



PHILIPPINE GENERAL HOSPITAL

The National University Hospital
University of the Philippines Manila
Taft Avenue, Manila

PHIC-Accredited Health Care Provider
ISO 9001:2015 Certified



UP-PGH Cancer Center Approved by NEDA Board

Manila, February 3, 2023— The National Economic and Development Authority (NEDA) Board has approved the University of Philippines-Philippine General Hospital's (UP-PGH) plans to build a comprehensive integrated 300-bed Cancer Center. The new Cancer Center is a priority thrust of the University of the Philippines which was approved by the UP Board of Regents under the term of President Danilo L. Concepcion. It is also a part of the 20-year Master Plan of the UP-PGH initiated by its current Director, Dr. Gerardo D. Legaspi. The Project will be done through a Build-Transfer-Operate (BTO) scheme to help free up fiscal space within the government. Through this arrangement, it is estimated that the government will defray costs and save up to Php 37 billion¹ throughout the 30-year cooperation.

The new Cancer Center will enable UP-PGH – the National University Hospital and one of the Philippines' leading public hospitals – to leverage private expertise and capital towards the goal of upgrading, maintaining, and converging PGH cancer care capabilities in a new facility. It will involve the upgrading and improvement of 150 existing PGH private beds and 150 existing PGH basic or ward beds, outpatient care, cancer diagnostics, and facilities for chemotherapy, radiotherapy, and oncological surgery. Under the BTO scheme, the new Cancer Center will immediately be turned over to the government upon completion which will ensure that all public health services will remain under the government's supervision all throughout the cooperation.

Cancer is the third-leading cause of death in the Philippines. Over 150,000 new cases and 90,000 deaths were recorded in the country in 2020², as incidence and mortality continue to rise. Without the proposed new Cancer Center, the UP-PGH can only house 51 basic or ward beds in its current Cancer Institute, a structure with limited expansion potential as a protected heritage building dating back to 1938.

The government will partner with the private sector to design, finance, construct, and commission the standalone center. The partnership with the private sector will allow PGH to free up its non-clinical and non-core functions facility-wide which will ensure that both public and self-paying private patients enjoy the same standard of quality facilities and services. The partnership will allow the concessionaire to also provide clinical services to self-paying patients in the dedicated private inpatient and outpatient areas. "The revenues earned from providing clinical services to private self-paying patients, as well as other relevant commercial activities, will allow the concessionaire to bid for a lower Annual Payment and thereby reduce the fiscal burden on the government," said Dr. Gerardo Legaspi. The private partner will be selected through an open and competitive international tender process based on the lowest required Annual Payment to be paid by the government over the 30-year cooperation period. Dr. Legaspi added, "This model means that despite fiscal tightening in the Philippines resulting from the current post-pandemic macro-economic environment, the public sector can continue to finance all needed healthcare projects, together with private sector participation."

The 30-year BTO contract is fully aligned with the government's National Integrated Cancer Control Act. Introduced in 2019, the Act aims to significantly improve cancer prevention, screening, and treatment and make cancer care more inclusive and affordable by scaling up essential programs and increasing investment in the sector. It specifically mentions the role of PPPs in developing cancer centers in all Regions. "UP-PGH currently operates at 400 percent capacity for cancer care. Expanding and improving our cancer infrastructure is an important part of our 20-Year Master Plan," said Dr. Legaspi.

With the NEDA Board approval secured, UP-PGH is planning to launch an investor's conference within February 2023 and roll out the tender for the project within March 2023.

Media contact:

Jose Rafael Marfori, MD, MPH

Special Assistant to the Director, UP-Philippine General Hospital

jamarfori@up.edu.ph

¹ Based on Memo to the NEDA Board from the Investment Coordination Committee

² Source: Globocan Philippines (2020) – <https://gco.iarc.fr/today/data/factsheets/populations/608-philippines-factsheets.pdf>