

Headline	Free healthcare hinges on higher 'sin' taxes – DOF	
MediaTitle	Manila Bulletin( <a href="http://www.mb.com.ph">www.mb.com.ph</a> )	
Date	19 May 2019	
Section	NEWS	
Order Rank	1	
Language	English	
Journalist	N/A	
Frequency	Daily	

# Free healthcare hinges on higher 'sin' taxes – DOF

by *Chino S.Leyco*

Filipinos would not enjoy the complete benefits of the recently enacted law providing lower to free health insurance coverage if Congress will not pass the proposed higher taxes on “sin” products, the Department of Finance (DOF) said.



DOF logo

According to Finance Secretary Carlos G. Dominguez III, the last three session weeks of Congress is crucial for the government’s universal health care (UHC) program as it determines the funding for the Filipinos’ health care.

Dominguez raised this concern as he stressed the current UHC’s funding sources are not enough to fulfill the financing requirements of the program beginning next year, citing the law will require additional P426 billion over the next five years to properly implement the free health care.

From 2020 to 2024, the national government needs to generate P1.44 trillion to fulfill the mandate of the UHC but, as of now, the Duterte administration has only earmarked P1.01 trillion.

To bridge the financing gap of P426 billion, the DOF and the Department of Health (DOH) are looking at higher excise tax on tobacco and alcohol as sources of funds for the UHC.

For this reason, Dominguez and Health Secretary Francisco Duque III urged the 17th Congress to pass their proposal to raise the excise tax rates on cigarettes from P35 to P60 per pack in the first year of its implementation and an additional 9 percent per year thereafter.

Aside from tobacco products, the DOF and DOH are likewise asking Congress to increase excise taxes on alcohol to at least P40 per liter and impose a unitary tax system on fermented liquors.

Congress needs to act on the DOF and DOH-backed proposal under Sen. Emmanuel “Manny” Pacquiao’s Senate Bill (SB) No. 1599 before it ends on June 7 this year.

“If we do not establish new sources of revenue, we will not have enough funds to properly, fully implement Universal Health Care and ensure a better quality of life for all Filipinos,” Dominguez said.

Without a new sin tax reform law and at current premiums, members of the Philippine Health Insurance Corp. (PhilHealth) will continue to be covered for only 18 primary care drugs and seven conditions while shouldering 90 percent of the cost of prescribed medicines.

But if the current Congress gets to pass the law before it adjourns in June, PhilHealth coverage will expand to cover 120 drugs and there will be no limit on primary care treatment.

The DOH has also proposed that medicine purchases will be limited to a fixed fee — the cost of the transaction alone. These are some of the specific benefits that Filipinos will receive under UHC if fully implemented.

“The DOF and DOH have presented the facts on this issue to the President and the Cabinet. We were given clear and urgent instructions: tax alcohol and tobacco at higher than current levels, and fund UHC beginning this year,” Dominguez said.

Dominguez recalled that President Duterte urged Congress in his 3rd State-of-the-Nation Address (SONA) last year to approve both the UHC and ‘sin’ tax increases, and subsequently agreed to certify Pacquiao’s bill, with the Cabinet recommending the swift passage of this measure.

Dominguez thanked Senators Pacquiao, JV Ejercito and Sherwin Gatchalian for championing significant increases in ‘sin’ taxes, and Sen. Juan Edgardo Angara for moving this reform measure forward in the chamber as chairman of its ways and committee.

“We urge both Houses to give due priority to this reform. Approve the Senate version in the bicameral conference and ratify it immediately,” Dominguez said.

Duque noted that, with only three session weeks remaining in the 17th Congress, “there is still time to collectively take action.”

“We look forward to the support of our counterparts in the legislature, during this crunch time. This is the final round, tapusin na natin ang boksing,” Duque said.

The 17th Congress will resume session on May 20 up to June 7 before its sine die adjournment on June 8 to make way for the new set of lawmaker-members of the next Congress that will open on July 22.