

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 1973



Introduced by
ACT Teachers Party-List Rep. ANTONIO L. TINIO
and **KABATAAN Party-List Rep. RENEE LOUISE M. CO**

AN ACT
PROVIDING FOR THE AUTOMATIC APPROPRIATION FOR PUBLIC
HEALTH SERVICES, AMENDING SECTION 31 OF PRESIDENTIAL
DECREE NO. 1177 AND SECTION 26, CHAPTER 4, BOOK VI OF
EXECUTIVE ORDER NO. 292, OTHERWISE KNOWN AS THE
"ADMINISTRATIVE CODE OF 1987"

EXPLANATORY NOTE

This Bill mandates the government to allot the equivalent of 5% of gross domestic product (GDP) for public health services. This will increase the government budget allotted to people's health and public health care.

Section 15 Article II of the 1987 Philippine Constitution mandates the State to "protect and promote the right to health of the people and instill health consciousness among them." Section 11 Article XIII further states that "(t)he State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost."

Yet, the State is failing to provide free or even affordable health services for the poor Filipino majority. Filipinos are burdened with high out-of-pocket (OOP) expenses comprising 44.4% of the country's total health expenditures in 2023.¹ On the other hand, the national government covered only 23%, local government at 9.3%, PhilHealth 10.2%, on-insurance corporations 7.3%, and insurance corporations 5.8 percent.² The

¹ https://psa.gov.ph/system/files/sad/Press%20Release_PNHA_2023.pdf

² "Reducing PhilHealth's finances only makes it more difficult to meet its already unmet targets." IBON Foundation, 25 February 2025. Retrieved from <https://www.ibon.org/philhealth-finances-targets/>

poorest households do not benefit from PhilHealth, even if they are the ones who should be prioritized. Even with the PhilHealth's "No Balance Billing", the covered indigents still have no access to this so-called protection because of its limitation and lack of availability in the regions where it is much needed.³

Each Filipino spent P11,083 for health in 2023, which is more than 80% of the P13,420 monthly earnings of minimum wage earners in NCR.⁴ Hospitalization costs in private healthcare facilities are even expected to increase by 5 to 15 percent due to inflation affecting medical supplies, equipment, medicines, and wages for healthcare workers.⁵

The Philippines (44%) has the third highest OOP payments among ASEAN member states, behind Myanmar (65.1%) and Cambodia (61.2%).⁶ Meanwhile, the Philippines' public spending on health, which was about 1.5 percent of the gross domestic product (GDP), was much lower than that of Thailand, Vietnam, Singapore, and Malaysia, which spent four times more.⁷

There is an urgent need to increase government spending on public health care. "An explicit target for government expenditure on health services relative to GDP is a potentially powerful tool for holding governments to account" in terms of the people's health, economic, social and cultural rights.⁸

Increased public spending in various countries quickly translates into improved service.⁹ The greater the level of government health spending as a percentage of GDP, the lower the share of OOP payments in total health spending.¹⁰ Through public

³ "PhilHealth, FailHealth." IBON Foundation, 2024. Retrieved from <https://www.ibon.org/philhealth-fail/>

⁴ Computed at P610/day NCR monthly minimum wage x 22 days

⁵ Baron, G. "Hospital rates set to rise as inflation hits medical sector." Daily Tribune, 31 May 2025. Retrieved from <https://tribune.net.ph/2025/05/31/hospital-rates-set-to-rise-as-inflation-hits-medical-sector>

⁶ "Trends in Philippine Health Expenditure." Congressional Policy and Budget Research Department, February 2025. Retrieved from <https://cpbrd.congress.gov.ph/wp-content/uploads/2025/03/FF2025-14-TRENDS-IN-PHILIPPINE-HEALTH-EXPENDITURE.pdf>

⁷ Charlotte Justine Diokno-Sicat, Valerie Gilbert Ulep, Robert Hector Palomar, Ricxie Maddawin, and Mark Gerald Ruiz. "Underinvestment hampers growth of PH health sector." Philippine Institute for Development Studies, vol. 41 no. 2, 2023, p. 1. Retrieved from <https://pidswebs.pids.gov.ph/CDN/document/pidsdrn2302.pdf>

⁸ McIntyre, Di, Filip Meheus, and John-Arne Røttingen. "What Level of Domestic Government Health Expenditure Should We Aspire to for Universal Health Coverage?" Health Economics, Policy and Law 12.2 (2017): 125–137. Web. Retrieved from <https://www.cambridge.org/core/journals/health-economics-policy-and-law/article/what-level-of-domestic-government-health-expenditure-should-we-aspire-to-for-universal-health-coverage/B03E4FAA9DB51F4C9738CB584C9C8B31>

⁹ Jowett M, Brunal MP, Flores G, Cylus J. Spending targets for health: no magic number. Geneva: World Health Organization; 2016 (WHO/HIS/HGF/HFWorkingPaper/16.1; Health Financing Working Paper No. 1); <http://apps.who.int/iris/bitstream/10665/250048/1/WHO-HIS-HGFHFWorkingPaper-16.1-eng.pdf>

¹⁰ Xu, Evans, Kawabata, Zeramdini, Klavus and Murray 2003, as cited by McIntyre D, Meheus F, Røttingen J-A. What level of domestic government health expenditure should we aspire to for universal health coverage? Health Economics, Policy and Law. 2017; <https://pubmed.ncbi.nlm.nih.gov/28332456/>

financing, all contribute fairly to the national budget, through progressive taxation, according to the Civil Society Engagement Mechanism for UHC2030.¹¹ “A 1-percent increase in public health spending per capita may be related to an increase of about 15.1 percent to 17.9 percent in labor productivity in 5 years,” according to a study by State think-tank Philippine Institute for Development Studies (PIDS).¹²

Calls to increase government spending to at least 5% of GDP are supported by various groups and organizations locally and globally. The 5% of GDP for health spending appeared in WHO documents as early as 1981. Various local health groups and people’s organizations have long called for 5% GDP public spending on health. In 2013, PIDS prodded the government anew to increase health spending to 5% of GDP.¹³

A study in 2017 which analyzed the level of government spending needed to reduce poverty, the costs of sufficient numbers of health workers and the cost of providing 90% coverage of essential health services, concluded that a target government expenditure equivalent to at least 5% of GDP is the most appropriate.”¹⁴

The 5% of GDP translates to about P1.3 Trillion, based on the country’s GDP in 2024.¹⁵ This can be achieved by rechanneling non-productive expenses like debt servicing, which in 2025 will cost the country P2.1 Trillion,¹⁶ confidential and intelligence funds, and pork barrel of lawmakers and similar expenditures to public health and other social services. Progressive taxation like a wealth tax on the super-rich as well as bigger taxes on big corporations can provide the needed additional funds.

This Bill amends Section 31 of Presidential Decree No. 1177, otherwise known as the "Budget Reform Decree of 1977" and Section 26, Chapter 4, Book VI of Executive Order No. 292, otherwise known as the "Administrative Code Of 1987".

¹¹ Refiloe Mabejane. “Why 5% of GDP.” Civil Society Engagement Mechanism for UHC2030, 1 July 2019. Retrieved from <https://cseonline.net/wp-content/uploads/2019/07/WHY-5-of-GDP-1.pdf>

¹² Ibid

¹³ Cai Ordinario. “Government prodded anew to increase health spending to 5% of GDP.” Philippine Institute for Development Studies, 4 September 2013. Retrieved from <https://pids.gov.ph/details/government-prodded-anew-to-increase-health-spending-to-5-of-gdp>

¹⁴ McIntyre, Di et al. “What level of domestic government health expenditure should we aspire to for universal health coverage?.” *Health economics, policy, and law* vol. 12,2 (2017): 125-137. doi:10.1017/S1744133116000414. Retrieved from <https://pubmed.ncbi.nlm.nih.gov/28332456/>

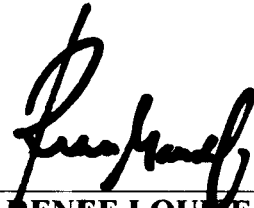
¹⁵ Computed from the data from openstat.psa.gov.ph of P26,446,369,495 GDP for 2024 at current prices.

¹⁶ Ben Arnold de Vera. “Record-high ₱16.6-trillion Philippine debt poses repayment pressures.” *Manila Bulletin*, 1 April 2025. Retrieved from <https://mb.com.ph/1/4/2025/record-high-16-6-trillion-philippine-debt-poses-repayment-pressure>

In the light of the foregoing, immediate approval of this Bill is earnestly sought.



Rep. ANTONIO L. TINIO
ACT Teachers Party-List



Rep. RENEE LOUISE M. CO
KABATAAN Party-List

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18 **AN ACT**
19 **PROVIDING FOR THE AUTOMATIC APPROPRIATION FOR PUBLIC**
20 **HEALTH SERVICES, AMENDING SECTION 31 OF PRESIDENTIAL**
21 **DECREE NO. 1177 AND SECTION 26, CHAPTER 4, BOOK VI OF**
22 **EXECUTIVE ORDER NO. 292, OTHERWISE KNOWN AS THE**
23 **"ADMINISTRATIVE CODE OF 1987"**
24

25 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
26 *assembled:*
27

28 **SECTION 1. Short Title.** This Act shall be known as the ***"Automatic Appropriation***
29 ***for Public Health Services Act"***.
30

31 **SECTION 2. Declaration of Policy.** Pursuant to Section 15, Article 11 of the 1987
32 Constitution the State hereby declares the policy of protecting and promoting the right
33 to health of the people and instilling health consciousness among them. Towards this
34 end, the State shall adopt an integrated and comprehensive approach to health
35 development, which shall endeavor to make essential goods, health and other social
36 services available to every Filipino at affordable cost.
37

38 **SECTION 3. Automatic Appropriation of the equivalent of at least 5% of Gross**
39 **Domestic Product for Public Health Services.** The State is hereby mandated to allot
40 the equivalent of at least 5% of the previous year's Gross Domestic Product for public
41 health services.
42

43 Section 31 of Presidential Decree No. 1177 of July 30, 1977 entitled "Revising the
44 Budget Process in Order to Institutionalize the Budgetary Innovations of The New
45 Society" is hereby amended to read as follows:
46

1 "Section 31. Automatic Appropriations. All expenditures for (a) personnel
2 retirement premiums, government service insurance, and other similar
3 fixed expenditures, **(B) PUBLIC HEALTH EXPENDITURES, [(b)] (C)**
4 principal and interest on public debt, **[(c)] (D)** national government
5 guarantees of obligations which are drawn upon, are automatically
6 appropriated: provided, that no obligations shall be incurred or payments
7 made from funds thus automatically appropriated except as issued in the
8 form of regular budgetary allotments."

9
10 XXX

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12 **SECTION 4. Repealing Clause.** Section 26, Chapter 4, Book VI of Executive Order
13 No. 292, otherwise known as the "Administrative Code of 1987" which reiterates in toto
14 Section 31 of Presidential Decree No. 1177 is likewise amended. Any other law,
15 presidential decree or issuance, executive order, letter of instruction, administrative
16 order, rule or regulation contrary to or inconsistent with the provision of this Act is
17 hereby repealed, modified or amended accordingly.

18
19 **SECTION 5. Effectivity.** This Act shall take effect after fifteen (15) days following
20 the completion of its publication in the Official Gazette or in a national newspaper of
21 general circulation.

22
23
24 *Approved,*