

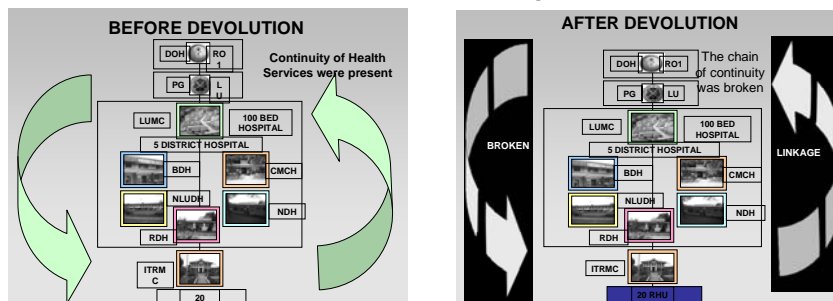
**La Union Medical Center**  
**An Economic Enterprises for**  
**Sustainability and**  
**Development**  
**(GAWAD GALING POOK AWARDEE)**

The first devolved 100-bed provincial hospital to be transformed to a non-stock, non-profit local corporation by virtue of RA 9259.

## Effect of Devolution (RA 7160) to the Provincial and Municipal Local Government units

### Devolved Health Services

- the previously integrated level of public health and hospital service, were disrupted weakening the 2-way stepladder referral system
- the administrative operational and financial burden were all transferred to the local government units (LGU)





- 2. Inadequate manpower, medicines, supplies and medical specialist**
- 3. Lack of high-end diagnostic/therapeutic armamentarium**
- 4. No retention of income (goes to Provincial General Fund)**
- 5. No fiscal autonomy**
- 6. No management latitude (centralized management)**
- 7. Decisions centralized at the provincial level**
- 8. Administrative, accountability and transparency structures are inadequate due to the absence of computerization and autonomy in the provincial hospital**
- 9. The hospital is treated as just one of the units under the provincial government thereby procurement is sometimes delayed because of the high volume of provincial business transactions.**
- 10. Poverty level 27.6%**



## **Profile of La Union Medical Center**

- 650 Million peso, 100 bed, Modern World Class Hospital complex distributed in 25 buildings located in a sprawling 3.7 hectare lot at Barangay Nazareno, Agoo, La Union**

## **VISION**

La Union Medical Center shall be a center-point for the delivery of quality tertiary medical/surgical care for the people specially in La Union provided in an atmosphere of competent, affordable, compassionate, friendly and caring hospital environment.

## **MISSION**

The new La Union Medical Center is deeply committed in transmitting into action:

- A comprehensive general and specialized medical program with emphasis on the Preventive, Promotive and Curative aspects of health care;
- A multi-specialty center with focus towards diagnostic and Therapeutic component of the more difficult specialized cases;
- A training Center for provincial medical and paramedical health providers;
- A Research Center for locally based public health concerns.



## **PROGRAM BRIEF**

❖ **December 13, 2001**  
**turnover of the P650 million**  
**hospital to the Department of**  
**Health received by President**  
**Gloria Macapagal Arroyo**  
**assisted by Secretary of**

**Health Dr. Manuel Dayrit. The President Gloria**  
**Macapagal Arroyo turned over the 650 million**  
**(11.3M Euro dollar) hospital to the Province of La**  
**Union and was received by Honorable Governor**  
**Victor F. Ortega.**

## PROGRAM BRIEF

- ❖ APRIL 8, 2002 – Opening of the La Union Medical Center and closure of the Doña Gregoria Provincial Hospital
- ❖ April 15, 2002 – Promulgation of Executive Order 004-s-2002 transforming La Union Medical Center into Economic Enterprise for Sustainability and Development

- ❖ March 3, 2004 – Signed into law R.A 9259 by President Gloria Macapagal Arroyo, Principal Author and primary sponsor of the law was now Governor Manuel C. Ortega and Chairman of the Board of Trustees
- ❖ December 17, 2004 – Winner of the Gawad Galing Pook Award over the 189 best practices entries in the Philippines – An award exemplifying innovation and excellence in local governance. The hospital is now a model on autonomization and government hospital corporatization. About 20 provinces from Mindanao, Visayas and Luzon have come to study the corporate concept of the hospital

## **Challenge:**

**How to operate, manage, finance, and sustain a donated P650 million world class local government owned provincial hospital situated in a developing province of La Union with a population of 720,000 located in the municipality of Agoo using the same amount of P35,000,000 annual budget of the old Doña Gregoria Memorial Provincial Hospital.**

The former Provincial Hospital had very limited infrastructure and manpower resources most especially in the field of high-end diagnostic and treatment capability because of inadequate number of specialist / physicians and equipments.

The annual budget average was about P35,000,000.00

The following were the internally generated revenue from 1997-2001 (5 years) before La Union Medical Center opened.

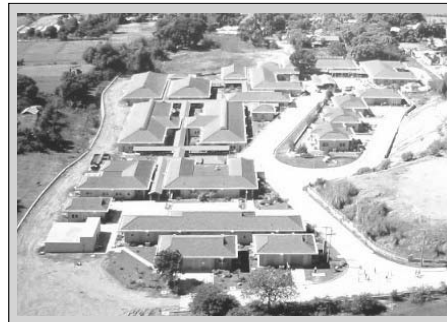
1997	P 2,065,975.87
1998	P 2,295,528.74
1999	P 3,398,348.84
2000	P 3,297,111.85
2001	P 3,736,500.20
<b>TOTAL</b>	<b>P 14,793,474.50</b>



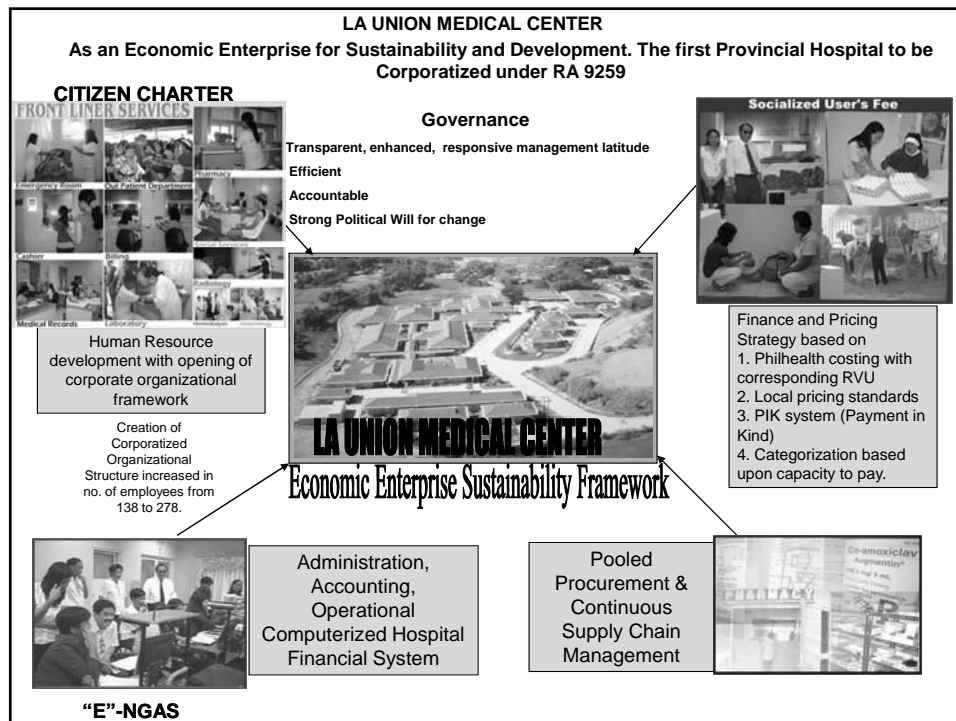
Answer:

Transform La Union Medical Center into an Economic Enterprise for sustainability and development and corporatization of the hospital.

Estimated annual budget is between P80 to 100 million pesos; therefore La Union Medical Center must earn about P45 million to P65 million pesos a year.



LA UNION MEDICAL CENTER




**I. VITAL INGREDIENTS IN THE CONCEPTUALIZATION OF THE STRATEGIC REFORM TO BE IMPLEMENTED**

- a. Accurate Situational Data (need analysis)
- b. Formulation of the Conceptual Framework based on the need analysis
- c. Advocacy with in the Provincial Circle
  - Department Heads
  - Presentation to the Governor for the enactment of Executive Order then presented to the league of mayors / barangay captains, to stakeholder and media
  - Presentation to the provincial board for ordinance / board resolution
  - Different municipalities for a more enhanced information drive


**II. THE STRATEGIC ECONOMIC ENTERPRISE REFORMS FOR SUSTAINABILITY FRAMEWORK AT LA UNION MEDICAL CENTER (LUMC)**

- a. Establishment of the Board of Trustees
- b. Private/Public Mix Type (PPMT) of income generation and cost recovery
- c. Establishment of multi-specialty clinics
- d. 24 Hours Cash Basis Pharmacy


**LA UNION MEDICAL CENTER BOARD OF TRUSTEES**



Gov. Manuel C. Ortega  
Chairman




Vice Gov. Eulogio Clarence Martin De Guzman  
Vice Chairman



Dr. Fernando A. Anton  
CEO, Member

Members of the Board of Trustees

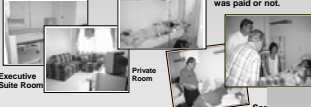


**PPMT of income generation**


2. "Private and Public Mix Type" (PPMT System) of income generation and cost recovery program.

2.A. Private Hospital Concept institutionalizes the concept of "fee for service" based upon the patient's capacity to pay thereby encouraging community based participation for enhancement in the delivery of basic health care by assuring part of the cost of service, cost recovery and fair revenue enhancement.

✓ Every service is given must have a numerical peso equivalent value whether the service was paid or not.



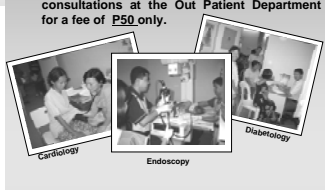
**Board of Trustees**



**24 Hour Cash Basis Pharmacy**

**Multi-specialty clinics**

2.C. Establishment of 18 multi-specialty clinics for medical and surgical specialists to perform consultations at the Out Patient Department for a fee of P50 only.



2.B. Public Hospital Concept – social services section classifies patient according to their means of payment accordingly – the PPMT System (payment in kind) is applied to unpaid amounts and corresponding hospital charges.



**VII. Filing of House Bill # 4909 – creation of 17 hospital committees**

**HOUSE BILL # 4909**

**F1 Regulation, Financing, Service Delivery and better Governance are now achieved**

10. The Filing of the House Bill No. 4909 to Congress ultimately leading to the transformation of the La Union Medical Center as a local non-stock, non-profit government controlled corporation under Republic Act 9259 thereby forming the following Boards and Committees:

1. Board of Trustees
2. Promotion and Selection Board
3. Committee on Training and Research
4. Therapeutic Committee
5. Blood Transfusion Committee
6. Utilization Review Committee
7. Infectious Committee
8. Grievance Committee / Ethics Committee
9. ER Committee
10. Tumor / Tissue Board Committee
11. Hospital Waste Management Committee
12. Surgical Case Committee
13. Quality Assurance Committee
14. Records Committee
15. Credentials Committee
16. Safety Committee
17. Hospital Committee on Affiliation and Training of Students

**VIII. Corporatization of the hospital**

**POST – DEVOLUTION ERA**

For the past 16 years after devolution (1992-2008). The following are the three Provincial Governors with their respective contributions in so far as improving the health situations in the Province of La Union is concerned. The Theme of the three Governors was **“continuity and innovation.”**

**Years 1992-2001 Governor Justo O. Orros Jr.**

- ✓ Organization of the La Union Provincial Health Board instituted **“Health in every Home”** project. Shifted from “Case waiting” of diseases in health units to case finding of diseases in the 576 barangays of La Union.
- ✓ Organization of Barangay Health Worker’s.
- ✓ Strengthened the Integrated Midwives Association of La Union.

The Province of La Union won the “ Gems and Jewel Award” of devolution given by the Department of Health awarded then by Secretary of Health Juan Flavier.

**Year 2001 – 2007 Governor Victor F. Ortega**

✓ **Continued the good project’s of the previous provincial administration.**

✓ **Instituted the ECONOMIC ENTERPRISE**

Concept of governance for the sustainability and further development of the six devolved provincial and district hospitals. The La Union Medical Center (LUMC) a 100 bed, P 650 million pesos hospital donated by the European Union opened and the old provincial hospital was closed. Immediately after LUMC opened, Governor Victor F. Ortega issued Executive Order 004-s-2002 transforming the hospital into economic enterprise for sustainability and development.

La Union Medical Center won the GAWAD GALING POOK Award.



**A TRIBUTE FOR INNOVATION AND EXCELLENCE IN LOCAL GOVERNANCE.**

In the year 2005 following the good example of La Union Medical Center as an economic enterprise, Governor Victor F. Ortega transformed the other five devolved district hospitals into an Economic Enterprise, then backed by a Provincial Board Resolution No. 038-s-2005.

## **YEAR 2007-TO PRESENT**

**Governor Manuel C. Ortega then the Congressman of the first district of la union was the primary author and primary sponsor of the corporation law under R.A 9259 transforming La Union Medical Center as the first non-stock, non-profit local government controlled corporation in the Philippines. Governor Manuel C. Ortega is now the incumbent Chairman of the Board of Trustees of La Union Medical Center.**

# **83 MONTHS PERFORMANCE REPORT**

FINANCIAL PERFORMANCE REPORT  
**83 MONTHS PERFORMANCE REPORT**  
 APRIL 2002-February 2009

Out-Patient Consultations	322,182
Hospital Admissions	<u>81,322</u>
<b>TOTAL NUMBER OF PATIENTS SERVED</b>	<b>403,504</b>

**83 MONTHS PERFORMANCE REPORT**  
 APRIL 2002- FEBRUARY 2009

Total Number of Hospital Admissions	81,322
Total Number of Out-Patient Consultations	322,182
Total Hospital Services Rendered	384,947,669.71
Total Cash Collections from Charity In _Patients, Class C & D	76,301,112.92
Total Cash Collections from Private Patients	21,438,801.62
Average Cash Collected Per Charity Patient, Class C & D	1,733.37
Total OPD Cash Collection	23,328,990.58
Ave. Cash Collected Per OPD Consultation	72.41

83 MONTHS PERFORMANCE REPORT SUMMARY OF PHIC COLLECTIONS APRIL 2002-FEBRUARY 2009			
PERIOD COVERED	AMOUNT	INC/(DEC) %	YEARLY
YEAR 2002	1,066,424.36		
YEAR 2003	9,469,681.86	787%	2002-2003
YEAR 2004	15,576,983.58	64.49%	2003-2004
YEAR 2005	21,051,118.55	35.14%	2004-2005
YEAR 2006	19,332,581.03	(8.16%)	2005-2006
YEAR 2007	22,291,256.67	15.30%	2006-2007
YEAR 2008	19,066,595.36	(14.47%)	2007-2008
January - February	1,481,275.69		
<b>TOTAL</b>	<b>109,335,917.10</b>		
<b>Note:</b> 38.53% of total internally generated income of 283,744,007.00			

FINANCIAL PERFORMANCE REPORT 83 MONTHS PERFORMANCE REPORT RATIO OF PATIENTS SERVED APRIL 2002- FEBRUARY 2009			
PATIENT TYPE	TOTAL NUMBER OF DISCHARGED PATIENTS	TOTAL AMOUNT OF SERVICES RENDERED PER PATIENT(In Pesos)	PERCENTAGE
Charity Patients	44,019	1,928.32	54%
Philhealth Covered Patients	30,970	4,464.52	38%
Private Pay Patients	6,241	4,221.82	8%
<b>TOTAL</b>	<b>81,230</b>		<b>100%</b>
<p>MISSED OPPORTUNITY = 44, 019 X 4,464.52 = 196,523,705.88</p> <p>The Province of La Union is moving towards the universal coverage of Philhealth; it is now 94% covered and only 6% is not covered by Philhealth. The PGLU and MLGU appropriated 1.8M pesos each or 3.6M pesos annually for sponsorship for Philhealth para sa Masa.</p>			

LA UNION MEDICAL CENTER COMPARATIVE ANALYSIS ON HOSPITAL DISCHARGES BEFORE AND AFTER CORPORATIZATION				
PATIENT CATEGORY	AS ECONOMIC ENTERPRISE			%INCREASE/ (DECREASE)
	BEFORE	AFTER	DIFFERENCE	
CHARITY	47,767.00	42,952.00	(4,815.00)	-10%
PHIC	5,734.00	31,186.00	25,452.00	444%
PAY	2,892.00	6,226.00	3,334.00	115%
<b>TOTAL</b>	<b>56,393.00</b>	<b>80,364.00</b>	<b>23,971.00</b>	<b>43%</b>

LA UNION MEDICAL CENTER TOP TEN (10) MAINTENANCE AND OTHER OVERHEAD EXPENDITURES FOR THE YEAR 2008			
NO.	EXPENDITURES	AMOUNT	% TO TOTAL MOOE
1	Medical,Dental and Lab. Sup.	16,679,812.24	39.13%
2	Electricity Expenses	5,849,921.67	13.72%
3	Depreciation Expenses	5,544,401.69	13.01%
4	Drugs and Medicines Exp.	4,890,503.34	11.47%
5	Food Supplies Expenses	3,121,467.05	7.32%
6	Gasoline,Oil and Lubricants	1,409,469.64	3.31%
7	Security Services	1,122,807.84	2.63%
8	Office Supplies Expenses	1,021,857.69	2.40%
9	Laundry/Janitorial/Electrical	695,482.42	1.63%
10	Insurance Expenses	503,749.85	1.18%
<b>TOTAL OF TOP TEN MOOE</b>		<b>40,839,473.43</b>	<b>95.80%</b>
<b>TOTAL MOOE FOR THE YEAR 2007</b>		<b>42,630,938.34</b>	<b>100.00%</b>

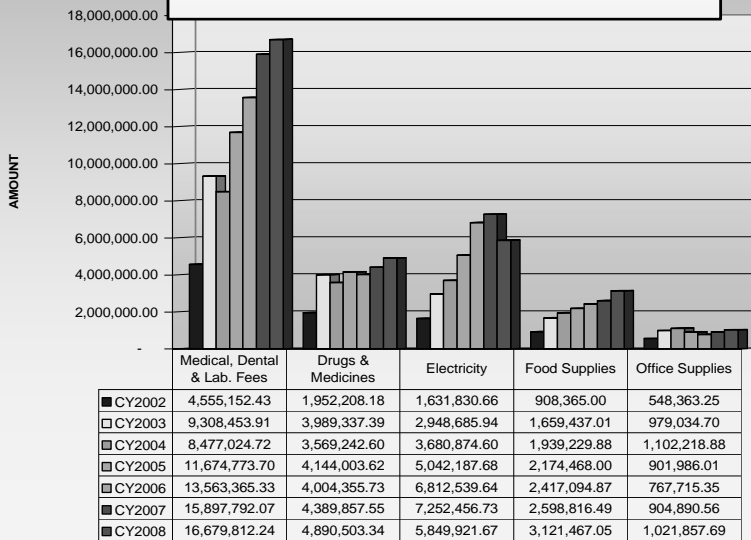
**Note:**  
Source of fund from internally generated / economic enterprise income

**LA UNION MEDICAL CENTER  
SOURCES OF GROSS REVENUE  
FOR THE YEAR 2008**

NO.	EXPENDITURES	AMOUNT	% TO TOTAL REVENUE
1	Subsidy from PGLU	35,719,400.00	37.93%
2	Hospital Fees	26,430,188.96	28.07%
3	Medical, Dental and Lab. Fees	24,879,361.83	26.42%
4	Income from Grants and Donations	4,272,850.00	4.54%
5	Subsidy from Other Funds	2,301,814.42	2.44%
6	Interest Income	369,224.31	0.39%
7	Other Services Income	130,703.50	0.14%
8	Rent Income	68,749.29	0.07%
<b>TOTAL</b>		<b>94,172,292.31</b>	<b>100.00%</b>
<b>TOTAL GROSS REVENUE</b>		<b>94,172,292.31</b>	<b>100.00%</b>

The internally generated income of LUMC for the year 2008 is now **62.07%** of the annual budget and **37.93%** is the annual Provincial subsidy; in comparison before the economic corporate framework the annual subsidy for the former Doña Gregoria Provincial hospital was **P35M** and therefore forming a **100%** subsidy from the Province.

**COMPARATIVE DATA ON TOP (5) MOOE EXPENDITURES  
FOR THE YEARS 2002-2008**



**Note:**  
**Source of fund from economic enterprise income**

LA UNION MEDICAL CENTER SUMMARY OF REALIZED INCOME AND ACTUAL EXPENDITURES FOR THE YEARS 2002-2008					
YEAR	*REALIZED INCOME	ACTUAL EXPENDITURES		TOTAL EXPENSES	EXCESS
		PS	**MOOE		
CY2002	33,937,053.21	18,373,958.99	11,326,501.47	29,700,460.46	4,236,592.75
CY2003	56,902,842.93	30,261,621.39	22,489,063.44	52,750,684.83	4,152,158.10
CY2004	65,161,586.84	30,318,405.13	28,114,106.29	58,432,511.42	6,729,075.42
CY2005	76,199,781.98	33,024,544.33	36,260,296.79	69,284,841.12	6,914,940.86
CY2006	80,756,343.92	39,496,340.00	39,834,263.44	79,330,603.44	1,425,740.48
CY2007	88,256,006.76	43,238,470.90	42,630,938.34	85,869,409.24	2,386,597.52
CY2008	94,172,292.31	48,407,850.26	43,332,286.23	91,740,136.49	2,432,155.82
<b>TOTAL</b>	<b>495,385,907.95</b>	<b>243,121,191.00</b>	<b>223,987,456.00</b>	<b>467,108,647.00</b>	<b>28,277,260.95</b>
NOTE: *Amount includes Subsidy Income fr. PGLU **Amount includes Bank Charges					

LA UNION MEDICAL CENTER TOP FIVE(5) MOOE EXPENDITURES FOR THE YEARS 2002-2008					
YEAR	Medical, Dental & Lab. Fees	Drugs & Medicines	Electricity	Food Supplies	Office Supplies
CY2002	4,555,152.43	1,952,208.18	1,631,830.66	908,365.00	548,363.25
CY2003	9,308,453.91	3,989,337.39	2,948,685.94	1,659,437.01	979,034.70
CY2004	8,477,024.72	3,569,242.60	3,680,874.60	1,939,229.88	1,102,218.88
CY2005	11,674,773.70	4,144,003.62	5,042,187.68	2,174,468.00	901,986.01
CY2006	13,563,365.33	4,004,355.73	6,812,539.64	2,417,094.87	767,715.35
CY2007	15,897,792.07	4,389,857.55	7,252,456.73	2,598,816.49	904,890.56
CY2008	16,679,812.24	4,890,503.34	5,849,921.67	3,121,467.05	1,021,857.69
<b>TOTAL</b>	<b>80,156,374.40</b>	<b>26,939,508.41</b>	<b>33,218,496.92</b>	<b>14,818,878.30</b>	<b>6,226,066.44</b>

LA UNION MEDICAL CENTER COMPARATIVE HOSPITAL PERFORMANCE REPORT FOR THE YEAR 2002 AND 2008			
PARTICULARS	OPENING OF LUMC		% OF INCREASE
	CY2002	CY2008	
EXPENDITURES (PS AND MOOE)	29,700,460.46	91,740,136.49	209%
REALIZED INCOME	33,937,053.21	94,172,292.31	177%
PERSONAL SERVICES	18,373,958.99	48,407,850.26	163%
MOOE	11,326,501.47	43,332,286.23	283%
NO. OF ADMISSIONS	5,966.00	14,487.00	143%
OPD CONSULTATIONS	23,856.00	49,434.00	107%
<p>Note:</p> <p>1. The average annual subsidy given to LUMC for the years 2002-2008 is P 30.70million per year</p> <p>2. The average annual subsidy given to DGMH before corporatization is P32Million</p>			

LA UNION MEDICAL CENTER COMPARATIVE ANALYSIS ON HOSPITAL DISCHARGES BEFORE AND AFTER CORPORATIZATION				
PATIENT CATEGORY	AS ECONOMIC ENTERPRISE			%INCREASE/(DECREASE)
	BEFORE	AFTER	DIFFERENCE	
CHARITY	47,767.00	42,952.00	(4,815.00)	-10%
PHIC	5,734.00	31,186.00	25,452.00	444%
PAY	2,892.00	6,226.00	3,334.00	115%
<b>TOTAL</b>	<b>56,393.00</b>	<b>80,364.00</b>	<b>23,971.00</b>	<b>43%</b>

LA UNION MEDICAL CENTER FINANCIAL PERFORMANCE REPORT FOR THE YEARS 2002-2008				
YEAR	COLLECTIONS FROM HOSPITAL SERVICES	QUANTIFIED FREE SERVICE	NUMBER OF ADMISSIONS	NUMBER OF OPD
CY2002	11,083,553.94	11,102,160.21	5,966	23,856
CY2003	25,034,309.42	15,686,990.59	9,360	38,126
CY2004	37,790,394.72	11,665,463.54	11,401	47,150
CY2005	43,814,864.47	11,768,272.27	11,841	49,763
CY2006	46,404,960.34	14,954,371.72	12,531	51,544
CY2007	52,642,193.42	12,343,340.29	13,471	50,926
CY2008	57,784,769.12	13,569,127.19	14,487	49,434
<b>TOTAL</b>	<b>274,555,045.43</b>	<b>91,089,725.81</b>	<b>79,057</b>	<b>310,799</b>

LA UNION MEDICAL CENTER COMPARATIVE REVENUE COLLECTIONS 5-YEARS BEFORE AND AFTER CORPORATIZATION CY 1997-CY 2006				
BEFORE		AFTER		
CALENDAR YEAR 1997-2001(DGMH)	AMOUNT	CALENDAR YEAR 2002-2006(LUMC)	AMOUNT	PERCENTAGE OF INC(DEC)
1997	2,065,975.87	2002	10,094,524.50	80%
1998	2,295,528.74	2003	25,541,207.61	1013%
1999	3,398,348.84	2004	35,427,263.15	942%
2000	3,297,111.85	2005	45,262,384.99	1273%
2001	3,736,509.20	2006	49,364,748.87	1221%
<b>TOTAL</b>	<b>14,793,474.50</b>		<b>165,690,129.12</b>	<b>1020%</b>

LA UNION MEDICAL CENTER COMPARATIVE HOSPITAL DISCHARGES BEFORE AND AFTER ECONOMIC ENTERPRISE SEVEN YEAR PERIOD FROM 1995-2001 AND 2002-2008									
BEFORE ECO. ENT.	DGMH				AFTER ECO. ENT.	LUMC			
YEAR	CHARITY	PHIC	PAY	TOTAL	YEAR	CHARITY	PHIC	PAY	TOTAL
1995	6,489	885	275	7,649	2002	5,167	1,564	575	7,306
1996	7,145	969	280	8,394	2003	5,567	2,987	793	9,347
1997	6,535	858	290	7,683	2004	5,463	5,013	921	11,397
1998	7,510	768	306	8,584	2005	6,212	4,639	997	11,848
1999	6,790	828	739	8,357	2006	6,430	5,018	1,054	12,502
2000	6,625	721	500	7,846	2007	6,878	5,506	1,101	13,485
2001	6,673	705	502	7,880	2008	7,235	6,459	785	14,479
<b>TOTAL</b>	<b>47,767</b>	<b>5,734</b>	<b>2,892</b>	<b>56,393</b>		<b>42,952</b>	<b>31,186</b>	<b>6,226</b>	<b>80,364</b>

LA UNION MEDICAL CENTER COMPARATIVE DATA OF PS, MOOE AND CAPITAL OUTLAY BEFORE AND AFTER CORPORATIZATION FOR THE YEARS 1995-2008										
YEAR					YEAR					%INCREASE
(BEFORE)	PS	MOOE	CO	TOTAL	(AFTER)	PS	MOOE	CO	TOTAL	
1995	11,585,625.00	5,571,563.00	0.00	17,157,188.00	2002	18,373,958.99	11,326,501.47	0.00	29,700,460.46	73%
1996	12,416,357.00	5,942,050.00	0.00	18,358,407.00	2003	30,261,621.39	22,489,063.44	1,279,085.55	54,029,770.38	194%
1997	17,817,709.00	5,400,320.00	0.00	23,018,029.00	2004	30,318,405.13	28,114,106.29	8,852,006.59	67,284,518.01	192%
1998	21,527,856.00	5,400,320.00	0.00	26,928,176.00	2005	33,024,544.33	36,260,296.79	3,431,150.64	72,715,991.76	170%
1999	22,380,004.00	5,895,000.00	0.00	28,275,004.00	2006	39,496,340.00	39,834,263.44	3,749,869.50	83,080,472.94	194%
2000	26,994,690.93	7,494,355.00	0.00	34,489,045.93	2007	43,238,470.90	42,630,938.34	585,213.50	86,454,622.74	151%
2001	25,240,424.00	11,354,013.00	0.00	36,594,437.00	2008	48,407,850.26	43,332,286.23	12,592,800.00	104,332,936.49	185%
<b>TOTAL</b>	<b>137,762,665.93</b>	<b>47,057,621.00</b>	<b>0.00</b>	<b>184,820,286.93</b>		<b>243,121,191.00</b>	<b>223,987,456.00</b>	<b>30,490,125.78</b>	<b>497,598,772.78</b>	<b>169%</b>

LA UNION FIVE (5) DISTRICT HOSPITALS COMPARATIVE INCOME BEFORE AND DURING IMPLEMENTATION OF ECONOMIC ENTERPRISE FOR THE YEARS 2004-2008 ACTUAL INCOME												
DISTRICT HOSPITAL	BEFORE ECO. ENT.	DURING IMPLEMENTATION OF ECONOMIC ENTERPRISE										(4 yrs)
		2004	2005	%INC	2006	%INC	2007	%INC	2008	%INC	TOTAL	
Bacnotan	2,570,294.55	4,930,067.65	92%	5,302,534.29	106%	6,208,755.71	142%	6,885,782.48	168%	25,897,434.68	908%	127%
Balaoan	2,495,427.65	3,525,517.35	41%	3,822,915.22	53%	4,492,698.85	80%	5,043,392.20	102%	19,379,951.27	677%	69%
Caba	1,137,099.60	1,599,262.90	41%	1,855,132.23	63%	1,988,944.88	75%	2,698,053.59	137%	9,278,493.20	716%	79%
Naguillian	3,123,818.12	3,967,782.60	27%	3,916,237.15	25%	5,599,266.35	79%	5,705,937.80	83%	22,313,042.02	614%	53.50%
Rosario	2,351,140.87	3,468,461.96	48%	3,675,437.20	56%	4,631,325.50	97%	4,735,379.55	101%	18,861,745.08	702%	75.50%
<b>TOTAL</b>	<b>11,677,780.79</b>	<b>17,491,092.46</b>	<b>50%</b>	<b>18,572,256.09</b>	<b>59%</b>	<b>22,920,991.29</b>	<b>96%</b>	<b>25,068,545.62</b>	<b>115%</b>	<b>95,730,666.25</b>	<b>720%</b>	<b>80.00%</b>

**Some of the accomplishment of La Union  
Medical Center in the past 83 months**

Note: source of fund net savings

**Construction of Two-  
Storey Building for  
Medical Patients  
worth about P8  
Million**



**Some Accomplishments through the years using hospital net savings:**

**Refrigerated Centrifuge worth P1.4 Million**



**The refrigerated centrifuge is a high performance centrifuge optimized for automatic laboratory processes. It is a compact centrifuge for the separation of blood components which process up to 8 quintuple – blood bag systems. Now serves both government and private hospitals.**



Chairman of the Board of Trustees  
Governor Manuel C. Ortega and Mrs.  
Geraldine Ortega shown cutting the ribbon



**Construction of New Pediatric Ward Building worth P9 Million**

## CONCLUSION:

This innovative strategic reforms undertaken in the province of La Union demonstrated the advantages and strength of devolution. The administrative courage / bravery, the strong political will of our local elected political leaders to change the "Status Quo", and with the enlightened cooperation of the people now, are moving forward together towards a more responsive dynamic solutions to the identified health problems in the local barangays and municipalities. The reawakening and restrengthening of the "Bayanihan" way of sharing and helping each other resulted in better governance, more administrative efficiency and a much improved resource build-up. Our program is now 83 months old (more than 6 years), the 100 bed provincial hospital known as LA UNION MEDICAL CENTER worth 650 million pesos or 11.3 million Euro dollar then, became not only sustainable but also continued to develop giving more quality health service to the people specially to the poor and using the same amount of annual subsidy given to the former provincial hospital about 6 years ago. The La Union Medical Center sustainability framework of finance and Pricing Strategy, adequate procurement and supply management, Human Resource development and administration, accounting, operational computerized system online and a computerized internal control system using eNGAS have carried La Union Medical Center up to the present time.

**SALAMAT PO  
NAIMBAG NGA ALDAW  
TAYO AMIN!**

## **Advantages of an Economic Enterprise (Cost-recovery Program)**

**thru the establishment of a non-stock, non-profit  
government owned corporation**

### **I. For the Local Government**

- a. Decrease cost to operate hospital- the income derived from operations will decrease the hospitals complete reliance on government subsidy.
- b. Freedom from operating problems – the hospital management team with guidance from the hospital board becomes responsible for the day-to-day operations of the hospital.
- c. Can concentrate on core role i.e. regulation, public health

### **II. For the hospital management.**

1. More management latitude –through the exercise of the hospital corporate powers.
2. Can avail of more management expertise through hospital board membership.
3. Separate and distinct legal personality from members, trustees or officers.
4. Right to acquire, own or dispose of property or assets.
5. Power to enter into transactions and contracts.
6. Continuity and stability.
7. Power to appoint/elect officers/employees as allowed by its charter as well as establish other permanent plantilla for “career pathing” and promotions of the employees.
8. Receive subsidies/assistance from the government/foreign agencies and institutions.
9. Cannot be affected by change in local administration or government.
10. Its charter can only be amended or repealed by an Act or Law passed by Congress, but not by mere executive orders, or ordinances or resolutions of the local government or agency.

**III. For the patients and clients**

- a. Access to improved hospital services.
- b. Availability of drugs, medicines, and equipment.

**IV. For the employees**

- a. May avail more benefits from earning of the corporate hospital.
- b. Better working environment.

**V. For the community**

- a. Able to participate in the policy making of the hospital.

**VI. For public health**

- a. Availability of more funding derived from savings due to lesser subsidy requirements of hospitals.