



DEPARTMENT OF HEALTH

Budget Briefer

F.Y. 2017





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Introduction

The Department of Health FY 2017 Budget Portfolio aims to provide an overview of the mandate of this Department, its health sector goals and objectives, strategic thrusts, and the salient features of the proposals for major budget line items in the 2017 proposed budget.

Mandate

The mandate of the DOH stems from Article II, Section 15 of the 1987 Philippine Constitution that states; *“It is the responsibility of the state to protect and promote the right to health of the Filipinos and instill health consciousness among them.”*

Further, the DOH through Executive Order No. 102^a is mandated to ensure that every Filipino will achieve an optimal level of health. The role of the DOH then is to provide assistance to local government units (LGUs), people’s organization (PO), and other members of civil society in (i) effectively implementing programs, projects and services that will promote the health and well-being of the citizens; (ii) prevent and control diseases among populations-at-risks; (iii) protect individuals, families and communities exposed to hazards and risks that could affect their health; and (iv) treat, manage and rehabilitate individuals affected by disease and disability.

DOH Organization

Vision

A global leader for attaining better health outcomes, competitive and responsive health care systems, and equitable health care financing

Mission

To guarantee equitable, sustainable, and quality health for all Filipinos, especially the poor, and to lead the quest for excellence in health

Roles and Functions

The Department of Health has three major roles in the health sector: (1) a leader in health; (2) an enabler and capacity builder; and (3) as an administrator of specific services. As a leader in health, the DOH takes lead in the development of national plans, technical standards, and guidelines on matters of health. As an enabler and capacity builder, the DOH provides technical assistance in strengthening health systems and capacities of health providers and stakeholders. The DOH provides special tertiary health care services through its specialty and regional hospitals.

^a Consistent with the provisions of EO 292 and RA 7160 or the Local Government Code of 1991

Finally, the DOH also ensures the safety and quality of health goods and services through regulation.

DOH Organizational Structure

The Rationalization Plan for the DOH Central Office and Regional Offices was approved through Executive Order No. 366 on August 23, 2013. The rationalization plan enforces the strategic review of agency operations and organizations to improve public service delivery. Figure 1 shows the DOH organizational structure based on EO 366.

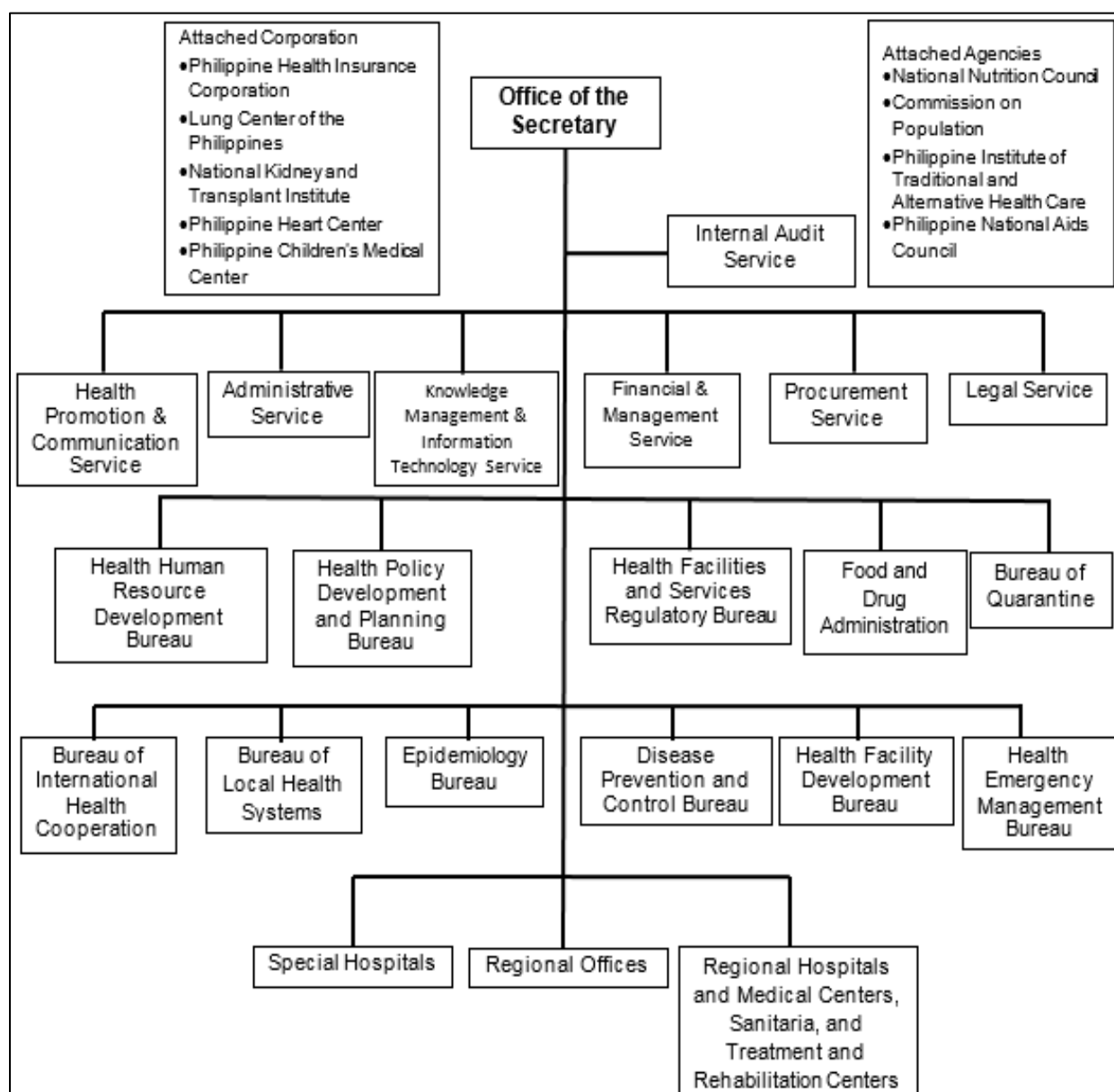


Figure 1. DOH Organizational Structure

Accomplishments in Health (2010-2016)

Attainment of health-related Millennium Development Goals

- *Child Mortality*

The percentage of fully immunized children is 87% in 2014. However, child mortality (infant and Under-5) has not significantly changed from 82% in 2011.

- *Maternal Mortality*

Maternal mortality decreased from 129 deaths/100,000 live births in 2010 to 114 deaths/100,000 live births in 2015. Family planning indicators have also improved with higher contraceptive prevalence rates from 50.6% in 2008 to 55.1% in 2013 and lower unmet need for family planning from 22.3% in 2008 to 17.5% in 2013.

- *HIV/AIDS*

Based on the 2013 Integrated Behavioral and Serologic Surveillance (IHBSS), HIV prevalence remains at <1%. The number of persons living with HIV newly initiated on antiretroviral treatment (ART) has increased from 2,672 in 2013 to 4,823 in 2015. There are now 22 treatment hubs and 17 satellite clinics all over the Philippines, where patients can avail of free diagnosis and treatment.

- *Tuberculosis*


TB case detection rate and treatment success rates have been increasing since 2010. From 2010-2015, the treatment success rate has been maintained within the standard at 90% with 92% treatment success rate in 2015.

- *Malaria and Filaria*

The programs for control of communicable diseases have continued their campaigns to reduce the incidence of the diseases and increase the number of disease-free zones. The number of malaria-free provinces has continued to increase since 2010, reaching 32 provinces in 2015. Likewise, Filaria-free provinces has also increased, with 34 out of the 43 endemic areas filarial-free.

- *Non-Communicable Diseases*

Results of the Global Adult Tobacco Survey conducted from November to December 2015 showed that current smokers (any tobacco products) decreased from 28.3% in 2009 to 22.7% in 2015. The 2015 Global Youth Tobacco Survey revealed that 27% of persons 15-18 years old are current smokers, 13% have stopped smoking and the remaining 60% are non-smokers.



Programs of DOH for NCDs include the Diabetes and Hypertension Registry, provision of maintenance medications, and the Go4Health advocacy for health lifestyle. In 2015, there was a high prevalence of hypertension among adults ≥ 20 years old at 23.9% and prevalence of overweight or obesity with no change from previous results at 31.1%. Latest available results (NNS 2013) revealed an increase of the prevalence of diabetes from 4.8% in 2008 to 5.4% in 2013.

Improved access to quality hospitals and health care facilities

- *Health Facilities Enhancement Program (HFEP)*

From 2010-2014, the HFEP funded a total of 2,862 Barangay Health Stations (BHS), 2626 Rural Health Units (RHU), 685 Local Government Unit Hospitals, and 70 DOH Hospitals. In 2015, 62% of the projects are in the procurement stage and 20% are ongoing construction. In 2016, 46% of the projects are already in the procurement stage

- *Health Human Resource Deployment Program*

Deployment programs have continued to augment health professionals to LGU-priority areas. Since 2010 to the second quarter of 2016, the number of health professionals deployed reached to 113,184. Deployed nurses under the Nurse Deployment Program are 82% of the total health professionals deployed.

Lack of Access to Functional and Quality Health Facilities

In spite of the efforts in upgrading health facilities, in 2016, many of the facilities remain underfunded, understaffed, and overcrowded.

Enrollment to Health Insurance

With the goal of increasing the coverage of the population to be enrolled in the National Health Insurance Program, increased efforts resulted to increase in the coverage reaching to 92% of the population covered in 2016 wherein 5.8 million senior citizens and 45.4 million indigents were enrolled.

Moving Forward

In spite of the increased efforts in the previous administration's health strategy: "Kalusugan Pangkalahatan" (KP), there are unfinished business or gaps that the new administration aims to resolve, such as:

1. Many MDG targets have not been attained;
2. Inequities in outcomes persists across population groups;
3. Out-of-pocket continues to be the predominant means of financing healthcare. It hinders access and is impoverishing;
4. The poor utilize PhilHealth less than other membership types; balance billing persistent;
5. Many health facilities remain underfunded, understaffed and overcrowded, and;
6. Continued shift in disease profile due to industrialization and urbanization

The Sustainable Development Goals (SDG) for Health provides the long-term goal of the country as committed globally. It spans nine (9) commitments in health. The Duterte administration is in the position to initiate the health sector progress to attain by 2030 the health SDGs.

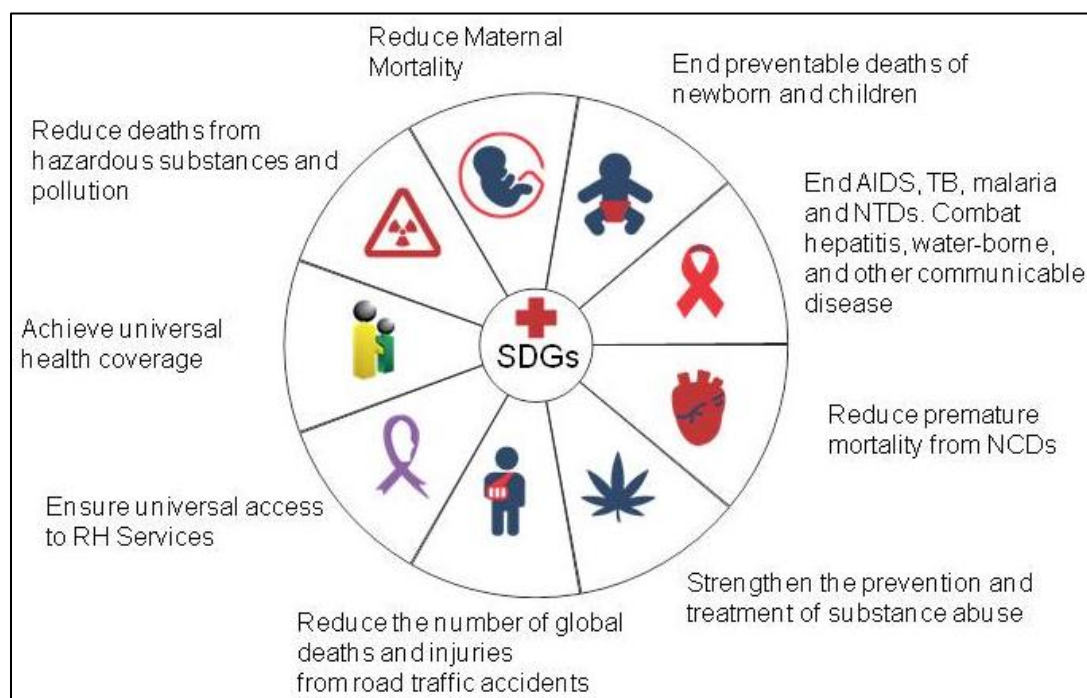


Figure 2. Sustainable Development Goals

Strategies and Outcomes

The Organizational Performance Indicator Framework (OPIF) has been used by the DOH in strategic and sectoral planning. DOH adopted the 3 hierarchy of outcomes: societal (first level), sectoral (second level), and organizational (third level). The strategies to achieve the 3rd level outcomes are linked to the DOH Major Final Outputs (MFOs) which serves as the basis for planning and budgeting.

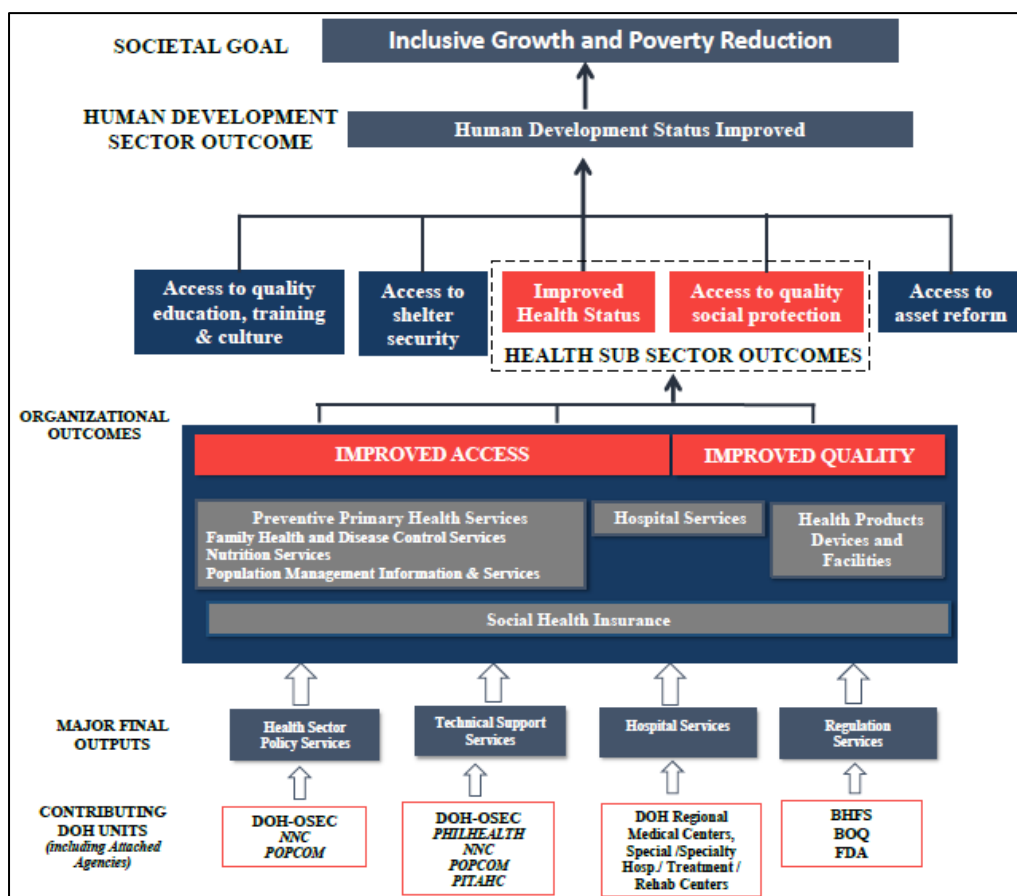


Figure 3. DOH Organizational Performance Indicator Framework

The following are the expected outcomes and target for the DOH 2017 Performance Informed Budget:

1. Access to Social Health Insurance assured

- 100% NHIP Coverage rate of NHTS-PR indigent families

2. Access to Primary (Preventive/Promotive) Health Care Services improved

- 95% Fully Immunized Children
- 85% Facility-Based Delivery
- 90% TB treatment success rate
- 65% Contraceptive Prevalence Rate

Access to Quality Nutrition Services improved

- *100% of poor children (under-five) given micronutrients*
- *100% of LGUs with nutrition programs*

3. Access to Quality Hospital Services improved

- *100% bed occupancy rate of DOH hospitals*
- *< 2% infection rate in hospitals*
- *< 2.5% net death rate*

4. Safe and Quality Health Commodities, Health Devices, Health Facilities and Food ensured

- *< 1% violations in health facilities monitored/ inspected*
- *80% of manufacturing facilities with cGMP*
- *<7% of inspected food, drug, cosmetics, medical device and household urban hazardous substance/pesticides establishments with violations*

The Philippine Health Agenda

The Philippine Health Agenda of “All for Health, Towards Health for All” have the following goals (1) **financial protection**: with focus on the poor protected from high cost of health care, (2) **better health outcomes**: attainment of the best possible health outcomes with no disparity, and (3) **responsiveness**: where Filipinos feel respected and empowered in all of their interaction with the health system.

The Philippine Health Agenda also specified set values that serve as guiding principles in the overall implementation of the health agenda which are:

- **Equitable and Inclusive to all**: Filipinos, especially vulnerable populations are able to access services with least financial, cultural and geographical barriers;
- **Uses Resources Efficiently**: Filipinos are able to continuously get the most health from resources allocated (efficient and cost-effective);
- **Transparent and Accountable**: Filipinos are able to make informed choices with respect to their health/care and participate in local and national discourse and initiatives;
- **Provides High Quality Services**: Filipinos are able to demand full range of quality and compassionate services that are at par with global clinical and non-clinical standards.



Figure 4. Philippine Health Agenda Framework

The three guarantees of the Philippine Health Agenda are as follows:

All Life Stages & Triple Burden of Disease

The first guarantee quality services for all Filipinos, both the well and the sick. The government ensures that health care services be available for **All Life Stages & Triple Burden of Diseases**. This guarantee basically summarizes that a Filipino is entitled to a comprehensive range of services that protect everyone at all ages and all stages (from womb to tomb).

Entitlements include services to address (1) Communicable diseases (e.g. HIV/AIDS, TB, Malaria, etc.), (2) Non-communicable diseases including malnutrition (Hypertension, Diabetes, Cancers, and their risk factors), and (3) Diseases of rapid urbanization and industrialization (i.e. Injuries, substance abuse, mental illness, pandemics, travel medicine, and health consequences of climate change / disaster).

Service Delivery Networks

Service Delivery Networks (SDN) will be the main guarantee in maintaining a functional network of health facilities. These networks entitles Filipino families to a fully functional, coordinated, appropriate, quality and respectful care from the primary care level up until the specialty centers. These entails the availability of services and accessibility of facilities, which are further ensured to be resilient in times of disasters. The functionality of SDN's is then strategized by the government through a network of accountability made inherent in arrangements to ensure quality performance and client satisfaction.



Universal Health Insurance

The third guarantees financial freedom in accessing the health services. The **Universal Health Insurance** ensures that every Filipino will be a member of PhilHealth and is entitled to a package of products and services. All Health Funds (DOH, PhilHealth, PAGCOR, PCSO, LGU and other NGAs) shall be aligned towards achieving the goals of the DHA. The government is committed to sustainably finance these services through Universal Health Insurance.

A.C.H.I.E.V.E. Strategy

The Department of Health as the nation's leader in health, remains faithful to its commitment to provide optimal health to all Filipinos. Also, it is the intention of the current leadership to make all citizens, individuals and communities, be a health champion in all settings. The inter-sectoral approach is essential to accomplish the Philippine Health Agenda: *All for Health Towards and programs shall work on the three guarantees through the A.C.H.I.E.V.E strategy:*

1. ***Advance quality, health promotion, and primary care***
2. ***Cover all Filipinos against health-related financial risk***
3. ***Harness the power of strategic Human Resources for Health Development***
4. ***Invest in eHealth and data for decision-making***
5. ***Enforce standards, accountability, and transparency***
6. ***Value clients and patients, with priority for the poorest 20 million***
7. ***Elicit multisectoral and multistakeholder support for health***

Further, it is anticipated that the guarantees and strategies will not just attain the health-related SDGs but further improve the access to quality healthcare; cost-efficient health services; transparent, sustainable and equitable health management and will promote accountability to the individuals, communities, and the whole health sector.

The FY 2017 Budget Highlights

The DOH budget, including attached agencies, corporate agencies, and hospitals has been increasing since 2010. The FY 2017 Proposed budget is PhP 144 B.

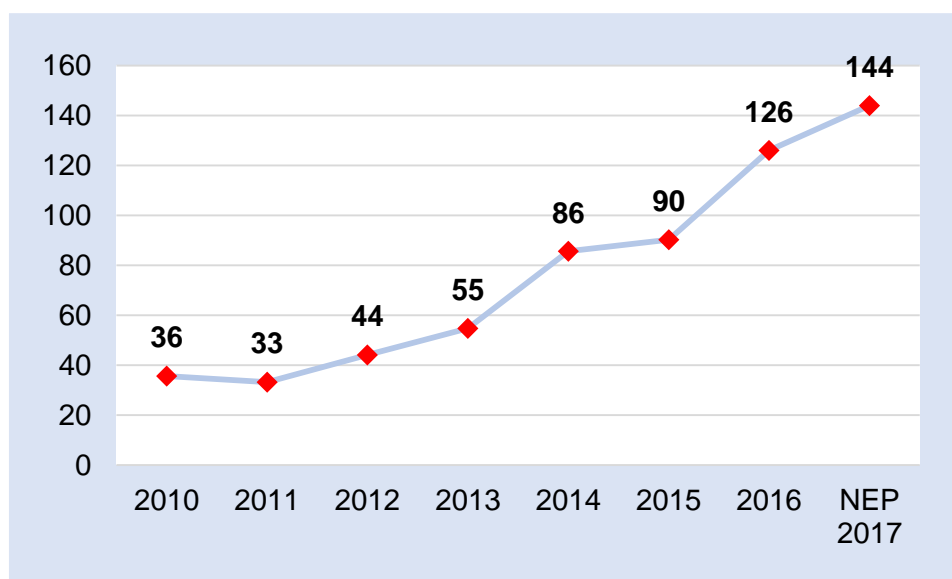


Figure 5. DOH Budget Trend (Includes Attached agencies, corporate agencies and hospitals), FY 2010-2017 Proposed, In Billion PhP

In Table 1 the DOH-OSEC budget for NEP 2017 amounting to PhP 91 B is 26% lower than the appropriated in the GAA 2016. However, it is only because the PhP 50 B allocation for NHIP was taken out of the DOH-OSEC and transferred to the PhilHealth budget. In total, the budget allocation for health in the NEP is 14% higher or by PhP 18 B higher compared to the 2016 appropriation.

Table 1. NEP 2017 DOH and Attached Agencies, Corporate Agencies and Hospitals

| Particulars | GAA | NEP | % Increase |
|---|------------------|------|------------|
| | 2016 | 2017 | |
| | In Billion PhP | | |
| A. Department of Health – OSEC | 123 ^b | 91 | (26) |
| B. Attached Agencies | | | |
| National Nutrition Council | 0.5 | 0.6 | 21 |
| Commission on Population | 0.4 | 0.4 | 21 |
| C. Attached Corporation | | | |
| Phil. Inst. for Traditional & Alternative Health Care | 0.06 | 0.12 | 110 |
| Phil. Health Insurance Corp. (PhilHealth) | - | 50 | 100 |
| D. Corporate Hospitals | | | |
| Lung Center of the Philippines | 0.2 | 0.3 | 26 |

^b Includes NHIP Budget of PhP 44B

| Particulars | GAA | NEP | % Increase |
|--|----------------|------|------------|
| | 2016 | 2017 | |
| | In Billion PhP | | |
| National Kidney and Transplant Institute | 0.6 | 0.5 | (20) |
| Philippine Children’s Medical Center | 0.9 | 0.5 | (42) |
| Philippine Heart Center | 0.7 | 0.4 | (48) |
| TOTAL | 126 | 144 | 14 |

The budget distribution by expense class in Figure 6, shows that 63% of the proposed budget is allocated for MOOE at PhP 91 B, 20% for Personnel Services at PhP 28 B, and 17% for Capital Outlay at PhP 25 B.

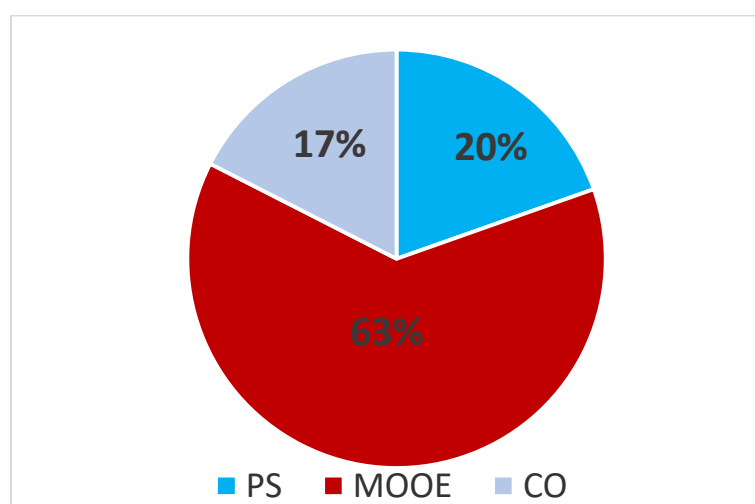


Figure 6. Proposed DOH Budget with Attached Agencies and Corporate Agencies & Hospitals, by Expense Class

Table 2 shows that PhP 71 B or 50% of the total proposed is allocated for preventive and promotive health care, this is followed by allocation for curative health care at PhP 64 B or 44%, and allocation for healthcare governance at PhP 9 B or 6%.

Table 2. Budget by Continuum DOH Proposed Budget FY 2017

| Continuum of Care | Amount in Billion PhP | % to Total |
|--------------------------------------|--------------------------|------------|
| Preventive and Promotive Health Care | 71 | 50 |
| Curative Health Care | 64 | 44 |
| Healthcare Governance | 9 | 6 |
| TOTAL | 144 | 100 |

Table 3 shows the proposed 2017 DOH major program allocation amounting to PhP 99.9 B. The highest allocation at PhP 50.2 B is for the subsidy for health insurance premium payments of indigents, senior citizens and families in conflict affected areas, followed by PhP 21.9 B for health facilities enhancement program.

Table 3. DOH FY 2017 Major Programs (DOH-OSEC & PhilHealth)

| Program/Project | NEP 2017 In Billion PhP |
|--|----------------------------|
| Expanded Program on Immunization | 7.1 |
| Family Health and Responsible Parenting | 4.3 |
| Other Infectious Diseases | 1.6 |
| TB Control | 1.3 |
| Elimination of Diseases | 0.8 |
| Rabies Control | 0.5 |
| Non-Communicable Disease Prevention and Control | 2.2 |
| Ops. Of Dangerous Drug Abuse Tx and Rehab Centers | 3.0 |
| Implementation of Doctors to the Barrios Program (+PS) | 7.0 |
| Health Facilities Enhancement Program | 21.9 |
| Subsidy for Health Insurance Premium Payments | 50.2 |
| TOTAL | 99.9 |

Proposed Budget: Care for All Life Stages and Triple Burden of Diseases

Programs under the Care for All Life Stages and Triple Burden of Diseases thrust include National Immunization Program, Family health and Responsible Parenting, Other Infectious Diseases, TB Control, Elimination of Diseases, Rabies Control, Non Communicable Disease Prevention and Control, and Operations of Dangerous Drug Abuse and Rehabilitation Centers.

The budget allocation for these programs shows a progressive increase from PhP 5 B in 2010 to PhP 10 B in 2016. In 2017, the proposed budget for these programs is PhP 21 B.

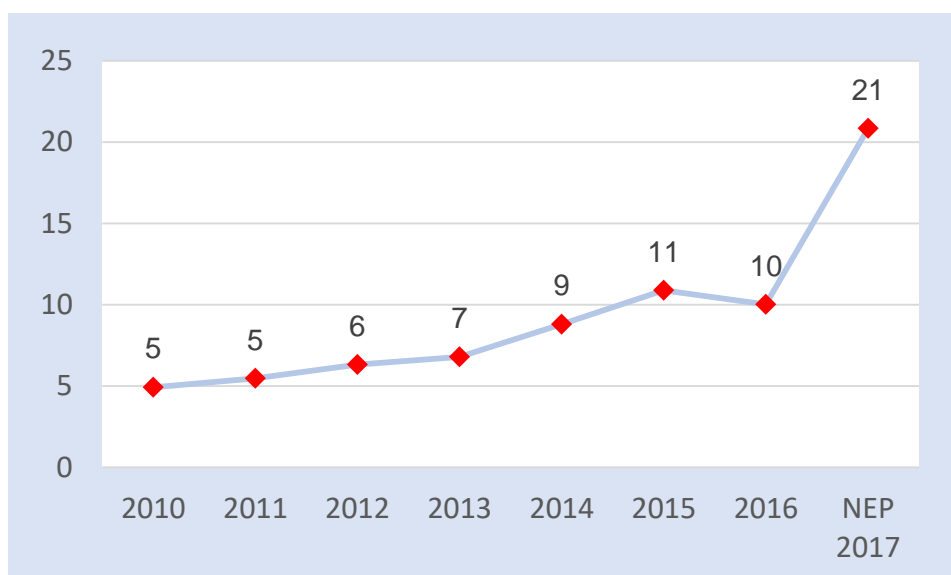


Figure 7. DOH Allocation 2010-proposed 2017 for Programs under Care for all Life Stages and Triple Burden of Diseases Thrust, In Billion PhP

Table 4 shows the corresponding targets for the programs under the Care for All Life Stages and Triple Burden of Diseases.

Table 4. Targets of the Programs under the Care for All Life Stages and Triple Burden of Diseases Thrust

| Program | Major Activities |
|---|--|
| National Immunization Program | <ul style="list-style-type: none"> Infants: <ul style="list-style-type: none"> Fully immunize 2.4 out of 2.5 M infants (95%) Provide 1.5 M infants with Pneumococcal vaccine |
| | <ul style="list-style-type: none"> Adolescents: <ul style="list-style-type: none"> Provide 5.3 M Grade 1 and Grade 7 students with Tetanus-Diphtheria and Measles-Rubella vaccine |
| | <ul style="list-style-type: none"> Senior Citizens: <ul style="list-style-type: none"> Provide 1.5 M senior citizens with influenza vaccine Provide 1 M senior citizens with Pneumococcal vaccine |
| Family Health and Responsible Parenting | <ul style="list-style-type: none"> Provide : <ul style="list-style-type: none"> Provide 1.3M pregnant women with Calcium Carbonate Provide 500 K females aged 9 yrs old with HPV vaccine Provide 16 M children <5 yrs old with Vit A supplementation Provide 667 K poor women with FP commodities and services Provide 3.4 M children <5 yrs old with Fluoride varnish & Oral prophylaxis |
| Other Infectious Diseases and TB Control | <ul style="list-style-type: none"> Diagnose: <ul style="list-style-type: none"> 567 K suspect Dengue cases Treat all diagnosed cases: <ul style="list-style-type: none"> 280 K TB cases 33 K HIV/AIDS cases |

| Program | Major Activities |
|---|--|
| | <ul style="list-style-type: none"> ▪ Deworm : <ul style="list-style-type: none"> - 10.8 M children aged 1-4 years old - 25 M children aged 5-14 years old |
| Elimination of Diseases and Rabies Control | <ul style="list-style-type: none"> ▪ Diagnose and treat: <ul style="list-style-type: none"> - 4,495 Malaria Cases ▪ Increase from: <ul style="list-style-type: none"> - 29 to 36 Malaria-free provinces - 33 to 36 Filaria-free provinces |
| | <ul style="list-style-type: none"> ▪ Mass drug treatment for: <ul style="list-style-type: none"> - 13.5 M at risk against Filariasis; - 2.5 M at risk against Schistosomiasis |
| | <ul style="list-style-type: none"> ▪ Complete 8 doses of Rabies vaccination for animal bites |
| Non Communicable Diseases | <ul style="list-style-type: none"> ▪ Provide maintenance drugs to: <ul style="list-style-type: none"> - Hypertensives(2.02 M with Losartan, 1.7 M with Amlodipine, 437 K with Metropolol) - Diabetics (1 M with Metformin) |
| | <ul style="list-style-type: none"> ▪ Provide treatment drugs for: <ul style="list-style-type: none"> - Breast, Childhood, Prostrate Cancer - Mental Illness |
| Ops of Dangerous Drug Abuse Tx and Rehab Centers | <ul style="list-style-type: none"> ▪ Treat and rehabilitate an estimated 24 K drug dependents for residential treatment services ▪ Implement Community-Based Treatment |

Proposed Budget: Care for Service Delivery Network

Programs under the SDN include Implementation of the Doctors to the Barrios and Rural Health Practice Program and the Health Facilities Enhancement program. The budget for these programs has been increasing from PhP 9 B in 2010 to PhP 25 B in 2016. The 2017 proposed budget allocated for the two programs is PhP 29 B.

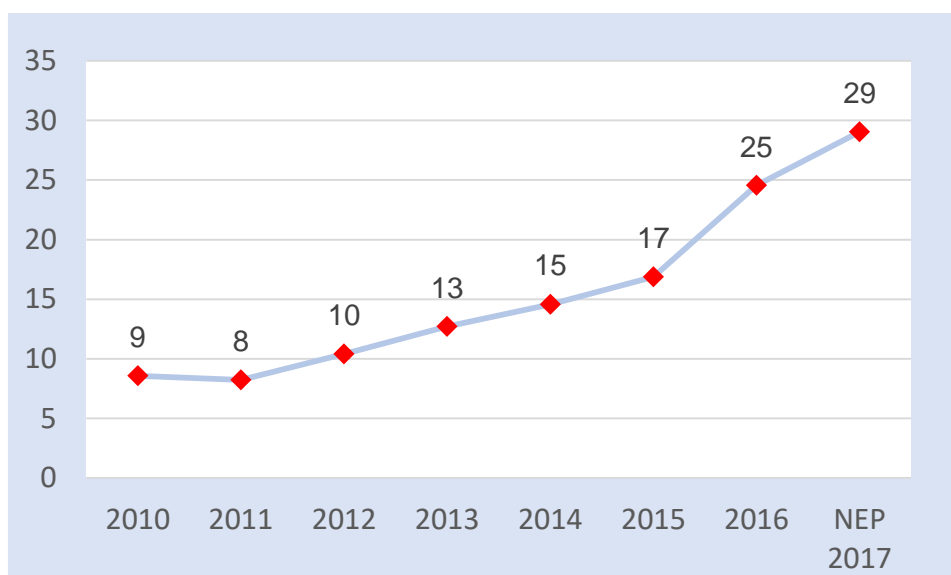


Figure 8. DOH Allocation 2010-proposed 2017 for Programs under Service Delivery Networks Thrust, In Billion PhP

Table 5 shows the corresponding targets for the programs under the SDN thrust.

Table 5. Targets of the Programs under the Service Delivery Networks Thrust

| Program | Major Activities |
|---|--|
| Implementation of the Doctors to the Barrios and Rural Health Practice Program | <ul style="list-style-type: none"> Continued deployment of the following cadres in 2017: <ul style="list-style-type: none"> 435 doctors (398 DTTBs and 37 medical pool doctors); 2,587 UHC implementers; 9,349 nurses; 243 dentists; 3,100 midwives; 308 medical technologists; and 2,803 public health associates. |
| Health Facilities Enhancement Program | <ul style="list-style-type: none"> Funding for the following health facilities: <ul style="list-style-type: none"> 207 Rural / Urban Health Centers 311 LGU Hospitals 58 DOH Hospitals 10 Cancer Centers 16 Treatment & Rehabilitation Centers 15 Psychiatric Facilities 42 Blood Service Facilities 8 Quarantine Stations |

Proposed Budget: Care for Universal Health Insurance

The National Health Insurance program (NHIP) is under the Universal Health Insurance thrust. The budget for NHIP has been increasing from PhP 4 B in 2011 to PhP 44 B in 2016. The 2017 proposed budget is PhP 50 B.

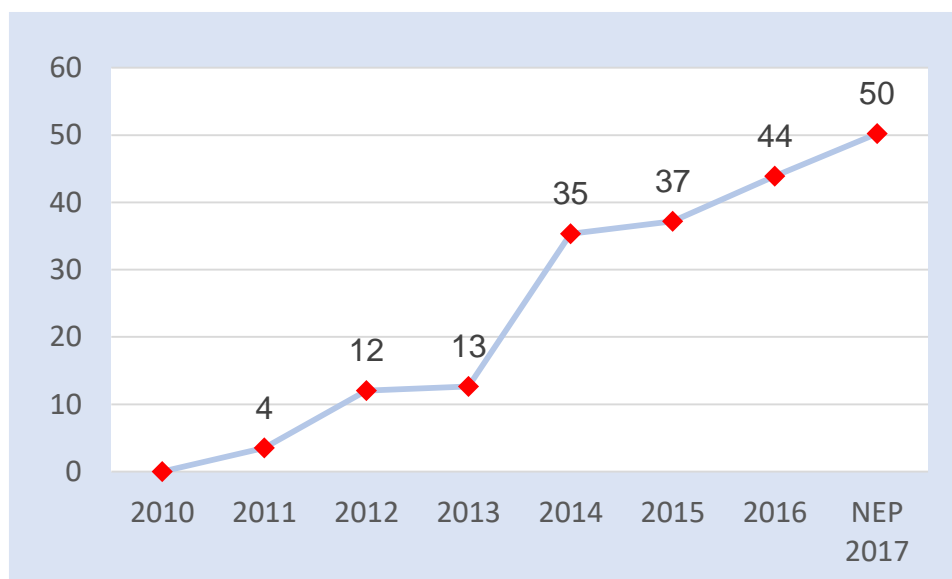


Figure 9. DOH Allocation 2010-proposed 2017 for Programs under Universal Health Insurance Thrust, In Billion PhP

With the proposed 2017 budget, the targets for NHIP are as follows:

Table 6. Targets of the Program under Universal Health Insurance Thrust

| Program | Major Activities |
|-----------------------------------|--|
| National Health Insurance Program | <ul style="list-style-type: none">Subsidize for the insurance coverage of:<ul style="list-style-type: none">15.44 M DSWD identified NHTS-PR families5.4 M Senior Citizens48 K beneficiaries in conflict areas<ul style="list-style-type: none">PAMANA 23 K beneficiariesBANGSAMORO 25 K beneficiaries |

Summary of the FY 2017 Proposed DOH-OSEC Budget

The National Expenditure Program FY 2017 for the Department of Health – Office of the Secretary is **PhP 90,919,894,000**. In Table 7, PhP 77 B out of PhP 91 B DOH-OSEC NEP 2017 is allocated for Operations - particularly for the provision of Technical Support, Hospital Services, Policy Development, and Regulation Services accounting to 85% of the proposed budget. The remaining 15% of the total budget is allocated for Projects, Support to Operations, and for General Administration and Support.

Table 7. DOH-OSEC NEP FY 2017, By Major Final Output

| Particulars | GAA 2016 ^c | NEP 2017 | % Increase (Decrease) |
|------------------------------------|--------------------------|-------------|--------------------------|
| | In Billion PhP | | |
| Operations | 69 | 77 | 13 |
| Technical Support Services | 49 | 51 | 4 |
| Hospital Services | 18 | 25 | 41 |
| Health Sector Reg. Services | 0.6 | 0.7 | 12 |
| Health Sector Policy Services | 1 | 0.6 | (55) |
| Locally Funded Projects | 1 | 5 | 223 |
| Support to Operations | 0.8 | 2 | 83 |
| General Administration and Support | 8 | 7 | (6) |
| TOTAL | 79 | 91 | 15 |

Compared with the GAA 2016 (net of NHIP allocation, see footnote for explanation), the NEP 2017 for the DOH-OSEC is 15% higher by PhP 12 B. The budget by expense class shows a 33% increase in the NEP 2017 allocation for Personnel Services which accounts to PhP 7 B and an increase by 25% in the MOOE allocation or by PhP 8 B. The Capital Outlay decreased by 9% or by PhP 2 B.

Table 8. DOH-OSEC NEP FY 2017, by Expense Class

| Expense Class | 2016 GAA | NEP | Difference | % Increase |
|---------------|----------|----------------|------------|------------|
| | | In Billion PhP | | (Decrease) |
| PS | 21 | 28 | 7 | 33 |
| MOOE | 30 | 38 | 8 | 25 |
| CO | 28 | 25 | (2) | (9) |
| TOTAL | 79 | 91 | 12 | 15 |

^c To make the figures comparable, the FY 2016 GAA appropriation was modified such that the appropriation for NHIP amounting to PhP 43B was not included in the computation since in the NEP 2017 the proposal is under the PhilHealth budget.