

**[DOH ADMINISTRATIVE ORDER NO. 2010-0032,
October 09, 2010]**

**GUIDELINES AND MECHANISMS TO IMPLEMENT THE
PROVISIONS OF REPUBLIC ACT NO. 9994, OTHERWISE KNOWN
AS "THE EXPANDED SENIOR CITIZENS ACT OF 2010", ON THE
SALE OF MEDICINES AND THE SHARING OF THE 20% SENIOR
CITIZENS' DISCOUNT**

1. RATIONALE

In accordance with the principles of the 1987 Philippine Constitution to uphold the rights of the elderly and the relevant provisions of Republic Act No. 9257, this Administrative Order is being issued to support Section 4(1) of the Implementing Rules and Regulations of Republic Act No. 9994 implementing the twenty percent (20%) Senior Citizens' Discount on medicines, medical equipment and other health-related provisions and to establish guidelines and mechanisms of compulsory rebates in the sharing of burden of the Senior Citizens' discounts among retailers, manufacturers and distributors, taking into consideration their respective margins. This Order is meant to guide drug stores, hospitals, medical and allied health workers as well as Senior Citizens in executing mechanisms of fair discounts for beneficiaries while preserving the economic viability of companies and drug retail outlets through a just and transparent system of compulsory rebates.

II. OBJECTIVES

This Order is being issued to achieve the following objectives:

1. To establish guidelines and mechanisms in implementing the 20% Senior Citizens' discount in drugs and medicines, medical equipment and other health related provisions of RA 9994;
2. To create procedures for compulsory rebates and the sharing of burden of the Senior Citizens' discounts among Retailers, Manufacturers and Distributors, taking into consideration their margins by establishing a formula for said discounts; and
3. To set up a system of monitoring the compliance of drug companies, distributors and retailers to the 20% discount.

III. COVERAGE AND SCOPE

This Administrative Order shall apply to all private and government hospitals, health related facilities, health care professionals, the Philippine Health Insurance Corporation, all related health-care establishments, pharmacies and other retail outlets dispensing medicines to all Senior Citizens.

IV. DEFINITION OF TERMS

For purposes of this Order, the following terms shall have the following definitions based on the Implementing Rules and Regulations of RA 9994 and RA 9711:

1. Senior Citizen or Elderly – refers to any Filipino citizen who is a resident of the Philippines, and who is sixty 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.

2. Indigent Senior Citizen – refers to any senior citizen or elderly who is frail, sickly, or with disability and without pension or regular source of income, compensation or financial assistance from his/her relatives to support his/her basic needs, as determined by DSWD in consultation with the National Coordinating and Monitoring Board (NCMB).

3. Medicines – refers to any chemical compound or biological substance, other than food, intended for use in the treatment, prevention or diagnosis of disease in humans or animals, including but not limited to:

(1) any article recognized in the official United States Pharmacopoeia-National Formulary USP-NF), official Homeopathic Pharmacopoeia of the United States, Philippine Pharmacopoeia, Philippine National Drug Formulary, British Pharmacopoeia, European Pharmacopoeia, Japanese Pharmacopoeia, Indian Pharmacopoeia, any national compendium or any supplement to any of them;

(2) any article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals;

(3) any article other than food intended to affect the structure or any function of the human body or animals;

(4) any article intended for use as a component of any articles specified in clauses (1), (2), and (3) not including devices or their components, parts, or accessories; and

(5) herbal and/or traditional drugs which are articles of plant or animal origin used in folk medicine which area:

- i. recognized in the Philippine National Drug Formulary;
- ii. intended for use in the treatment or cure or mitigation of disease symptoms, injury or body defects in human;
- iii. other than food, intended to affect the structure or any function of the human body;
- iv. in finished or ready-to-use dosage form; and
- v. intended for use as a component of any of the articles specified in clauses (i), (ii), (iii) and (iv).

4. Medical Devices – means any instrument, apparatus, implement, machine, appliance, implant, in-vitro reagent or calibrator, software, material or other similar or related article intended by the manufacturer to be used alone, or in combination, for human beings for one or more of the specific purpose(s) of: diagnosis, prevention, monitoring, treatment or alleviation of, or compensation for an injury; investigation, replacement, modification, or support of the anatomy or of a

physiological process; supporting or sustaining life; preventing infection; control of conception, disinfection of medical devices; and providing information for medical or diagnostic purposes by means of in-vitro examination of specimens derived from the human body. This device does not achieve its primary intended action in or on the human body by pharmacological, immunological or metabolic means but which may be assisted in its intended function by such means.

5. Medical Services – refers to public and private hospital services, professional services of physicians and other health care professionals, and diagnostic and laboratory tests that are requested by a physician as necessary for the diagnosis and/or treatment of an illness or injury.

6. Dental Services – refer 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 diagnostic and/or treatment of a dental illness or injury.

7. Diagnostic and Laboratory Test – refer to diagnostic examinations that are necessary for the diagnosis and/or treatment of an illness and injury, including but not limited to X-ray, CT Scans, ECG, 2D Echo, gastroenterology, blood chemistry exams, histopathology and immunopathology, hematology, urine analysis, parasitology and bacteriology test and serology.

8. Distributor / Wholesaler – means any establishment that procures raw materials, active ingredients and/or finished products from local establishments for local distribution on wholesale basis.

9. Manufacturer – in relation to a health product, means an establishment engaged in any and all operations involved in the production of health products including preparation, processing, compounding, formulating, filling, packing, repacking, altering, ornamenting, finishing and labeling with the end in view of its storage, sale or distribution: Provided, that the term shall not apply to the compounding and filling of prescriptions in drugstores and hospital pharmacies. A trader shall be categorized as a manufacturer.

10. Retailer – refers to a licensed establishment carrying on the retail business of sale of drugs and medicines to customers.

11. Wholesaler-Retailer – any establishment transacting business of either wholesale or retail at any given time.

12. Non-Traditional Outlets – means supermarkets, convenience stores, other retail establishments duly licensed by the FDA to sell non-prescription/over-the-counter medicines to the public.

V. GUIDELINES AND MECHANISMS FOR THE AVAILMENT OF PRIVILEGES ON MEDICINES BY ALL SENIOR CITIZENS

V.1 GENERAL RULES

a. A 20% discount and exemption from Value Added Tax (Vat) shall be granted to Senior Citizens subject to the rules embodied in this Order.