the number of beds. It is a prerequisite for LTO.

9. FDA – refers to the Food and Drug Administration.

10. LTO – refers to License to Operate. It is a formal authorization issued by DOH through BHFS or CHD as the case may be, to an individual, partnership, corporation or association to operate a hospital and/or other health facility upon compliance with minimum standards for safety. It is a pre-requisite for accreditation of a hospital and/or other health facility by any accrediting body recognized by DOH.

11. PhilHealth – refers to the Philippine Health Insurance Corporation.

12. Streamlining of Licensure and Accreditation of Hospitals – a strategy employed by DOH to simplify the approach to hospital regulation through a) harmonization of DOH and PhilHealth standards for safety and b) streamlining of regulatory processes of the aforementioned government agencies.

V. GUIDELINES

A. Streamlining of Licensure and Accreditation of Hospitals

1. General Guidelines

a) The Department of Health through BHFS, FDA, and CHD shall implement the modified streamlining of licensure of hospitals.

b) All regulatory officers and concerned stakeholders shall follow the standards and requirements prescribed in the enhanced Assessment Tool for licensure of hospitals posted at DOH website www.doh.gov.ph.

c) All DOH licensed hospitals shall be deemed automatically accredited by PhilHealth as Centers of Safety.

d) The Bureau of Health Facilities and Services and CHD shall retain the