

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2755**



Introduced by Representative Julius Cesar "Jay" V. Vergara

EXPLANATORY NOTE

Republic Act No. 11223 or the "Universal Health Care Act" is a landmark law which launched comprehensive reforms in the country's health system such as the automatic enrolment of all Filipinos in PhilHealth's National Health Insurance Program, among others. While this law has indeed benefited many of our countrymen by guaranteeing equal access to quality and affordable health services to every citizen, one of its major features has been subject to mishandling, hindering equitable access to funding and resources for some local governments.

The Universal Health Care Act created the Special Health Fund (SHF) which aims to consolidate funding pools in a local government, to finance public health services and expenditures. This law introduced the integration of local health systems into Province-wide and City-wide Health Systems. A Province-wide health system is composed of the municipal and component city health systems within the province, whereas a City-wide health system is either a highly urbanized city (HUC) or an independent component city.

For a province under this structure, the SHF is managed by the Provincial Health Board (PHB) which is also mandated to exercise administrative and technical jurisdiction of the province. The PHB is headed by the governor as chairperson, and composed of the chief health officer, the chairman of the committee on health of the Sangguniang Panlalawigan, a DOH representative, representatives of component municipalities or cities, and representatives of the indigenous community and other organizational stakeholders. This composition gives excessive power to the elective head of the province in the management of the fund, opening the fund to abuse and misuse.

For instance, there have been cases where the SHF management has been used by elected provincial officials to advance their personal political propaganda agenda within their provinces. Some provincial government leaders unreasonably use its management powers in such a way that they can decide to allocate less funds to component cities or municipalities whose leaders are not their political allies.

Consequently, the innocent people living in these component cities or municipalities are unjustly deprived of their much-needed health services and infrastructures, just because of political differences between their leaders.

In practice, political differences between the Nueva Ecija provincial government and the LGU of Cabanatuan have led to disparities in the delivery of health services. These differences have resulted in Cabanatuan City being left out of the Local Investment Plan for Health (LIPH), leading to unequal access to health services for its residents compared to other cities/ municipalities in Nueva Ecija. This situation is not unique to Cabanatuan but is a common theme among other cities like San Jose del Monte in Bulacan, where similar political dynamics have resulted in these cities being marginalized in provincial health planning and budgeting.

When a city is left behind in the delivery and enhancement of health services and facilities, it will negatively impact more than just the well-being of its residents. This will also cause the city to struggle and fail in attracting businesses, investments and economic activities, thereby impeding its economic growth and creation of job opportunities for its people.

This proposed amendment to Universal Health Care Act will help resolve the abovementioned problem by giving autonomy to cities in the management of their SHF. This will ensure that cities will receive fair and reasonable share in the funding and resources that will be allocated to them, free from any political interference, so they can focus on what matters most, the delivery of proper health care to their people. In view of the foregoing, the approval of this bill is earnestly sought.



JULIUS CESAR "JAY" V. VERGARA
Third District of Nueva Ecija

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1 **AN ACT AMENDING REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS**
2 **THE "UNIVERSAL HEALTH CARE ACT", FOR THE PURPOSE OF GRANTING**
3 **AUTONOMY TO CITIES IN THE MANAGEMENT OF THEIR SPECIAL**
4 **HEALTH FUND (SHF)**

5
6 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 **Section 1.** Section 19 of Republic Act No. 11223, otherwise known as the "Universal
10 Health Care Act," is hereby amended to read as follows:
11

12 **Section 19.** *Integration of Local Health Systems into Province-wide and City-*
13 *wide Health System.* - The DOH, Department of the Interior and Local
14 Government (DILG), PhilHealth and the LGUs shall endeavor to integrate
15 health systems into province-wide and city-wide health systems. The
16 Provincial ~~and City~~ Health Boards shall oversee and coordinate the
17 integration of health services for province-wide ~~and city-wide~~ health
18 systems, to be composed of municipal ~~and component city~~ health systems
19 ONLY, ~~city-wide health systems in highly urbanized and independent~~
20 ~~component cities, respectively.~~ and FOR CITIES, REGARDLESS OF THEIR
21 STATUS AS COMPONENT, INDEPENDENT OR HIGHLY URBANIZED,
22 THE CITY HEALTH BOARDS SHALL OVERSEE AND COORDINATE
23 THE INTEGRATION OF HEALTH SERVICES FOR THEIR RESPECTIVE
24 CITY-WIDE HEALTH SYSTEMS. The Provincial and City Health Boards
25 shall manage the Special Health Fund referred to in Section 20 of this Act
26 and shall exercise administrative and technical supervision over health
27 facilities and health human resources within their respective territorial
28 jurisdiction: *Provided, That municipalities and cities* included in the
29 province-wide ~~and city-wide~~ health systems shall be entitled to a
30 representative in the Provincial ~~or City~~ Health Board, ~~as the case may be.~~
31

32 **Section 2.** Section 20 of Republic Act No. 11223, otherwise known as the "Universal
33 Health Care Act," is hereby amended to read as follows:

1 **"Section 20. Special Health Fund (SHF).** — The province-wide or city-
2 wide health system shall pool and manage, through a special health fund,
3 all resources intended for health services to finance population-based and
4 individual-based health services, health system operating costs, capital
5 investments, and remuneration of additional health workers and incentives
6 for all health workers: Provided, That the DOH, in consultation with the
7 DBM and the LGUs, shall develop guidelines for the use of the Special
8 Health Fund.

9
10 EACH CITY, REGARDLESS OF ITS STATUS AS A COMPONENT,
11 INDEPENDENT OR HIGHLY URBANIZED CITY, SHALL HAVE FULL
12 AUTONOMY OVER ITS SPECIAL HEALTH FUND (SHF). THE SHF
13 SHALL BE MANAGED BY THE CITY HEALTH BOARD AND UTILIZED
14 BY THE LOCAL GOVERNMENT UNIT (LGU) OF THE CITY,
15 INDEPENDENTLY, WITH NO OVERSIGHT OR CONTROL FROM THE
16 PROVINCIAL GOVERNMENT. THIS AUTONOMY IS GRANTED TO
17 ENSURE THE EQUITABLE DISTRIBUTION OF HEALTH RESOURCES
18 AND SERVICES, FREE FROM POLITICAL INFLUENCE, AND TO
19 EMPOWER CITIES TO ADDRESS THEIR UNIQUE HEALTH NEEDS
20 EFFECTIVELY.

21
22 COMPONENT CITIES SHALL NO LONGER BE SUBJECT TO THE
23 ADMINISTRATIVE SUPERVISION OF THE PROVINCIAL
24 GOVERNMENT CONCERNING THE MANAGEMENT AND
25 ALLOCATION OF THE SHF. THE CITY HEALTH BOARD AND THE
26 CITY GOVERNMENT SHALL BE RESPONSIBLE FOR THE PLANNING,
27 BUDGETING, AND IMPLEMENTATION OF HEALTH PROGRAMS
28 FUNDED BY THE SHF, IN ALIGNMENT WITH THE LOCAL
29 INVESTMENT PLAN FOR HEALTH (LIPH) AND THE OBJECTIVES OF
30 THE UNIVERSAL HEALTH CARE ACT.

31 TO ENSURE TRANSPARENCY AND ACCOUNTABILITY, EACH CITY
32 AND PROVINCE SHALL SUBMIT AN ANNUAL REPORT ON THE
33 UTILIZATION OF THE SHF TO THE DEPARTMENT OF HEALTH (DOH)
34 AND PHILHEALTH. THE REPORT SHALL INCLUDE A DETAILED
35 ACCOUNT OF EXPENDITURES, OUTCOMES OF HEALTH
36 PROGRAMS, AND ANY OTHER RELEVANT DATA AS REQUIRED BY
37 THE DOH."

38
39 **Section 2. Repealing Clause** — All laws, decrees, orders, rules, and regulations or parts
40 thereof inconsistent with this Act are hereby repealed or modified accordingly.

41
42 **Section 3. Effectivity** — This Act shall take effect fifteen (15) days after its publication
43 in the Official Gazette or in a newspaper of general circulation.

44
45 *Approved,*