

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 AUG 28 11:43

SENATE

S.B. No. **2575**

RECEIVED BY: 

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

In 1991, Republic act No. 7160, otherwise known as the Local Government Code was enacted into law, transferring control and responsibility of delivering basic services to the hands of local government units (LGU). It aimed to enhance provision of services in the grass roots level as well as improve the efficiency in resource allocation. Further, it sought to widen the decision-making space by encouraging the participation of stake holders, especially in the local level.

Public health service was one of the national functions devolved to local government units. The Department of Health (DOH), the sole provider of health-related services, was transformed into a technical authority providing technical support and assistance to local health units. The Department maintains national health centers in support of their local counterparts.

Years after its devolution, the quality of health service did not show significant quality improvement. There are concerns on the deteriorating technical health services, on lack of significant change in the volume of people benefitting from health services and the pitiful state of health infrastructure and equipment (Magno, 2001). Data gathered by the Health Alliance for Democracy showed that five (5) out of 10 Filipinos dies without receiving any medical attention while hospital bill is thrice the monthly salary of a worker.

The aforementioned difficulties could be attributed to the lack of funds available to the health sector. Budget for health depends on the capacity of the host local government unit. In fact, dichotomy in health service provision can be observed between first class and lower class LGUs. While local government annual share in public health expenditures heightened to 20.9 percent surpassing the 16.6 percent share of the national government in 2001, the share of LGUs still fall short compared to the prescribed cost of devolved health functions (CDHF), the benchmark used to measure the funding needed to provide local health services based on pre-devolution levels.

Moreover in 2005, the National Statistical Coordination Board observed a decline in local government spending on health services by 6.1 percent or P1.5 billion. The share of the national government in health provision spending likewise declined by 29 percent. Meanwhile, the share of out-of pocket payments increased to 49 percent and


social insurance payments heightened by 11 percent. These figures failed to address the goals set by the Health Sector Reform Agenda (HSRA).

More than budgetary constraint, politics colors the health delivery arena. It was observed that in reality, devolution constricted the decision-making as the political priorities of local authorities often conflict with those of health managers and advocates. The same political motivation hinders the efficient and effective allocation of available resources (Grundy, Healy, Gorgolon & Sandig, 2003).

With the aforementioned failures, this bill seeks to re-nationalize devolved health functions and responsibilities towards the development of a quality and affordable health care service to the Filipino people.

The measure aims to transfer provision of health services back to the national government from local government units who could not deliver quality service. For local government units who opted to continue health service delivery, the bill requires stringent scrutiny of their capabilities through the establishment of the Health Devolution Review Panel. The panel shall identify problems on health care delivery as well as offer solutions to address the same.

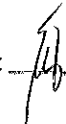
In view of the foregoing, the passage of this measure is earnestly sought.


LOREN LEGARDA
Senator

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AN ACT
REVERTING TO THE NATIONAL GOVERNMENT THE DISCHARGE OF
HEALTH FUNCTIONS AND RESPONSIBILITIES DEVOLVED TO CERTAIN
LOCAL GOVERNMENT UNITS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF
1991

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

SECTION 1. The provisions of the Local Government Code of 1991 to the contrary notwithstanding, health functions and responsibilities devolved to provinces and municipalities of the second to the sixth classes shall be reverted to and discharged by the national government for a period not exceeding five (5) years beginning January 1, 2008: Provided, That such provinces or municipalities may continue discharging said functions and responsibilities after complying with the requirements set in Section 2 hereof: Provided, further, That in case of such continuance, any amount released by the national government to a local government unit (LGU) for the devolved health functions and responsibilities shall be used exclusively for such purposes.

First-class provinces and municipalities and all cities shall continue discharging the health functions and responsibilities devolved to them: Provided, that any of them may apply for reversion in accordance with Section 2 hereof.

In case the health functions and responsibilities devolved to a province, city or municipality are reverted, the funds of such purpose shall be returned to the national

government and administered by the Department of Health. The amount to be returned to the national government shall be based on the actual cost of health services for calendar year 1994 to be determined by the Department of Budget and Management.

Any LGU whose health functions and responsibilities have been reverted to the national government may reassume the same anytime during the effectivity of this Act after complying with the requirements set in Section 2 hereof.

SEC. 2. Any province or municipality opting to continue discharging the health functions devolved to it or, in the case of cities and first class provinces and municipalities, to have them reverted to the national government, pursuant to Section 1 hereof, shall comply with the following requirements:

(a) The local health board (Board), by a majority vote of its members, shall submit to the sanggunian concerned its resolution of continuance or reversion, as the case may be.

For the purposes of this Act, a representative of the local health workers concerned shall be included as member of the Board in addition to those stated in Section 102 of the Local Government Code.

(b) The sanggunian concerned shall enact an ordinance containing and ratifying such solution within thirty (30) days from submission by the Board.

(c) If the resolution is disapproved by the sanggunian or the ordinance is vetoed by the local chief executive, it shall be forwarded to the Health Devolution Review Panel (Panel) created herein within fifteen (15) days from the date of disapproval.

(d) The Panel shall decide on the said resolution or ordinance within thirty (30) days from its submission. In approving or denying the resolution or ordinance, the Panel shall take into consideration the technical, financial, and administrative capabilities of the LGU concerned.

(e) If the ordinance ratifying the resolution is approved by the local chief executive, such ordinance shall become final upon approval and a copy thereof shall be forwarded to the Panel within (15) days from its approval.

The panel shall act accordingly to have the resolution implemented within four (4) months from the submission of the approved ordinance.

SEC. 3. The Department of Health in consultation with public health workers in the field and other sectors concerned shall identify the problems of health service delivery under devolved set-up and recommend measures to correct them. The Department shall also help prepare the LGUs concerned to reassume their respective health functions and responsibilities to enable them to discharge such functions and responsibilities most effectively.

SEC. 4. The funds necessary to cover the benefits provided for under Republic Act No. 7305 of the Magna Carta for Public Health Workers and the funds to augment what is appropriated for health services under existing laws shall be provided for in the General Appropriations Act of 2008 and the years thereafter.

SEC. 5. Any provision of Republic Act No. 7160 and its implementing rules and regulations that is inconsistent with this Act is hereby repealed, amended, or modified accordingly.

SEC. 6. The declaration of invalidity or unconstitutionality of any provisions of this Act or portion thereof, shall not affect the validity of the remaining provisions hereof not otherwise so declared invalid or unconstitutional.

SEC. 7. This Act shall take effect immediately upon its approval.

Approved,