

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

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



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 9563

Introduced by
ACT Teachers Party-List Rep. ANTONIO L. TINIO,
Gabriela Women's Party Rep. SARAH JANE I. ELAGO,
and KABATAAN Party-List Rep. RENEE LOUISE M. CO

AN ACT
SETTING ASIDE AN AMOUNT EQUIVALENT TO AT LEAST FIVE
PERCENT OF THE GROSS DOMESTIC PRODUCT FOR THE ANNUAL
BUDGET FOR PUBLIC HEALTH SERVICES

EXPLANATORY NOTE

This Bill mandates the government to allocate the equivalent of 5% of gross domestic product (GDP) for public health services. This measure seeks to increase the government budget dedicated 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."

Despite these mandates, 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 household expenses amounting to P615.16 billion, or 42.7% of the total P1.44 trillion current health expenditure (CHE). On the other hand, government health expenditure dropped during the COVID-19 pandemic—from 49.8% of the total CHE in 2021 to 44.4% in 2024. During the same period, the Filipino people have increasingly relied on insurance corporations and other private entities, whose health expenditure rose from just 9.1% of the total CHE in 2021 to 12.8% in 2024.

In 2023, the Philippines had the third highest out-of-pocket household payments (44%) among ASEAN member states, following Myanmar (65.1%) and Cambodia (61.2%).¹ Meanwhile, the Philippines' public spending on health, which is approximately 1.5 percent of the GDP, remains significantly lower than that of Thailand, Vietnam, Singapore, and Malaysia, which spent four times more.²

Moreover, it is noteworthy that out of the total P1.2 trillion CHE in 2023, 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.³ The 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 (NBB) Policy, many indigents have to pay out-of-pocket because of NBB's limitations and lack of availability in the regions where it is much needed.⁴

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 accountable regarding the people's health, economic, social and cultural rights.⁵

Increased public spending in various countries quickly translates into improved service.⁶ Higher levels of government health spending as a percentage of GDP generally result in a lower share of OOP payments.⁷ According to the Civil Society Engagement Mechanism for UHC2030, public financing ensures that all citizens contribute fairly to the national budget through progressive taxation.⁸ Furthermore, a study by the Philippine Institute for Development Studies (PIDS) suggests that a 1%

¹ "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>

² 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>

³ "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/>

⁴ "PhilHealth, FailHealth." IBON Foundation, 2024. Retrieved from <https://www.ibon.org/philhealth-fail/>

⁵ 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>

⁶ 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>

⁷ 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/>

⁸ 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>

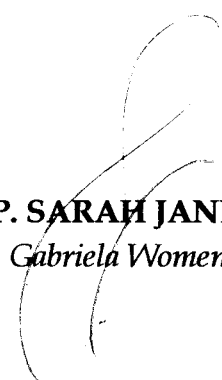
72 increase in public health spending per capita can lead to a 15.1% to 17.9% increase in
73 labor productivity over five years.⁹

74
75 Calls to increase government spending to at least 5% of GDP are supported by
76 various local and global groups and organizations. The 5% of GDP for health
77 spending appeared in WHO documents as early as 1981. In 2013, PIDS prodded the
78 government anew to increase health spending to 5% of GDP.¹⁰ A 2017 study,¹¹ which
79 analyzed the level of government spending needed to reduce poverty, the costs of
80 sufficient numbers of health workers and the cost of providing 90% coverage of
81 essential health services, concluded that a target government expenditure equivalent to
82 at least 5% of GDP is the most appropriate.”

83
84 Based on the country’s GDP in 2025, 5% of GDP translates to approximately
85 ₱1.4 trillion. This can be achieved by rechanneling nonproductive expenses, such as
86 debt servicing (which costs P2.1 trillion in 2025), confidential and intelligence funds,
87 and pork barrel, towards public health and other social services. Progressive taxation
88 like a billionaire wealth tax and higher taxes on large corporations can provide the
89 necessary additional funds.

90
91 In the light of the foregoing, immediate approval of this Bill is earnestly sought.
92


REP. ANTONIO L. TINIO
ACT Teachers Party-list


REP. SARAH JANE I. ELAGO
Gabriela Women’s Party


REP. RENEE LOUISE M. CO
KABATAAN Party-list

93

⁹ Ibid

¹⁰ 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>

¹¹ 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/>

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Batasan Hills, Quezon City
4

5
6 **TWENTIETH CONGRESS**
7 First Regular Session
8

9
10 **HOUSE BILL No. 9563**
11

12 -----
13 Introduced by
14 **ACT Teachers Party-List Rep. ANTONIO L. TINIO,**
15 **Gabriela Women's Party Rep. SARAH JANE I. ELAGO,**
16 **and KABATAAN Party-List Rep. RENEE LOUISE M. CO**
17 -----

18
19 **AN ACT**
20 **SETTING ASIDE AN AMOUNT EQUIVALENT TO AT LEAST FIVE**
21 **PERCENT OF THE GROSS DOMESTIC PRODUCT FOR THE ANNUAL**
22 **BUDGET FOR PUBLIC HEALTH SERVICES**
23

24
25 *Be it enacted by the Senate and House of Representatives of the Philippines in*
26 *Congress assembled:*
27

28 **SECTION 1. Short Title.** This Act shall be known as the ***“Una ang Kalusugan***
29 ***Law”***.
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 **SEC. 3. Coverage.** This Act shall cover all annual national appropriations laws to be
39 henceforth prepared, legislated, and executed.
40

41 **SEC. 4. Minimum National Budget for Health.** Congress shall ensure that the annual
42 national appropriations for the Department of Health, primary health care, public
43 hospitals and other agencies and instrumentalities having mandates directly related to
44 public health services shall be equivalent to at least five (5) percent of the gross
45 domestic product (GDP), as per World Health Organization (WHO) standards.
46

1 **SEC. 5. *Implementing Rules and Regulations.*** The Department of Finance and the
2 Department of Budget and Management shall promulgate the rules and regulations
3 necessary to implement this Act not later than ninety (90) days from its effectivity.
4

5 **SEC. 6. *Separability Clause.*** If any part or provision of this Act is held
6 unconstitutional or invalid, the other parts or provision hereof which are not affected
7 thereby shall continue to be in full force and effect.
8

9 **SEC. 7. *Repealing Clause.*** All laws, decrees, executive orders, proclamations, rules
10 and regulations, and other issuances, or parts thereof which are inconsistent with the
11 provisions of this Act, are hereby repealed or modified accordingly.
12

13 **SEC. 8. *Effectivity Clause.*** This Act shall take effect upon its publication in at least
14 two (2) national newspapers of general circulation.
15
16

17 *Approved,*