



Department of Health

BUDGET **BRIEFER**

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Current Health Situation

The Sin Tax Incremental Revenue for Health has significantly increased fiscal space for health. The Total Health Expenditures have risen from PhP 381 billion in 2010 to PhP 655 billion in 2016. The Sin Tax Incremental Revenue for Health in the 2019 NEP Budget is approximately PhP 66.8 billion, or 49% of the DOH-OSEC and PhilHealth budget (Figure 1).

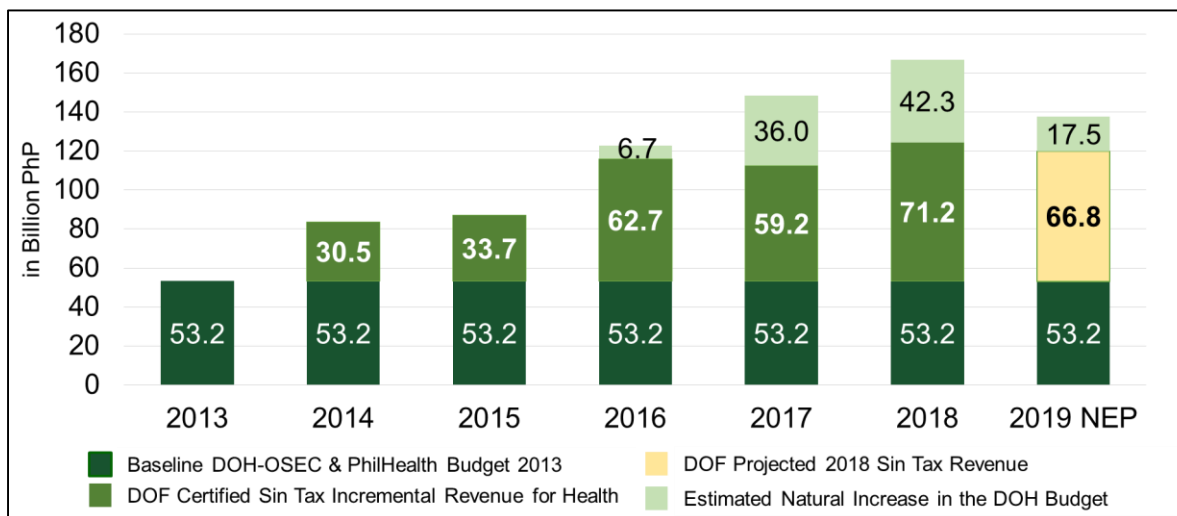


Figure 1. Sin Tax Earmarked for Health in the DOH Budget, in Billion PhP

Despite improvement in health expenditures, performance in health outcomes has been mixed. The improved health outcomes are on service coverage, disease free initiatives and social health insurance coverage. On the other hand, other health outcomes have either marginally improved or have even worsened.

Improved health performance	Marginal health performance
<ul style="list-style-type: none"> • Unmet Need for Family Planning: 22% in 2008 to 17% in 2017 (NDHS 2017) • Births occurred in a health facility: 44% in 2008 to 78% in 2017 (NDHS 2017) • Births attended by a skilled provider: 62% in 2008 to 84% in 2017 (NDHS 2017) • Malaria-free province: 23 in 2010 to 42 in 2017 out of 81 provinces (DPCB 2017) • Filariasis-free province: 7 in 2010 to 38 in 2017 out of 81 provinces (DPCB 2017) • PhilHealth Enrolment: 86% in 2010 to 93% in 2017 (PhilHealth Stats and Charts 2017) 	<ul style="list-style-type: none"> • Infant mortality rate 25 per 1,000 live births in 2008 to 21 per 1,000 live births in 2017 (among slowest in ASEAN) (NDHS 2017) • Children Under-five who are Stunted 32.3% in 2008 to 33.4% in 2015 (NNHS 2015) • Children aged 12-23 mos. given all basic vaccinations 79.5% 2008 to 69.9% in 2017 (NDHS 2017) • National Health Insurance Program <ul style="list-style-type: none"> ➤ Support value at ~50% ➤ Compliance to No Balance Billing for indigent and sponsored members at 73% (PhilHealth Stats and Charts 2017) ➤ 1.5 million Filipinos pushed to poverty from access to health services (WB 2014)





Improved health performance	Marginal health performance
	<ul style="list-style-type: none"> • Inequitable distribution of health workers Only 28,287 of 42,036 barangays with a dedicated health worker (<i>HHRDB 2018</i>) • Government health facilities remain overcrowded 136% Average Bed Occupancy Rate in DOH Hospitals (<i>HFDB 2016</i>)

When compared to our ASEAN neighbors, the Philippines ranks in the bottom half among selected indicators: average life expectancy, maternal mortality ratio, infant mortality rate, and TB incidence rate.

Ranking	Average Life Expectancy	Maternal Mortality Ratio	Infant Mortality Rate	TB Incidence Rate
1st (BEST)	Singapore	Singapore	Singapore	Brunei
2nd	Brunei	Thailand	Malaysia	Singapore
3rd	Vietnam	Brunei	Brunei	Malaysia
4th	Malaysia	Malaysia	Thailand	Vietnam
5th	Thailand	Vietnam	Vietnam	Thailand
6th	Indonesia	Philippines	Philippines	Laos
7th	Philippines	Indonesia	Indonesia	Cambodia
8th	Cambodia	Cambodia	Cambodia	Myanmar
9th	Myanmar	Myanmar	Myanmar	Indonesia
10th (WORST)	Laos	Laos	Laos	Philippines

When compared to the top 5 performing countries in terms of maternal mortality ratio and infant mortality rate, the package of effective interventions to address mortalities are already adopted in the Philippines through policy issuances. This implies the need for strengthening implementation since performance is still inequitable among socio-economic strata and geographic areas.

For TB incidence, the Philippines ranks as the worst performing in ASEAN. This can be explained by the change in diagnostic standards (i.e. nucleic acid amplification test technology).



DOH Strategic Framework, Priorities and Directives

FOURmula One Plus for Health

The **FOURmula One Plus for Health** (F1 Plus for Health) is the declaration of the government's commitments and strategies for the health of Filipinos. It shall guide the development of policies, plans, and programs within the Department of Health and its attached agencies and all other concerned institutions.

The vision of F1 Plus for Health is that Filipinos are among the healthiest people in Southeast Asia by 2022, and in Asia by 2040. Henceforth, DOH's mission is to lead the country in the development of a productive, resilient, equitable, and people-centered health system. The DOH will be guided by the core values of professionalism, responsiveness, integrity, compassion, and excellence in achieving the goals of ensuring better health outcomes, a more responsive health system, and a more equitable health care financing. These will be achieved through the four strategic pillars of financing, service delivery, governance, and regulation, with the cross-cutting initiative of performance accountability (Figure 2).

Health Financing

Under the Health Financing Pillar, the objective is to secure sustainable investments to improve health outcomes and ensure efficient and equitable use of health resources. In 2019, the Health Financing Pillar will be operationalized with the following targets:

Social Health Protection

- ▶ 100% of Filipinos with PhilHealth Coverage
- ▶ 100% of excess net bill incurred by poor in-patients admitted in basic accommodation or service ward is covered by MAIP Service Delivery

Service Delivery

Under the Service Delivery Pillar, the objective is to ensure the accessibility of essential quality health products and services at appropriate levels of care. In 2019, the Service Delivery Pillar will be operationalized with the following targets:

Public Health

- ▶ 85% of external clients rated the DOH Technical Assistance as satisfactory or better
- ▶ 95% Fully Immunized Child
- ▶ 34.3% modern Contraceptive Prevalence Rate
- ▶ + 10 Malaria-free provinces
- ▶ + 5 Filariasis-free provinces
- ▶ + 6 Rabies-free areas
- ▶ 75% of Antiretroviral Therapy (ART) eligible People Living with HIV on ART
- ▶ 90% Treatment Success Rate for all forms of Tuberculosis
- ▶ ↓ Premature mortality rate attributed to Non-Communicable Diseases



Health Facilities Operation

- ▶ <2% Hospital infection rate
- ▶ 80% of drug dependents completed the treatment program

Health Systems Strengthening

- ▶ 80% public health facilities with no stock-outs
- ▶ 17 HRH per 10,000 Population

Health Emergency Management

- ▶ 40% of LGUs with institutionalized Disaster Risk Reduction Management for Health Systems

Health Regulation

Under the Regulation Pillar, the objective is to ensure high quality and affordable health products, devices, facilities and services. In 2019, the Health Regulation Pillar will be operationalized with the following targets:

Health Regulatory Program

- ▶ 90% of health facilities & services compliant to regulatory policies
- ▶ 75% of establishments/ health products compliant to regulatory policies
- ▶ 95% of Public Health Emergency of International Concern and/or Public Health Risk rapidly responded at point of entry

Governance

Under the Governance Pillar, the objective is to strengthen leadership and management capacities, coordination, and support mechanisms necessary to ensure functional, people-centered and participatory health systems. In 2019, the Governance Pillar will be operationalized with the following targets:

Health Policy & Standards Dev't

- ▶ Score of at least 3 in the Performance Governance Strategic Readiness

Epidemiology & Surveillance

- ▶ 80% of epidemiological & public health surveillance report utilized



Figure 2. FOURmula One Plus for Health Strategy Map

FY 2019 DOH National Expenditure Program

The Department of Health (DOH) budget indicated in the National Expenditure Program (NEP) 2019 is PhP 142 billion. This proposed budget is 17% lower than the DOH budget in the General Appropriations Act of 2018 with a total of PhP 171 billion. However, it is only 12% lower when compared to the 2018 Monthly Disbursement Program amounting to PhP 154 billion¹ (Figure 3).

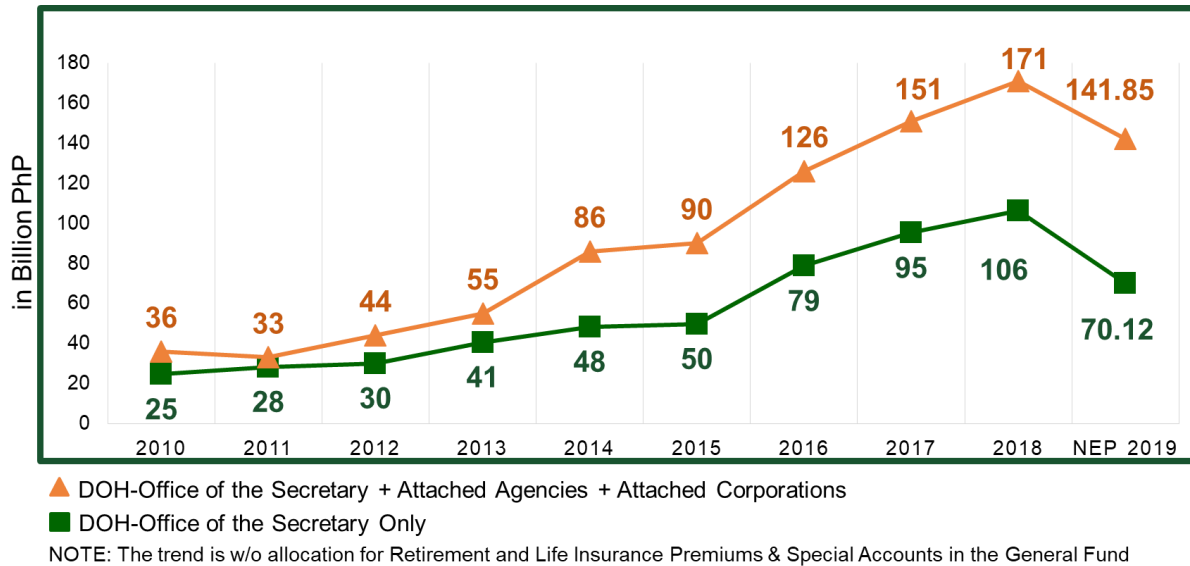


Figure 3. DOH-OSEC Budget Trend: GAA 2010-2018 & NEP 2019

Approximately, 54% of the 2019 National Expenditure Program, will be for the personnel services due to the implementation of the 2015 salary standardization law tranche 4. Maintenance and Other Operating Expenses is at 45%, and Capital outlay will just be 1% of the total budget (Table 1).

Expense Class	NEP 2019	% to Total NEP 2019
PS	38.01	54.2
MOOE	31.18	44.5
CO	0.94	1.3
TOTAL	70.12	100.0

Table 1. DOH - Office of the Secretary by Expense Class, in Billion PhP

¹ DBM Briefer on the FY 2019 Proposed National Budget



Php 70.12 billion or 49% of the 2019 NEP is for the DOH Proper, PhP 920 million or 0.64% for attached agencies, and the rest, Php 70.81 billion or 49.92% is for attached corporations. The highest share among the attached corporations is for PhilHealth at Php 67.35 billion or 47% of the whole DOH budget (Table 2).

Particulars	NEP 2019	% to Total NEP 2019
A. Department of Health – Office of the Secretary	70.12	49.44
B. Attached Agencies	0.92	0.64
National Nutrition Council	0.44	0.31
Commission on Population	0.47	0.33
C. Attached Corporations	70.81	49.92
Lung Center of the Philippines	0.23	0.16
National Kidney and Transplant Institute	0.86	0.61
Philippine Children's Medical Center	1.07	0.75
Philippine Heart Center	1.16	0.82
Phil. Inst for Traditional & Alternative Health Care	0.14	0.10
Phil. Health Insurance Corp. (PhilHealth)	67.35	47.48
TOTAL	141.85	100.00

Table 2. DOH NEP 2019 by Implementing Unit, in Billion PhP

Major program reductions are in the Health Facilities Enhancement Program from PhP 30 billion in 2018 to PhP 50 million in NEP 2019, followed by the Human Resources for Health (HRH) Deployment Program from PhP 9.6 billion in 2018 to PhP 1.17 billion in NEP 2019. However, there is a PhP 6.42 billion allocation for the HRH deployment program in the Miscellaneous Personnel Benefit Fund of the NEP 2019.

Other reductions in major programs are in Public Health Management, Prevention and Control of Other Infectious Diseases, Family Health, Nutrition and Responsible Parenting, Elimination of Diseases (Malaria, Schistosomiasis, Leprosy & Filariasis) and Operation of Dangerous Drug Abuse Treatment and Rehabilitation Centers. It should be noted that the Public Health Management funds only include soft components such as budgets for policy development, provision of technical assistance, training and monitoring, while the rest are for the procurement of commodities such as drugs and medicines (Table 3).



P/A/P	GAA 2018	NEP 2019	%Change (2018 vs. 2019)
Public Health Management	4.15	3.43	(17)
National Immunization	7.44	7.55	2
Family Health, Nutrition and Responsible Parenting	3.64	2.47	(32)
Prevention and Control of Other Infectious Disease	1.69	0.74	(56)
TB Control	0.78	0.88	12
Elimination of Diseases (Malaria, Schisto., Leprosy & Filariasis)	0.37	0.22	(41)
Rabies Control	0.58	0.91	56
Prevention and Control of Non-Communicable Diseases	0.43	0.56	29
Operations of Dangerous Drug Abuse Treatment and Rehab Centers	0.43	0.61	44
HRH Deployment (+PS)	9.6	1.17	(88)
Health Facilities Enhancement Program	30.27	0.05	(100)
Subsidy for Health Insurance Premium Payments	60.63	67.35	11
TOTAL	120.01	85.94	(28)

Table 3. Summary of Major Activities (MOOE & CO), in Billion PhP

The reduction in the budget was due to the government transition to cash-based programming by FY 2019. This considers the absorptive capacity of an agency measured by disbursement of funds. The budget utilization of the DOH – OSEC in 2017 by obligation is 95%, however utilization by disbursement over allotment is only 62%². This is driven by low disbursements in MOOE and CO (Table 4).

Expense Class	(a) Allotment	Obligation		Disbursement		
		(b) Amount	(b/a) %	(c) Amount	(c/b) %	(c/a) %
PS	26.54	26.23	99%	25.63	98%	97%
MOOE	38.66	36.89	95%	28.03	76%	73%
CO	27.87	25.68	92%	3.65	14%	13%
Total	93.07	88.80	95%	57.31	65%	62%

Table 4. Budget Utilization in 2017, in Billion PhP

² DOH Financial Accountability Report 2017 as of December 31, 2017 (data only include DOH-OSEC net of automatic appropriations)





CY 2019 Major Activities

Commensurate to the proposed budget are the major activities for the implementation of the F1 Plus for Health strategies and priority directives. The major activities of major P/A/Ps items are identified in Table 5.

P/A/Ps	Purpose	Activities
Public Health Management	Funds public health program activities: policy development, health promotion, technical assistance to LGUs, coordination w/ health partners, conduct of health research and monitoring & evaluation	<p>Implement integrated public health program strategies for:</p> <ul style="list-style-type: none"> ▶ Women, Men, and Children's Health Development Programs ▶ Infectious Diseases: HIV/AIDS, TB Control, Dengue, Food & Water-borne diseases, Emerging/Re-emerging Dis., Integrated Helminth Control ▶ Lifestyle Related Diseases Prevention and Control, and Essential Non-Communicable Disease Programs ▶ Elimination of Endemic Diseases: Malaria, Schistosomiasis, Filariasis, Leprosy, Rabies ▶ Environment and Occupational Health
National Immunization	Funds the procurement of vaccines for infants, adolescents and senior citizens	<p>Infants:</p> <ul style="list-style-type: none"> ▶ Provide 2.7 M infants vaccines for protection from: Tuberculosis, Hepatitis B, Diptheria, Pertussis, Tetatus, Polio, Measles, Rubella, & Influenza ▶ Provide 2 M infants with vaccine for protection from Pneumonia <p>Adolescents:</p> <ul style="list-style-type: none"> ▶ Provide 2.4 M Grade 1 and 1.9 M Grade 7 students with Tetanus-Diptheria and Measles-Rubella vaccine <p>Pregnant women:</p> <ul style="list-style-type: none"> ▶ Provide 2.7 M Pregnant Women with Tetanus vaccine <p>Senior Citizens:</p> <ul style="list-style-type: none"> ▶ Provide 2 M Seniors with Influenza vaccine ▶ Provide 500 K Seniors with Pneumococcal vaccine





P/A/Ps	Purpose	Activities
Family Health, Nutrition and Responsible Parenting	Funds the procurement of micronutrients for vulnerable groups and family planning commodities for poor Women of Reproductive Age (WRA)	<p>Provide</p> <ul style="list-style-type: none"> ▶ 3.25 M est. WRA, 800 K est. pregnant women, and 800 K lactating women with Iron Tablets with folic acid ▶ 100K Females (aged 9y/o) with HPV vaccine ▶ FP commodities for Poor WRA: 50 K (Pills), 180 K (Implants) ▶ 35 K Pregnant, 35 K Lactating mothers, and 100 K Children with Lipid-based Nutrients ▶ 500 K (12-23 mos.) and 500 K (6-11 mos.) children with micronutrient powder sachets
<p>Prevention and Control of Other Infectious Disease</p> <p>TB Control</p> <p>Elimination of Diseases</p> <p>Rabies Control</p>	Funds the procurement of diagnostic, treatment and preventive health services among the target population	<ul style="list-style-type: none"> ▶ Diagnose: 200 K suspected Dengue cases ▶ Provide vector control commodities and Dengue NS1 Rapid Diagnostic Test kits to all 17 regions (81 provinces) nationwide <p>Treat all diagnosed cases:</p> <ul style="list-style-type: none"> ▶ 45,107 K PLHIV (45,000 adults and 107 pedia) ▶ 400 K presumptive TB examined using TB diagnostic tool, 410 K susceptible TB cases in adults, 35 K children with preventive therapy, & 2 K drug resistant TB cases <p>Deworm:</p> <ul style="list-style-type: none"> ▶ 45 M children aged 1-18 years old <p>Increase from:</p> <ul style="list-style-type: none"> ▶ 42 to 52 Malaria-free provinces ▶ 38 to 43 Filariasis-free provinces ▶ 49 to 52 Rabies-free areas <p>Mass drug treatment for:</p> <ul style="list-style-type: none"> ▶ 6 M at risk against Filariasis; ▶ 2.4 M at risk against Schistosomiasis <p>Expand rabies vaccine coverage and expand deworming services to other vulnerable groups (pregnant women, WCBA, Targeted Indigenous Community.etc)</p>
Prevention & Control of Non-Communicable Diseases	Funds the procurement of treatment and preventive health services among the target population	<p>Provide maintenance drugs to:</p> <ul style="list-style-type: none"> ▶ 1.3 M Hypertensives ▶ 233 K Diabetics ▶ 166 K Hypercholesterolemia patients ▶ 150 Mental Health Access Sites





P/A/Ps	Purpose	Activities
Operation of Dangerous Drug Abuse Treatment and Rehab Centers	Funds the treatment and management of dangerous drug abuse cases in DOH-Drug Abuse Treatment and Rehabilitation Centers and in community-based drug rehabilitation centers	<p>Support to:</p> <ul style="list-style-type: none"> ▶ Operate the 13 DOH Drug Abuse Treatment & Rehabilitation Centers (DATRCs), 6 new DATRCs and initial operations of est. 12 new recovery clinics ▶ Assistance to Mega-DATRC Fort Magsaysay ▶ Assistance to DOH Hospitals & CHDs with Drug Rehab Facilities (CVMC, BGHMC, CARAGA RH), NRL-EAMC ▶ Policy development and capability building on Dangerous Drug Abuse Prevention and Treatment Program
Human Resource for Health Deployment	Funds the augmentation / complementation of HRH in primary health facilities in order to strengthen the capacity of the primary health care workforce and to support national and local health systems	<p>Continued deployment of a pool of HRH:</p> <p>Under the DOH-OSEC:</p> <ul style="list-style-type: none"> ▶ Deploy 243 Doctors ▶ Provide 2,593 Scholarship grants <p>Under the Miscellaneous Personnel Benefit Fund (MPBF), deploy:</p> <ul style="list-style-type: none"> ▶ 305 Doctors ▶ 6,009 Nurses ▶ 2,373 Midwives ▶ 157 Pharmacists ▶ 163 Dentists ▶ 335 Medical Technologists ▶ 1,583 Public Health Associates ▶ 200 Nutritionist-Dieticians ▶ 9 Project Assistants
Health Facilities Enhancement Program	Funds the enhancement of health facilities in order to improve “gatekeeping” and delivery of preventive/primary healthcare services, and decongest DOH hospitals to be able to provide affordable quality tertiary care and specialized treatments	Monitoring of projects funded in 2018, 2017 and previous years to ensure project completion.





P/A/Ps	Purpose	Activities
Subsidy for Health Insurance Premium Payments	Funds the full national government subsidy for the premiums of the poor families listed in the National Household Targeting System for Poverty Reduction, families in conflict areas, and Senior Citizens	Subsidize for the insurance coverage of: <ul style="list-style-type: none"> ▶ 15.44 M DSWD identified NHTS-PR families ▶ 5.4 M Senior Citizens ▶ 46 K Beneficiaries in conflict areas <ul style="list-style-type: none"> ▶ 23 K PAMANA Beneficiaries ▶ 23 K Bangsamoro Beneficiaries ▶ Indigent Patients at the Point of Service

Table 5. DOH Major Activities in CY 2019



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