

DISSOLVING THE GSIS HOSPITAL INC., AND TRANSFERRING ALL ITS ASSETS, LIABILITIES AND PROPERTIES TO THE DEPARTMENT OF HEALTH AND APPROPRIATING FUNDS FOR ITS OPERATIONS AND FOR OTH...

PRESIDENTIAL DECREE NO. 1411, June 09, 1978

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/459533784899/>

WHEREAS, the GSIS General Hospital was established by the Government Service Insurance System in 1969 as part of its services to its members;

WHEREAS, it is imperative for the Government service Insurance System to keep its funds actuarially solvent by confining its investments to those that carry a reasonable assurance of earning a sufficient rate of return over the long-range;

WHEREAS, preserving actuarial solvency of the GSIS funds should take priority over the direct provision and delivery of medical services, a task more appropriately performed by other agencies;

WHEREAS, there is a basic conflict between the aim of the GSIS Hospital to provide high quality hospital services on the one hand, and to limit its charges and fees to those within the reach of the low-income groups on the other hand;

WHEREAS, the cost of providing and delivering high quality medical care cannot be financed and sustained on a self-liquidating basis by the low-levels of fees and charges within the paying capacity of the low-income groups;

WHEREAS, one possible but unacceptable way of making the GSIS Hospital self-sustaining and self-liquidating is to increase its fees and charges to levels that will only convert it into a hospital for the relatively higher-income groups;

WHEREAS, on the other hand, another possible but unacceptable solution to the conflict is to reduce the cost of its medical services by reducing their quality to undesirably low levels;

WHEREAS, the provision of high quality medical services at relatively low fees and charges can only be made possible by subsidizing the operations of the GSIS Hospital;

WHEREAS, the provision of subsidies is the proper function not of the GSIS but of the national government, since subsidizing an inherently unprofitable operation is inconsistent with the over-riding need to preserve the actuarial solvency of the GSIS funds;

WHEREAS, the GSIS Hospital has been incurring losses since its establishment, for the reasons cited above, and is expected to continue incurring losses in the future if it is to continue incurring medical services of acceptable quality at cost within the reach of the low-income groups;

WHEREAS, in view of the above-mentioned factors, it has become a matter of sound national policy to transfer the ownership of and the operating responsibilities over the GSIS Hospital from the GOVERNMENT SERVICE INSURANCE SYSTEM to the National Government;

WHEREAS, the Department of Health, the government agency charged with the responsibility of effective health care delivery to our people will be in the best position to manage and operate the GSIS Hospital;

WHEREAS, there is an imperative necessity to have additional service, research as well as teaching and training hospitals under the Department of Health; and

WHEREAS, the GSIS Hospital was established with the trust funds of the GSIS members and, accordingly, GSIS must be reimbursed its expenses so as not to jeopardize its actuarial solvency and its financial capabilities to meet GSIS obligations to its members;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the power vested in me by the Constitution, do hereby order and decree:

SECTION 1. The GSIS Hospital, Inc. is hereby dissolves and abolished and its properties, records, assets, liabilities, rights and choses in action, and shares of stock of the GSIS Hospital, Inc. are hereby transferred to, and placed under the jurisdiction control, supervision and operation of the Department of Health and shall, henceforth, be known as the "Ospital Ng Bagong Lipunan".

SEC. 2. The National Government shall reimburse the Government Service Insurance System, the owner, the sum of Seventy Million Pesos (P70,000,000.00) upon the effectivity of this Decree, either in cash or government bonds or real estate properties of the national government in accordance with the appraisal of the GSIS.

SEC. 3. Board of Governors. The Ospital Ng Bagong Lipunan shall be governed by a Board of Governors consisting of seven (7) members, with the Secretary of Health as Chairman. The Secretary of Health shall appoint the other six (6) members of the board whose term shall be for a period of six (6) years without prejudice to reappointment. In case of any vacancy in the Board, the same shall be filled by the Secretary of Health for an unexpired term. No person shall be appointed governor unless he is a natural born citizen of the Philippines, not less than 35 years of age, of established integrity and has attained proficiency, expertise and recognized competence in one or more of the following: hospital administration, government administration, medicine, law and finance. They shall receive a per diem of five hundred pesos for every meeting and representation and transportation expenses not exceeding two thousand pesos a month.

SEC. 4. The Secretary of Health, through the Board, is hereby empowered to review and screen all officers and employees of the hospital. All incumbents who do not satisfactorily meet the qualification requirements of their respective positions and those who have not rendered satisfactory service to the hospital shall be removed from office. Any of the officers and employees who are removed from office due to the aforementioned reasons shall be paid by the money value of his accumulated vacation and sick leave and such retirement gratuity as may be due him under existing retirement laws. Those who do not qualify under any existing retirement law shall be paid one month salary for every year of service but not exceeding one year salary.

SEC. 5. Reorganization.—To carry out the objectives of this Decree and other laws implemented by the Department of Health, the Secretary of Health, through the Board, and in coordination with the Budget Commission, shall have power and authority to reorganize the hospital by creating, merging, consolidation, or abolishing operating units and positions, by hiring, appointing, promoting and separating personnel, and by way any all acts tending to promote effective service as well as economical management and administration of the Ospital Ng Bagong Lipunan.

SEC. 6. There is hereby appropriated the amount of Seventy Million Pesos (P70,000,000.00) to pay the Government Service Insurance System and the sum of Fifteen Million Pesos (P15,000,000.00) out of any funds in the National Treasury not otherwise appropriated for the operating expenses of the Hospital and such sum to cove

the money value of accumulated vacation and sick leave, and gratuity benefits, which amounts shall immediately be released by the Budget Commission.

SEC. 7. In the event that any section, paragraphs, sentence, clauses or words of this Decree is declared invalid for any reason, other provisions thereof shall not be affected thereby.

SEC. 8. Repealing Clause.—All laws, decrees, orders, rules and regulations which are inconsistent with this Decree are hereby repealed or amended accordingly.

SEC. 9. Effectivity Clause.—This Decree shall take effect immediately.

Done in the City of Manila, this 9th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.