



PHILIPPINE MEDICAL ASSOCIATION

THEME: "BUILD, BUILD, BUILD PMA!"

Member : World Medical Association (WMA)
Co-Founder : Confederation of Medical Association in Asia and Oceania (CMAAO)
Medical Association of Southeast Asian Nations (MASEAN)

Secretariat : Philippine Medical Association Building, North Avenue, Quezon City 1105
Telephone Numbers: (632) 929-7361; 929-6366; 926-2447 Fax: (632) 929-6951
Mobile Numbers: 0927-5806903; 0947-2994782 (Membership)
0917-8221357; 0918-9234732 (Secretariat)

Email: philmedas@yahoo.com; philmedas@gmail.com; info@philippinemedicalassociation.org
Website: www.philippinemedicalassociation.org

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MEMORANDUM CIRCULAR NO: 2019-02-12-056 A

**TO : COMPONENT SOCIETIES, SPECIALTY DIVISIONS,
SPECIALTY SOCIETIES and AFFILIATE SOCIETIES**

DATE : FEBRUARY 12, 2019

SUBJECT : CLARIFICATIONS ON ISSUES RE: SB 1896

It is with great concern that we are writing this document in response to the various opinions, insights or "apparent conclusions" circulating in social media regarding certain provisions in the approved Bicameral version of Senate Bill No. 1896 also known as the Universal Health Care Bill. We would like to label this bill as the "Game Changer", for it will change the way we practice medicine and change much of the existing infrastructure in the health care system of our country.

Once the Bill is signed into Law by the President, the Implementing Rules and Regulations (IRR) will be created, crafted or drafted within 180 days upon the effectivity of the Law. The IRR will define the particular details of how the Law should be implemented and, will define the intricacies of the nature, methods, systems, function and exact composition of the health systems in our country. The IRR HAS YET TO BE CREATED.

Let us point out however that all the concerns being aired and shown by many of our colleagues are appreciated and will be brought-up and considered as discussion points in and during the preparation or crafting of the IRR. All these will help in safeguarding the integrity of the Law.

To the best of our knowledge, we will try to interpret and explain briefly some contentious provisions of the UHC Bill, based on data and information we have gathered during our attendance to the Technical Working Group (TWG) meetings on UHC, various hearings called by each of the Committees on Health of the House of Representatives and the Senate, of recent meetings and discussion groups called by the DOH, the University of the Philippines, Asian Institute of Management, USAID, and the European Union among others.

Of particular concern are the provisions contained in CHAPTER V. SECTIONS 19, 20 AND 21.

SEC.19. - Integration of Local Health Systems into Province-wide and City-wide Health Systems, stipulates that:

The DOH, Department of Interiors and Local Government (DILG), Philhealth and the LGUs shall endeavor to integrate health systems into province-wide and city-wide Health Systems. The Provincial and City Health Boards shall oversee and coordinate the integration of health services for province-wide and city-wide health systems, to be composed of municipal and component city health systems, and city-wide health systems in highly urbanized and independent component cities, respectively. The Provincial and City Health Boards shall manage the Special Health Fund referred to in Section 20 of this Act and shall exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction: Provided, that municipalities and cities included in the province-wide and city-wide health systems shall be entitled to a representative in the Provincial of City Health Board, as the case may be.

This means that there will be the creation or organization of a health system that will manage, oversee and supervise the facilities and health human resources or personnel within the jurisdiction of the Province-wide or City-wide health systems. This is akin to allowing the Province or City Health Boards to exercise control over health matters within

their geographical jurisdiction, in other words 'PROVINCIALIZATION" of the health care system. To continue, the last provision of Section 19 states that the Provincial or City Health Boards shall be entitled to a representative who will sit as a member of the Province-wide or City-wide health systems. This will allow full participation of the respective Provincial or City Health Boards in the decision-making or policy-making processes of the respective health systems, as well as create a system of check and balances within the health systems.

SEC. 20. Special Health Fund. – The province-wide or city-wide health system shall pool and manage, through a special health fund, all resources intended for health services to finance population-based and individual-based health services, health system operating costs, capital investments, and remuneration of additional health workers and incentives for all health workers: Provided, that the DOH, in consultation with the DBM and the LGUs, shall develop guidelines for the use of the Special Health Fund.

Of bigger concern that has been mentioned is the provision on the creation of a Special Health Fund (for this purpose, we shall call it - SHF) that the Provincial and City Health Boards shall manage. It must be pointed out that there seem to be some confusion here that need clarification: The Provincial and City Health Boards are established units in the Local Government Code of 1991 (RA No. 7160, Title V, Sec. 102), and the Bill specifically mentions that it is the respective Provincial or City Health Boards that will exercise administrative and technical supervision over health facilities and health human resources within their respective territorial jurisdiction and NOT the Province-wide or City-wide health systems which will have a different composition and structure, and have yet to be created through an Integration process. We will seek clarification about these provisions, and strongly install safeguards to address the above concerns during the crafting of the IRR.

Of important note is the provision that, guidelines for the use of the SHF shall be developed in consultation with the DOH, DBM and LGUs. If done properly, this should allay fears on where and how the SHF will be used. Again, with the help of everyone, we

will actively participate and closely monitor as well as suggest strong measures that will safeguard the use of the SHF.

SEC. 21. Income Derived from PhilHealth Payments. – All income derived from Philhealth payments shall accrue to the Special Health Fund to be allocated by the LGUs exclusively for the improvement of the LGU health system: Provided, that Philhealth payments shall be credited to the annual regular income (ARI) of the LGU.

Province-wide and City-wide health systems are “encouraged” to earn from PhilHealth payments and this may be achieved through a well-managed, efficient, competent and graft/corruption-free system.

“All income”- simply means that all costs, expenses, payments to all units, private contracted parties such as clinics, hospitals, drugstores, diagnostic centers and individuals have already been made and disbursed. The remaining income, should there be some, shall accrue to the SHF. We again need to make a strong stand and position on this matter, as the IRR is crafted.

At this point, allow us to point out a provision particularly CHAPTER IV – HEALTH SERVICE DELIVERY. SEC 18. Individual Based Health Services – (a) PhilHealth shall endeavor to contract public, private or mixed health care provider networks for delivery of individual-based health services..xxx, and the last provision states: The apex or end-referral hospitals, as determined by the DOH may be contracted as stand-alone health care providers by PhilHealth – this means that contractual agreements will be directly by and between the Hospitals and PhilHealth. Again, the requirements have yet to be determined and approved in the IRR.

The particular focus of the above provisions in the UHC Bill (SECs. 19, 20, and 21) are Government Facilities and Entities. Private entities, professionals, hospitals, clinics, organizations, units or groups may be invited specifically for individual-based health provision, through a contractual agreement by and between the Province-wide or City-

wide health systems or PhilHealth. The particulars of how's and the why's these will be carried-out still needs to be drafted and approved in the IRR.

As a last word, we would like to reiterate the fact that your Philippine Medical Association... is, was and will be there for you every step of the way towards the completion and implementation of this very important piece of Legislation that will provide health for every Filipino. It is incumbent upon all of us to be united and be one to support this Bill and eventually, Law, with vigilance, competence and reason.

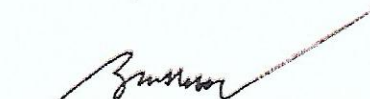
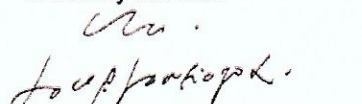
Mabuhay ang PMA! Mabuhay tayong lahat!

Thank you very much.



OSCAR D. TINIO, MD
Chair, Commission on Legislation

Noted by:


BENJAMIN M. ALABAN, MD
Secretary General
JOSE P. SANTIAGO, JR., MD
President