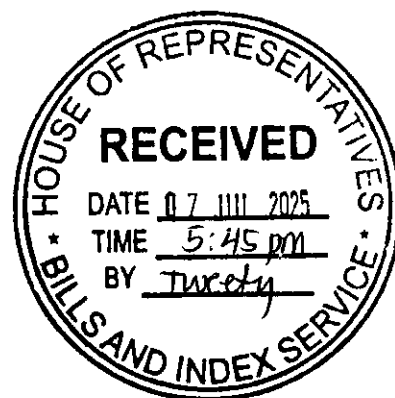


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1527



Introduced by: Rep. Keith Micah "Atty. Mike" D.L. Tan

AN ACT
REQUIRING LOCAL GOVERNMENT UNITS TO EARMARK AT LEAST FIFTEEN
PERCENT (15%) OF THEIR NATIONAL TAX ALLOTMENT SHARE FOR HEALTH
SERVICES, AMENDING FOR THE PURPOSE SECTION 287 OF REPUBLIC ACT NO.
7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE
OF 1991

EXPLANATORY NOTE

This bill seeks to amend Section 287 of the Local Government Code (LGC) of 1991 to ensure the appropriation for health services in all provinces, cities, municipalities, and barangays. The proposed appropriation of no less than fifteen percent (15%) of local government units' national tax allotment share for health services shall be on top of whatever is allotted for health services under the existing development projects as provided under the LGC and the Special Health Fund (SHF), a component of the Universal Health Care Act.

The proposal is grounded on the fundamental policies outlined under Republic Act No. 11223, otherwise known as the "Universal Health Care (UHC) Act", which adopts (1) an integrated and comprehensive approach to ensure that all Filipinos are health literate, provided with healthy living conditions, and protected from hazards and risks that could affect their health; (2) a health care model that provides all Filipinos access to a comprehensive set of quality and cost-effective, promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, and prioritizes the needs of the population who cannot afford such services; (3) a framework that fosters a whole-of-system, whole-of-government, and whole-of-society approach in the development, implementation, monitoring, and evaluation of health policies, programs and plans; and (4) people-oriented approach for the delivery of health services that is centered on people's needs and well-being, and cognizant of the differences in culture, values, and beliefs.

It is premised on the belief that along with local development initiatives, the provision of quality, accessible, and relevant health services is enormously important, a fact that the country and maybe the rest of the world, has now come to realize, albeit belatedly, amid the COVID-19 pandemic, which has brought into fore the important role of LGUs in the delivery of health services.

The pandemic has underscored the important lesson that LGUs must be at the front lines of UHC implementation inasmuch as the law "requires local leaders who

recognize that health is not just one of their concerns but is in fact a strategic concern that has wide-reaching impact on stubborn societal issue.”¹

The bill is also a corollary of the recent Mandanas-Garcia Ruling where the Supreme Court ruled that the “just share” of LGUs include all national taxes and not just the national internal revenue taxes, but also customs duties and others. Consequently, in the next cycle of the recomputation of the IRA in 2022, the LGU budget, based on preliminary estimates, is expected to increase by 30.73% or equivalent to 1% of the GDP.²

It is for this reason that the proposed measure by the Department of Budget and Management (DBM) to mitigate the impact is ‘to gradually “redevolve” services to LGUs. Starting 2020 budget, DBM has been working with NGAs in developing an action plan up to 2022 for the redevolution of services to LGUs.³

Given that LGUs must perform undertake necessary action to prepare for the greater role and responsibilities of providing health services that they are expected to assume in the context of the Mandanas-Garcia ruling, this measure is being filed in order to protect and promote the right to health of the people and instill health consciousness among them.

In view of the foregoing, the immediate passage of this measure is earnestly sought.


Keith Micah “Atty. Mike” D.L. Tan
4th District, Quezon

¹ The UHC Law and LGUs, Vincent E.R. Festin, Blueboard, Business World, April 10, 2019 (<https://www.bworldonline.com/the-uhc-law-and-lgus/>) Accessed on 13 February 2021

² Department of Health Budget Briefer 2021

³ Ibid.

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REQUIRING LOCAL GOVERNMENT UNITS TO EARMARK AT LEAST FIFTEEN PERCENT (15%) OF THEIR NATIONAL TAX ALLOTMENT SHARE FOR HEALTH SERVICES, AMENDING FOR THE PURPOSE SECTION 287 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 287 of Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

"SEC. 287. Local Development Projects AND HEALTH SERVICES. - Each local government unit shall appropriate in its annual budget no less than twenty percent (20%) **AND FIFTEEN PERCENT (15%)** of its annual [internal revenue] **NATIONAL TAX** allotment for development projects **AND HEALTH SERVICES, RESPECTIVELY.** Copies of the development plans **AND HEALTH PROGRAMS, INCLUDING PROVISION OF FREE MEDICINES TO INDIGENT PATIENTS,** of local government units shall be furnished the Department of the Interior and Local Government (DILG) **AND THE DEPARTMENT OF HEALTH (DOH).**

HEALTH PROGRAMS OF LOCAL GOVERNMENT UNITS SHALL BE APPROVED BY THE LOCAL HEALTH BOARDS IN ACCORDANCE WITH THE STANDARDS AND CRITERIA SET BY THE DOH PURSUANT TO PERTINENT PROVISIONS OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE UNIVERSAL HEALTH CARE Act"

SEC. 2. Within sixty (60) days from the effectivity of this Act, the Department of Finance (DOF), Department of Budget and Management (DBM), Department of Health (DOH) and the Department of the Interior and Local Government (DILG) shall jointly promulgate the necessary rules and regulations for the implementation of this Act.

SEC. 3. All laws, decrees, executive orders and rules and regulations inconsistent with the provisions of this Act are hereby amended, repealed or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,